

Annual Report

APR 18 1967

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

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Annual Report

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

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DISCRIMINATION PROHIBITED—Title VI of the Civil Rights Act of 1964 states: "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." Therefore, all programs and activities receiving financial assistance from the Department of Health, Education, and Welfare must be operated in compliance with this law.

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Letter of Transmittal

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., December 1, 1966.

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, 1966.

Respectfully,

John W. Gardner

Secretary.

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

285172

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

As of November 15, 1966

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WILBUR J. COHEN, *Under Secretary*

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HAROLD R. LEVY	*Assistant to the Secretary for Public Affairs.*
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CARLTON E. SPITZER	*Director of Public Information.*
EDMUND BAXTER	*Director of Field Coordination.*

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JOSEPH HUNT—*Program Services Associate Commissioner.*
RUSSELL J. N. DEAN—*Legislation and Public Affairs Assistant Commissioner.*
PAUL C. HOWARD—*Regional Operations Assistant Commissioner.*
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BERNARD E. NASH—*Deputy Commissioner, Administration on Aging.*

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DALE C. CAMERON, M.D.—*Superintendent.*
VACANCY—*Assistant Superintendent.*

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AMERICAN PRINTING HOUSE FOR THE BLIND

FINIS DAVIS—*Superintendent.*

GALLAUDET COLLEGE

LEONARD M. ELSTAD—*President.*

HOWARD UNIVERSITY

JAMES M. NABRIT, Jr.—*President.*

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REGION VI, KANSAS CITY, MO.

JAMES W. DOARN---------- *Regional Director.*

REGION VII, DALLAS, TEX.

JAMES H. BOND---------- *Regional Director.*

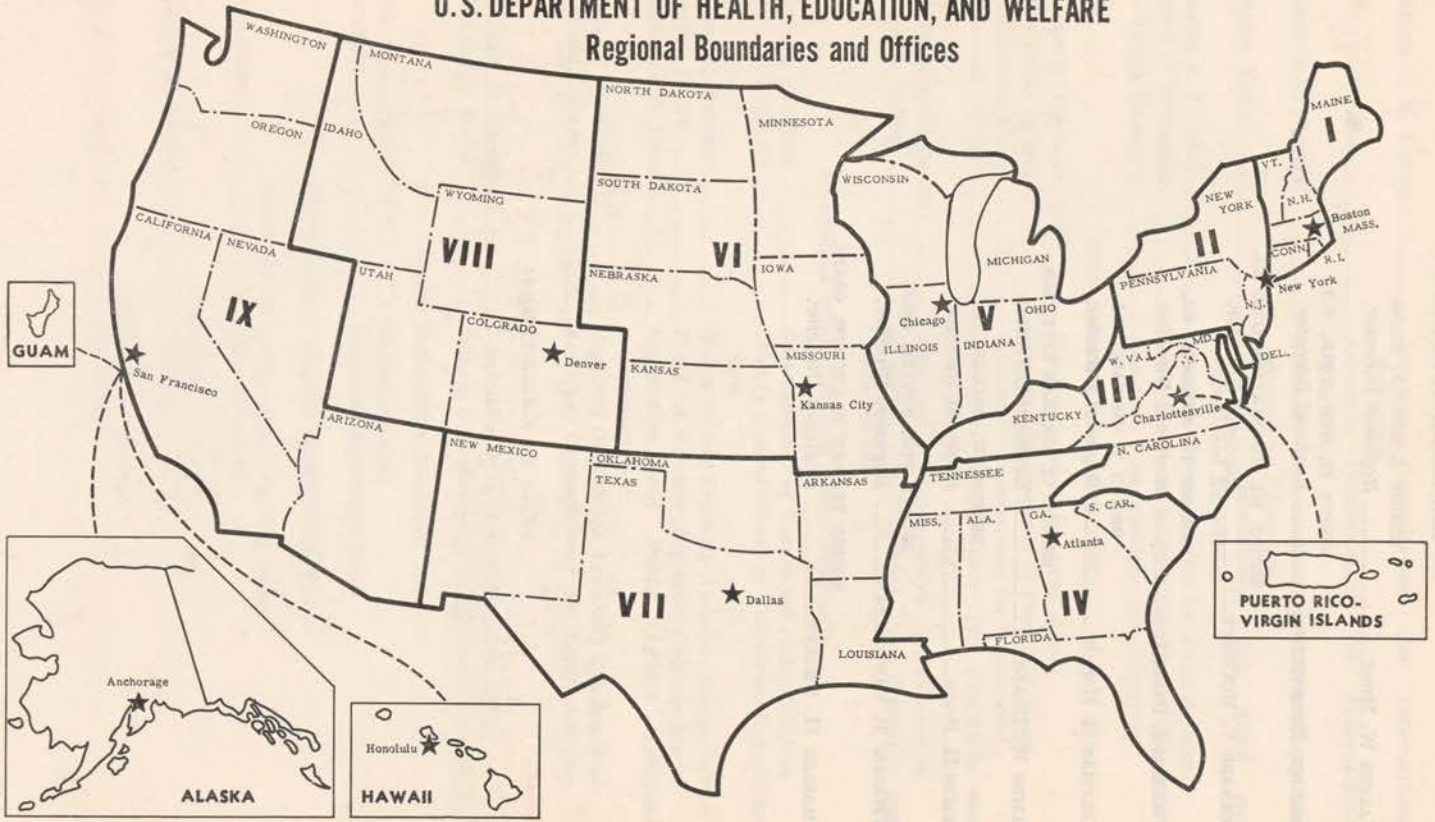
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U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Regional Boundaries and Offices

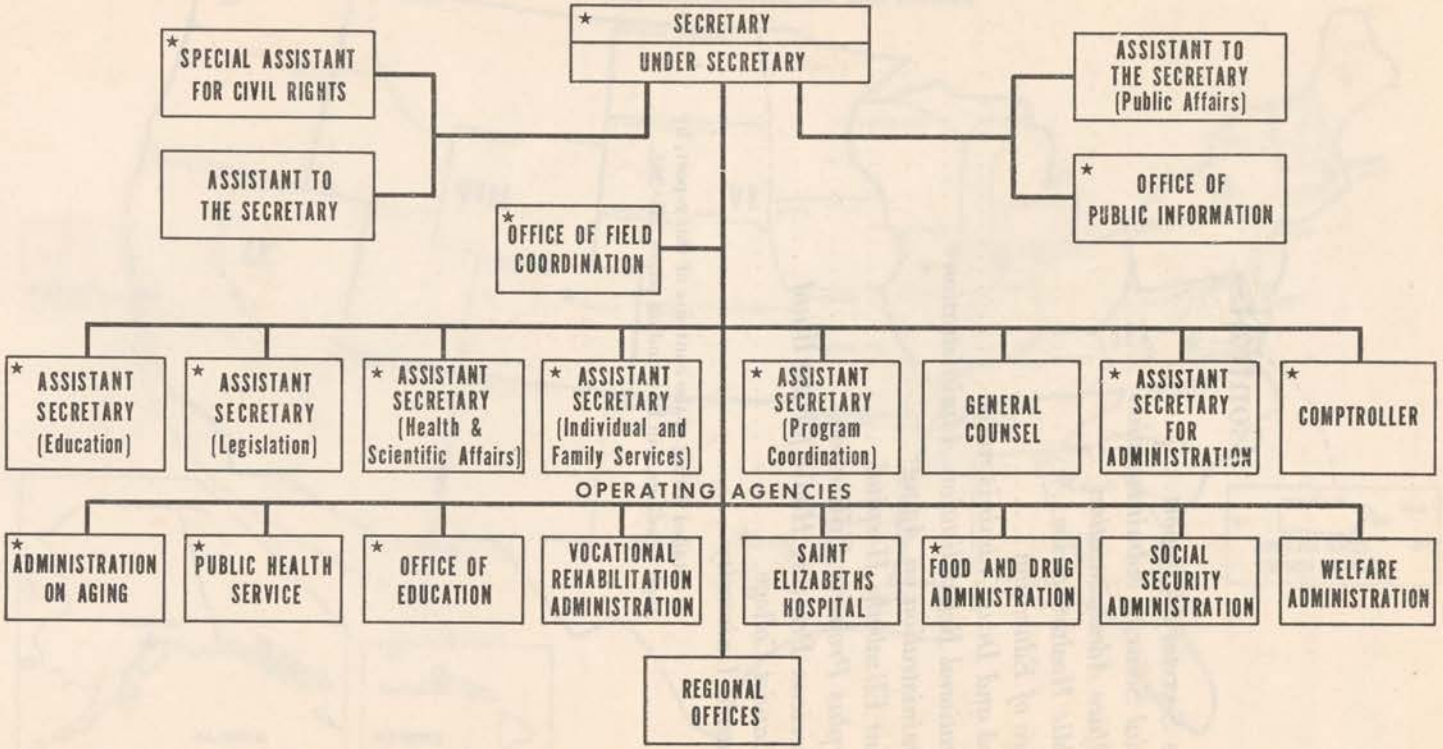


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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE



★Indicates appointment during fiscal year 1966 (see "The Secretary's Report").

The Secretary's Report

Organizations are no better than the people who make them up—and particularly no better than the people who head them. Accordingly, one of the most important things that happened to the Department of Health, Education, and Welfare during the year was a series of new appointments at the top levels of the organization. Of the 23 top posts on the organization chart, 15 incumbents were appointed during the year.

These new appointments reflect the outstanding characteristic of 1966: it was a year of unparalleled growth and change. Every agency and almost all the programs of the Department felt the impact of this change.

The historic flood of legislation of 1965 included some 30 major acts to establish or expand programs in health, education, vocational rehabilitation, consumer protection, welfare, and social security. Among these were many of the most innovative programs of the Great Society.

Organizing for the new programs and putting them into operation represented an enormous challenge to the Department. President Johnson said, for example, that preparations for the launching of medicare constituted the greatest civilian management effort in the history of this country. The work involved in getting the huge programs of the new Elementary and Secondary Education Act underway was almost as impressive. The pages of this annual report reflect the scope of these efforts.

The sheer size and scale of the new assignment led to major organizational changes, within the Office of the Secretary and in the operating agencies. They also gave renewed emphasis to the essential unity of the Department's mission and programs. To help coordinate these programs and to strengthen the administrative capacity of the Office of the Secretary, Congress authorized four new Assistant Secretary posts: for Program Coordination, Health and Scientific Affairs, Education, and Individual and Family Services. This in turn gave rise to a thoroughgoing reexamination of the Department's pattern of organization.

Among the important organizational changes were:

- A new Water Pollution Control Administration was created as a separate agency within the Department, following the enact-

ment of the Water Quality Act of 1965. Before the year was out, however, the new agency was transferred to the Department of the Interior.

- Under authority provided in the Older Americans Act of 1965, a new Administration on Aging was created on July 14, 1965.
- Major reorganizations were carried through in the Office of Education, Public Health Service, and the Food and Drug Administration. Authority to reorganize the health activities of the Department required legislative approval. This was obtained in Reorganization Plan No. 3 of 1966, which the President submitted to the Congress on April 25 and which went into effect on June 25.

The leadership, policy guidance, and coordinating functions of the Office of the Secretary were also enhanced by a series of significant organizational measures.

For example, the most demanding and controversial task carried through by the Department during the year consisted of its duties in bringing about compliance with title VI of the Civil Rights Act of 1964. To perform this task, the civil rights activities of the Department were completely reorganized. The post of Special Assistant to the Secretary for Civil Rights was created to coordinate the activities of the equal opportunity offices which were established in the agencies. That the Department rose to the challenge is demonstrated, for example, by hospital compliance figures under medicare: On July 1, 1966, when medicare went into effect, 6,418 general hospitals, representing 95.2 percent of the Nation's hospital beds, were in compliance with title VI and were eligible to participate in the program. Only 350 hospitals, concentrated largely in five States, were unqualified.

Another important step consisted of strengthening the field operations of the Department. With the extraordinary growth of HEW it became increasingly clear that the field organization had to be strengthened and given greater scope for effective decisionmaking at the local level. Only in this way is it possible to obtain an appropriate degree of responsiveness to local needs, and an adjustment of our programs to fit the special requirements of each area.

Furthermore, the coordination of Federal programs (either within HEW or among Federal agencies generally) at the local level is impossible unless there is strong field representation at that level among each of the agencies involved.

These were among the considerations that led to the reorganization of the Office of Field Administration and to its redesignation as the Office of Field Coordination.

In another organizational reform, the budget functions were lifted out of the Office of Administration and placed under the newly created post of Comptroller.

Action was also taken to improve the Department's public information operations. For some years the Department had functioned under a tightly centralized information setup which required clearance of publications and press releases in the Office of the Secretary. After a thorough study of this operation, the existing system was abolished and the major responsibility for information policy and practice was decentralized to the operating agencies.

One of the most important moves made during the course of the year was the appointment of the Assistant Secretary for Program Coordination, whose task is to create a program planning and budgeting system for the Department of Health, Education, and Welfare. In addition to his responsibilities for installing such a system, the new Assistant Secretary is initiating the kinds of research which will make it possible to proceed more intelligently in setting departmental goals and evaluating programs.

The theme of coordinated effort ran through all our activities for the year. It was a major consideration in the reorganizations which took place and was strongly emphasized in launching the new programs.

The heads of HEW operating agencies have shown an extraordinary willingness to work collaboratively toward common goals. For example, shaping the medicare program involved wholehearted and impressive collaboration between the Public Health Service and the Social Security Administration. Other new programs required equally close and sustained cooperative endeavor.

As the year ended, there was every indication that cooperation between the Department's constituent agencies was no longer an unsolved problem. They had proved their capacity to work together continuously and effectively. Two problems of coordination remained on our agenda: (1) Teamwork with other Federal departments; and (2) coordination at the community level. A number of positive steps were being taken (such as the above-mentioned improvements of HEW field operations) to remedy this situation.

By the end of fiscal year 1966, the Department of Health, Education, and Welfare was operating more than 200 separate programs which in one way or another touch the lives of every American. It was responsible for administering a budget of $9.9 billion.

Few of HEW's programs are carried out entirely by the Federal Government. Well over 90 percent of the Department's funds are allocated to non-Federal agencies, institutions, and individuals.

The work of HEW, in brief, is built on a series of partnerships between the Federal Government on the one hand, and State, local, and nongovernmental groups on the other. The goal of HEW is to strengthen those partnerships, at every level, in the interest of a better life for each individual in our society.

Table 1.—*Grants to States: Total grants under all Department of Health, Education, and Welfare programs, fiscal year 1966*

[On checks-issued basis]

States	Total	Welfare Administration	Public Health Service	Office of Education	Vocational Rehabilitation Administration	Administration on Aging	American Printing House for the Blind
Total	$5,855,446,472	$3,728,775,223	$386,293,681	$1,581,585,474	$156,526,371	$1,330,723	$935,000
Alabama	163,940,828	95,848,779	12,089,241	50,586,620	5,398,017	----------	18,171
Alaska	20,213,801	3,089,222	836,784	15,791,195	496,399	----------	201
Arizona	51,030,722	22,108,549	2,893,372	23,939,716	2,080,602	----------	8,483
Arkansas	96,308,350	57,614,371	6,725,535	26,746,803	5,134,600	76,500	10,541
California	757,727,134	579,726,310	23,156,121	144,244,222	10,430,084	81,500	88,897
Colorado	86,985,504	56,888,493	5,126,874	22,602,085	2,331,490	24,715	11,847
Connecticut	59,149,534	41,340,814	2,352,499	13,891,767	1,535,574	8,500	20,380
Delaware	12,339,442	5,447,978	1,476,177	5,036,631	349,219	26,827	2,610
District of Columbia	32,338,360	17,742,427	3,790,381	9,323,037	1,480,206	----------	2,309
Florida	151,468,646	88,313,520	11,968,194	44,994,200	6,029,327	135,998	27,407
Georgia	171,355,731	97,172,957	10,702,109	54,901,395	8,456,302	100,480	22,488
Hawaii	25,090,139	8,821,941	3,547,712	11,830,264	870,916	15,943	3,363
Idaho	20,857,581	11,023,825	2,058,370	7,323,367	450,614	----------	1,405
Illinois	231,936,542	163,435,870	11,086,870	51,141,531	6,228,350	----------	43,921
Indiana	72,530,185	35,009,175	6,226,215	29,939,716	1,336,607	----------	18,472
Iowa	76,350,160	41,441,273	6,754,233	26,031,855	2,101,648	8,000	13,151
Kansas	64,635,071	36,126,307	4,081,253	23,277,814	1,117,827	14,352	17,518
Kentucky	139,868,899	94,574,739	13,316,364	29,741,622	2,224,227	----------	11,947
Louisiana	180,705,452	147,364,899	10,559,563	18,266,089	4,467,960	30,125	16,816
Maine	31,909,148	18,004,917	2,823,060	10,488,637	589,372	----------	3,162
Maryland	87,195,541	47,498,154	5,612,883	31,539,322	2,466,423	54,665	24,094
Massachusetts	158,683,305	115,545,452	9,492,387	30,846,624	2,745,243	21,825	31,774
Michigan	173,064,781	115,104,576	13,233,727	40,789,426	3,832,859	67,600	36,593
Minnesota	106,737,739	78,617,019	7,617,159	18,250,242	2,238,361	----------	14,958
Mississippi	87,808,917	52,100,620	7,177,035	26,068,077	2,452,895	----------	10,290
Missouri	148,306,828	103,335,168	10,187,919	31,983,178	2,779,359	7,250	13,954
Montana	20,516,217	9,595,237	2,185,194	8,236,033	495,172	1,670	2,911
Nebraska	39,423,294	20,688,488	3,359,058	14,600,206	766,544	3,125	5,873
Nevada	13,822,922	5,825,862	597,061	6,813,687	584,204	----------	2,108
New Hampshire	15,050,543	5,761,000	3,162,910	5,861,148	261,469	----------	4,016
New Jersey	128,785,296	64,117,361	12,335,089	48,980,182	3,254,063	60,000	38,601
New Mexico	50,682,798	24,715,104	2,839,549	22,530,762	578,004	14,560	4,819
New York	487,667,137	364,502,218	25,390,507	86,465,723	11,170,837	47,499	90,353
North Carolina	158,304,191	83,390,017	13,533,318	55,707,873	5,645,877	----------	27,106
North Dakota	23,882,426	12,580,725	2,291,882	8,279,643	727,583	635	1,958
Ohio	204,313,320	126,923,930	16,760,255	56,381,539	4,164,112	40,868	42,616
Oklahoma	160,537,922	114,361,415	6,520,851	36,708,364	2,887,578	52,436	7,278
Oregon	49,337,497	30,395,228	4,770,042	12,467,508	1,691,266	----------	13,453
Pennsylvania	256,894,422	171,798,135	23,749,525	47,530,274	13,656,486	95,350	64,652
Rhode Island	33,753,022	18,473,686	4,672,911	9,314,544	1,197,348	88,610	5,923
South Carolina	73,196,048	28,597,389	9,441,219	31,592,966	3,553,331	----------	11,143
South Dakota	22,732,432	10,580,151	1,427,759	9,907,959	813,551	----------	3,012
Tennessee	124,304,122	64,661,767	9,357,424	46,330,191	3,862,121	75,000	17,619
Texas	317,687,195	191,229,823	21,082,894	99,631,063	5,626,002	79,716	37,697
Utah	33,179,139	16,385,370	2,625,608	13,401,020	711,328	50,994	4,819
Vermont	13,641,766	7,682,276	1,824,850	3,682,233	430,007	21,245	1,155
Virginia	89,294,167	32,481,704	10,084,768	42,892,012	3,812,141	----------	23,542
Washington	95,472,852	61,042,274	5,789,960	26,380,410	2,243,234	1,363	15,611
West Virginia	82,272,039	47,340,530	6,686,088	23,525,805	4,705,109	----------	14,507
Wisconsin	74,163,927	48,652,912	6,113,292	15,130,907	4,230,493	23,372	12,951
Wyoming	11,043,643	5,105,936	1,003,045	4,431,020	501,986	----------	1,656
Canal Zone	297,285	----------	----------	297,185	----------	----------	100
Guam	1,953,441	435,630	198,909	1,226,430	92,472	----------	----------
Puerto Rico	64,233,092	28,270,241	9,372,594	23,958,374	2,627,114	----------	4,769
Virgin Islands	1,900,947	728,848	318,912	765,414	87,773	----------	----------
Wake Island	325,329	----------	----------	325,329	----------	----------	----------
Trust territories	181,820	----------	----------	181,820	----------	----------	----------
Undistributed	1,942,119	845,389	16,093,830	18,472,415	3,475,315	----------	----------

Social Security Administration

Introduction

THE SOCIAL SECURITY ADMINISTRATION administers the Federal social security program, which provides retirement, survivors, and disability insurance, and health insurance for the aged. This program today is firmly established as the basic method in the United States of assuring income to individuals and families when workers retire, become disabled, or die. More than 9 out of 10 people in paid employment and self-employment are covered or eligible for coverage under the program.

The provisions of the Federal Credit Union Act are administered by the Social Security Administration's Bureau of Federal Credit Unions. Under the Federal Credit Union program, groups may secure Federal charters for credit unions. A Federal credit union provides for its members an outlet for investing their savings and a source from which they may borrow easily and at reasonable rates of interest.

Developments in Social Security

About 83.5 million people contributed to social security in calendar year 1966. Today, 95 out of 100 mothers and children are protected against the risk of loss of income from the death of the family breadwinner. The survivorship protection alone, as of January 1, 1966, had a face value of about $700 billion.

About 21.7 million men, women, and children—one out of every nine persons in the country—were receiving monthly social security benefits as fiscal year 1966 ends. The beneficiaries include about 14.6 million retired workers and dependents of retired workers, 1.9 million disabled workers and their dependents, and 5.2 million survivors of deceased workers.

Of all those who were 65 or over at the beginning of 1967, 89 percent were receiving benefits or were eligible to receive benefits when they or their spouses retire. The proportion of the aged who have this protection increases as time goes by because more people have the opportunity

to work in covered employment long enough to be insured. Of those who reached 65 in 1966, 92 percent were eligible for social security cash benefits. Projections into the year 2000 indicate that 96 percent of all aged persons will by then be eligible for benefits under the program.

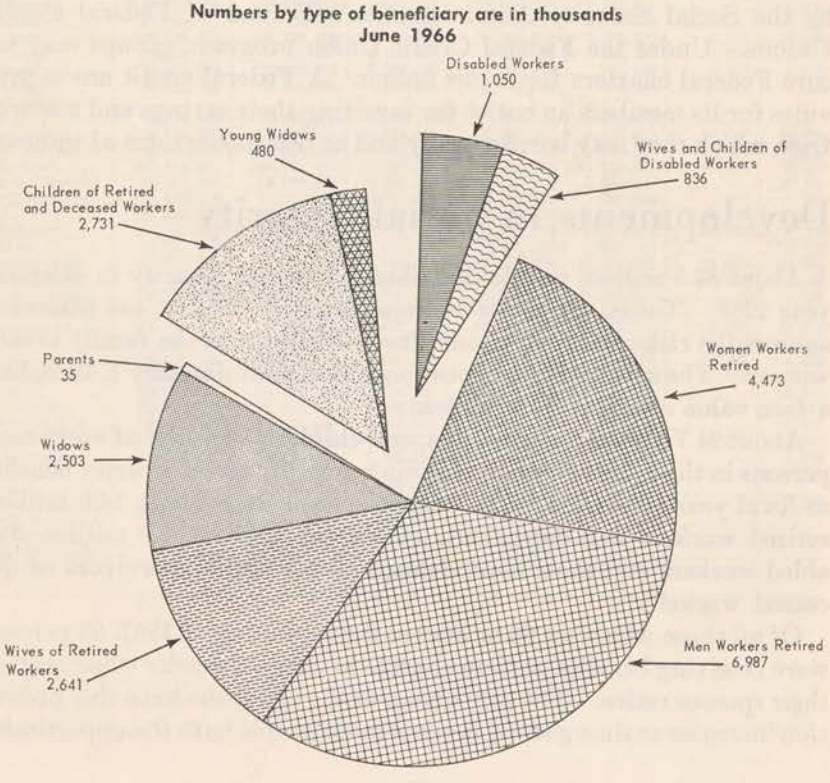
About 19 million people were 65 or over when the health insurance plan enacted in July 1965—popularly known as medicare—went into effect. Nearly all of them were eligible for basic hospital benefits when the program began in July 1966, and more than 90 percent of them had also enrolled for the voluntary supplementary medical insurance which the law provided.

What the Program Did in Fiscal Year 1966

Beneficiaries and Benefit Amounts

Retirement, survivors, and disability benefit payments in fiscal year 1966 totaled $19.8 billion—19 percent more than the amount paid dur-

CHART 1.—21.7 MILLION BENEFICIARIES



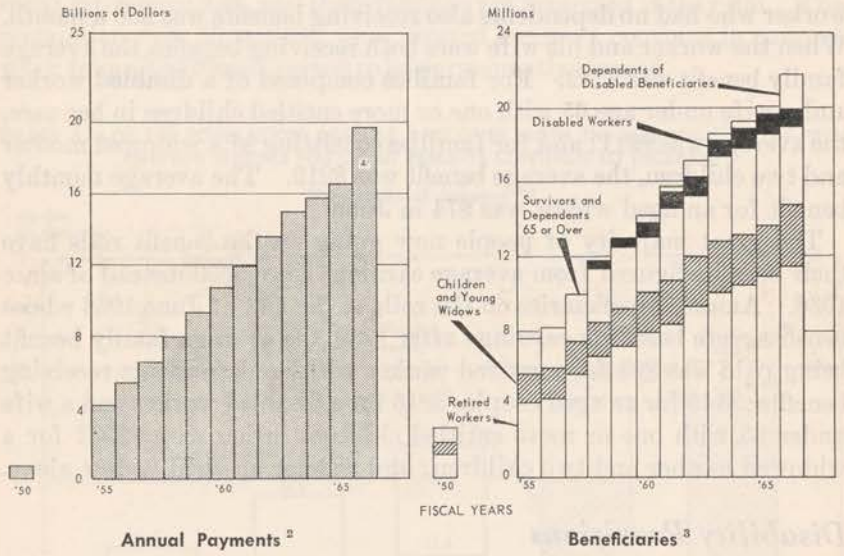
ing the preceding year. This increase was due partly to the retroactive payment in September 1965 of monthly benefit increases provided by the 1965 amendments for the January–August period.

Benefit payments to disabled workers and their dependents were $1.7 billion, 24 percent higher than in fiscal year 1965.

Monthly benefits paid to old-age and survivors insurance beneficiaries rose 19 percent to $17.8 billion, and lump-sum death payments amounted to $224 million—about $6 million higher than in the previous fiscal year (chart 2).

More than 4.1 million new monthly benefit awards were made in the fiscal year, 943,000 more than the previous record number awarded in 1962. New highs were set for awards of old-age benefits (1,728,000), child's benefits (1,113,000), and widow's or widower's benefits (437,000).

CHART 2.—BOTH BENEFIT PAYMENTS AND NUMBER OF BENEFICIARIES HAVE INCREASED RAPIDLY SINCE 1950 [1]



[1] The 1950 amendments made major improvements in the program.
[2] Payments in fiscal year. Includes lump-sum death payments.
[3] Beneficiaries on the rolls at the end of the fiscal year.
[4] Part of the increase in 1966 was due partly to the retroactive payment in September 1965 of monthly benefit increases for the January–June 1965 period.

The record number of awards was due mainly to (1) the estimated one-half million benefits awarded to persons 65 and over who had not yet retired but who filed applications to establish entitlement to OASDI benefits in order to qualify for hospital insurance benefits, and (2) awards to persons who qualified for benefits under the 1965 amend-

ments, including 527,000 student child's benefits, 158,000 actuarially reduced widow's benefits, and 123,000 benefits awarded under the transitional insured status provision, which makes benefits possible for many people 72 or older who had not worked long enough to qualify under the old law.

From September 1965 through June 1966, over 855,000 monthly benefits were awarded to persons who qualified solely as a result of the 1965 amendments.

The number of monthly benefits in current-payment status increased by 1.6 million (8 percent) to 21.7 million (charts 1 and 2) during the year, and the monthly rate rose $223.7 million (16 percent) to almost $1.6 billion. The sharp increase in the monthly rate was due in part to the higher benefit scale provided in the 1965 amendments. Other factors were (1) the normal growth in the beneficiary rolls, and (2) awards to persons who became entitled to benefits solely as a result of the 1965 amendments.

In June 1966 the average old-age benefit being paid to a retired worker who had no dependents also receiving benefits was $80 a month. When the worker and his wife were both receiving benefits, the average family benefit was $142. 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 $211; and for families consisting of a widowed mother and two children, the average benefit was $219. The average monthly benefit for an aged widow was $74 in June.

The great majority of people now going on the benefit rolls have their benefits figured from average earnings since 1950 instead of since 1936. Among beneficiaries on the rolls at the end of June 1966 whose benefits were based on earnings after 1950, the average family benefit being paid was $88 for a retired worker with no dependents receiving benefits; $149 for an aged couple; $216 for a disabled worker and a wife under 65 with one or more entitled children in her care; $233 for a widowed mother and two children; and $84 for an aged widow alone.

Disability Provisions

During the fiscal year, a period of disability was established for about 283,000 workers, 29,000 more than the previous high set in fiscal year 1965. The increase resulted partly from workers who were allowed a period of disability as a result of the modified definition of disability provided by the 1965 amendments. For the third consecutive year, the number of persons who met the disability requirements for childhood disability benefits totaled 22,000.

The number of disabled workers receiving monthly benefits rose 11 percent in the fiscal year and totaled 1,050,000 at the end of June.

About 836,000 benefits were being paid to the wives, husbands, and children of these beneficiaries—a 19-percent increase. By the end of June 1966, child's monthly benefits were being paid at a monthly rate of $10.8 million to 207,000 disabled persons 18 and over—dependent sons or daughters of deceased, disabled, or retired insured workers—whose disability began before age 18. About 24,000 women were receiving wife's or mother's benefits solely because they were the mothers of disabled persons receiving child's benefits.

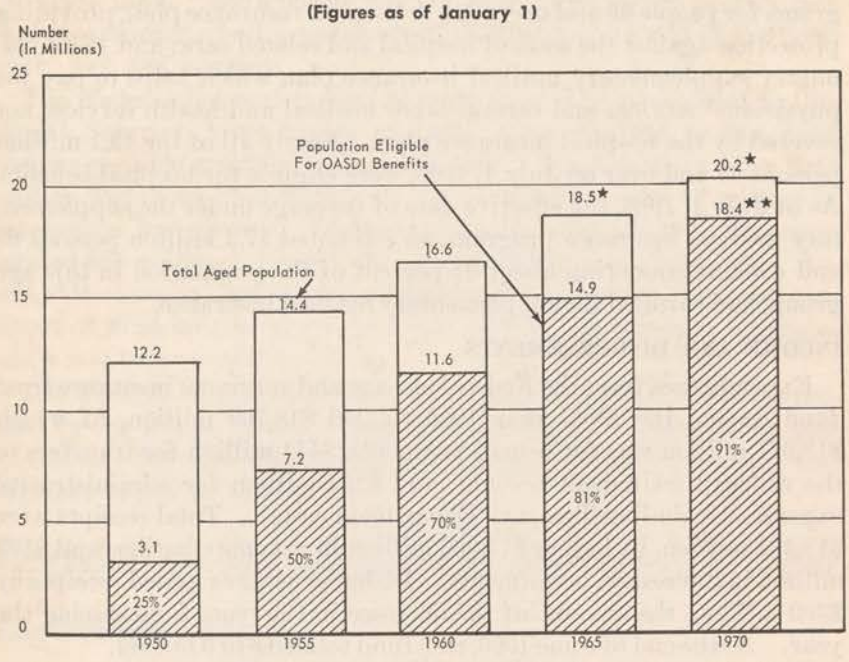
Protection Provided

INCOME MAINTENANCE

At the beginning of calendar year 1966, almost 96 million people had worked long enough in covered employment to be insured for benefits under the program. Some 60 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.

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

(Figures as of January 1)



★ Includes allowance for underenumeration in the census counts on which population projections are based.
★★ Includes certain noninsured persons aged 72 and over receiving monthly benefits.

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 84 million were insured. Some 49 million of them were permanently insured, including about 2 million men and 1.2 million women 62–64 who were already eligible for old-age benefits on a reduced basis. About 56 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 1966, 15.6 of the 18.9 million persons 65 or over in the United States were eligible for monthly benefits under the program. Some 75 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 89 percent of all aged persons will be eligible for benefits at the beginning of 1967, including persons who can receive monthly payments under the provision in Public Law 89–368 (the Tax Adjustment Act of 1966) that provides payments for certain uninsured individuals 72 or over. This proportion is expected to rise to 91 percent by the beginning of 1970 (chart 3).

HEALTH INSURANCE

The 1965 amendments established 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 voluntary supplementary medical insurance plan which helps to pay for physicians' services and certain other medical and health services not covered by the hospital insurance plan. Nearly all of the 19.1 million persons 65 and over on July 1, 1966, were eligible for hospital benefits. As of July 1, 1966, the effective date of coverage under the supplementary medical insurance program, an estimated 17.3 million persons 65 and over, representing about 91 percent of the population in this age group, had enrolled for supplementary medical insurance.

INCOME AND DISBURSEMENTS

Expenditures from the Federal old-age and survivors insurance trust fund during the fiscal year 1966 totaled $18,769 million, of which $18,071 million was for benefit payments, $444 million for transfers to the railroad retirement account, and $254 million for administrative expenses (including Treasury Department costs). Total receipts were $18,461 million, including $17,866 million in net contributions and $595 million in interest on investments. Disbursements exceeded receipts by $309 million, the amount of the decrease in the trust fund during the year. At the end of June 1966, this fund totaled $19.9 billion.

Total assets of the old-age and survivors insurance trust fund, except for $2 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 $14.4 billion was invested in securities of varying maturities issued solely for purchase by the trust fund. The average interest rate, based on the coupon rate and face amount of all investments of this fund at the end of the fiscal year, was 3.54 percent.

Expenditures from the Federal disability insurance trust fund during the fiscal year 1966 totaled $1,930 million. Benefit payments accounted for $1,720 million, administrative expenses $183 million, and transfers to the railroad retirement account $25 million. In addition, $1 million was disbursed to vocational rehabilitation agencies to help pay the cost of rehabilitation services furnished to disabled-worker beneficiaries and disabled-child beneficiaries 18 and over, as provided by the 1965 amendments. Total receipts were $1,611 million, including $1,557 million in net contributions and $54 million in net interest on investments. Disbursements exceeded receipts by $319 million, the amount of decrease in the fund during the year. At the end of June 1966, the fund totaled $1,688 million.

Assets of the disability insurance trust fund consisted of $1,463 million in U.S. Government securities and a cash balance of $225 million. The invested assets consisted of $313 million in public issues and $1,150 million in securities of varying maturities issued solely for purchase by the trust fund. The average interest rate, based on the coupon rate and face amount of all investments of this fund at the end of the fiscal year, was 3.87 percent.

The Federal hospital insurance trust fund was established by the Social Security Amendments of 1965. Contributions to this fund became payable starting in January 1966. Total receipts were $915 million including $909 million in net contributions and $6 million in interest on investments. Disbursements for administrative expenses totaled $64 million. Benefit disbursements began in July 1966. Assets of the hospital insurance trust fund at the end of the fiscal year consisted of $786 million in public issues of U.S. Government securities and a cash balance of $65 million.

The Federal supplementary medical insurance trust fund was created by the Social Security Amendments of 1965. Payment of premiums into the fund and expenditures from the fund for benefits and expenses began in July 1966.

Legislative Developments During the Year

Legislation Enacted

The 1965 amendments to social security had greater scope and impact than any previous social security amendments. The increase in

social security benefits, including both cash benefits and health insurance, will be about $6.1 billion in the first full year of operation—$24.9 billion in 1967 as compared with an expected expenditure of $18.8 billion for 1967 under the old law.

These amendments increased cash benefits 7 percent, extended children's benefits from age 18 to age 22 for those attending school full time, made it possible for widows to get benefits at age 60 (in a reduced amount), lowered the number of social security credits that people 72 and over must have to qualify for benefits, increased to $1,500 a year the amount a beneficiary may earn before any benefits are withheld, brought under social security the earnings of self-employed doctors, provided for coverage of earnings received in the form of tips, and made a number of other improvements.

Under a provision in the Tax Adjustment Act of 1966, certain people age 72 and older who are not eligible for regular social security benefits can get a special monthly cash payment of $35. (A woman who is otherwise eligible and who is married to a man who qualifies will get a payment of $17.50.) A person who is eligible to receive a pension, retirement benefit, or annuity under any governmental pension system will have the special payment reduced by the amount of the other governmental payment. In addition, these special payments are suspended for any month for which the beneficiary receives payments under a federally aided public assistance program. People who are now 72 and over, or who will attain 72 before 1968, can qualify for the payments without any previous coverage under social security. The cost of making these special payments to people who never worked under social security or who worked very little under social security will be met from general funds of the Treasury, not from the social security trust funds. Uninsured people reaching 72 in or after 1968 will need at least 3 quarters of coverage for each year elapsing after 1966 and up to the year in which they attain 72 in order to qualify.

Legislation Considered

Proposed legislation designed to effect a measure of coordination between the social security program and the Federal civil service and foreign service retirement systems was recommended by President Johnson's Cabinet Committee on Federal Staff Retirement Systems after a comprehensive study of the present retirement-system provisions for Federal employees. The Commissioner of Social Security participated in the Committee's study as the alternate for the Secretary of Health, Education, and Welfare. The Committee's proposals relating to social security protection of Federal employees were included

in three of the recommendations in its report, which was endorsed by President Johnson and transmitted to the Congress in March 1966.

Under one of the recommendations, workers who have employment subject to the civil service or foreign service retirement system but die or become disabled before they are eligible for protection under their staff retirement system or leave the Federal service and do not have protection under the staff retirement system when they die, become disabled, or reach retirement age, would have their service under the staff retirement system credited under social security as though it had been covered work. This recommendation reflects an approach similar to the one that was taken by the 1965 Advisory Council on Social Security and also is similar to the approach taken in a joint report prepared by the Civil Service Commission and the Social Security Administration in 1965.

Under a closely related recommendation, employees and their survivors who become eligible for annuities under the civil service or foreign service retirement system would be guaranteed that the payments they receive under the staff retirement system (or, if they are also eligible for social security benefits, under the staff retirement system and social security together) will be at least at the level that would be payable if their Federal service had been covered under social security.

The Committee also recommended that those Federal employees who are covered only under a staff retirement system should have health insurance protection after they reach age 65 on the same basis as workers who are covered under social security. This would be accomplished by covering under the hospital insurance provisions of social security the Federal employment of all persons who in the future enter or re-enter Federal service that is now covered only by a staff retirement system and the Federal employment of present employees who desire social security hospital insurance coverage. In the case of employees and annuitants who become eligible for social security hospital insurance under this plan and who desire broader protection than they obtain under social security health insurance (including the supplementary social security medical insurance program), the Committee recommended that the Federal Government make available complementary health insurance designed to maintain protection at approximately the level afforded by the Government-wide high-option plans of the Federal Employees Health Benefits Act of 1959, with the cost of this complementary insurance being shared by the Government and the participants.

While these proposals were not enacted in 1966 it appeared likely that they would receive further congressional consideration in 1967.

Future Program Improvements

The social security program directly affects just about all Americans, and if it is to remain geared closely to the needs of people, it must continue to be responsive to changing social and economic conditions.

Cash Benefit Levels

Social security cash benefits are the major reliance of nearly everyone for income security in old age, and, in a great many cases, the sole reliance. The adequacy of social security benefits, then, is critical to the security of older Americans today and tomorrow.

Social security benefits are now too low to assure a reasonable continuing income for those who are no longer in the labor force. The average benefit for retired workers 65 and over with no dependents getting benefits is only $82 a month—$984 a year. For a couple both of whom are 65 or over, it is $142 a month—$1,704 a year. Under the measure of poverty recently developed by the Social Security Administration for the country as a whole, a person 65 or over living alone generally needs at least $1,470 a year and an aged couple needs at least $1,850 a year to remain above the poverty level. Even after the increase provided in the 1965 amendments, some 5 million of the 14.6 million people 65 and over who are now getting social security benefits have incomes below this level, and an additional 3 million have incomes that are just above the poverty level.

The benefits are also too low for the average worker of the future to maintain a level of living in retirement necessarily related to the level attained while working. If the program is to continue to serve the average and above average worker, benefits must be improved at all levels.

The President has asked the Secretary of Health, Education, and Welfare to study ways of making social security benefits more adequate while keeping the program financially sound. Among the proposals that were given attention, in the course of this study, were proposals to provide a special minimum benefit that would be higher than the regular minimum and go to people who had worked under social security for many years. Many people getting social security benefits at or near the minimum payable under the program are workers (or dependents of workers) who were insured on the basis of occasional work in covered employment. There are, however, some people who worked regularly in covered jobs and who nevertheless get low benefits. A special minimum, higher than the regular minimum, for people with long-term coverage under the program would assure more adequate benefits for people who were regularly employed at low wages without

paying benefits well in excess of the regular minimum to people who had insignificant attachment to the program.

Also, various proposals were studied for liberalization of the provision in the law, generally referred to as the retirement test, under which benefits are payable in full only if a person's earnings do not exceed $1,500 in a year. The amount a beneficiary can earn in a year and still get full benefits might well be increased in view of increases in wages and prices that have occurred since that amount was set.

Disability Protection

The disability insurance provisions, which were modified in several respects by the Congress in 1965, now provide increased protection to workers and their families against loss of earnings when the breadwinner becomes severely disabled. However, one important group is left out of the present program.

The 1965 Advisory Council on Social Security recommended that benefits be provided for this group—widows who become disabled before age 62. Since many women recently widowed do not have substantial recent employment, and therefore could not meet the insured-status requirements for disability insurance benefits on their own earnings records, many disabled widows cannot qualify for any benefits under the program unless they have in their care a child entitled to benefits or are aged 60 or over. A widow under age 60 with no minor children in her care may ordinarily be presumed to be able to work. However, such a presumption is not valid if the widow is unable to work on account of disability. Under this Advisory Council proposal the widow of an insured worker would be entitled to widow's benefits regardless of her age if she became disabled before (or within a limited period after) her husband's death or her entitlement to mother's benefits ended.

In addition, the adequacy of benefit levels is an especially significant aspect of disability protection under the program. The disabled worker beneficiary not only is unable to engage in any substantial gainful activity—and thus unable to supplement his benefits by working—but also has lost his earning capacity before retirement age so that he has had limited opportunity to accumulate savings and other financial assets.

Studies are being continued of additional ways to extend disability protection under the program to disabled workers and their families who are not eligible for benefits under present law.

Health Insurance

While primary attention was given to implementation of the 1965 amendments establishing the health insurance and supplementary

medical insurance programs, these programs have also been under review with a view towards possible legislative recommendations, not only for minor revisions, the need for which is brought out in the operation of the programs, but also for extensions to close the most serious gaps in the protection of the programs. One such gap is the lack of health insurance for social security disability beneficiaries. The 1965 Advisory Council on Social Security recognized that when a worker becomes severely disabled, just as when he retires, he suffers a serious drop in income, accompanied by an increased need for health care. In recommending that health insurance be provided under social security, the Council proposed that this protection be made available to the disabled as well as to the aged. Two bills that would provide health insurance protection for disabled social security beneficiaries were introduced in the 1st session of the 89th Congress, and several were introduced in the 2d session. The extension of health insurance protection to social security disability beneficiaries is among the major proposals that should be considered by Congress.

Administering the Social Security Program

During fiscal year 1966, the Social Security Administration faced three major administrative tasks: Continuing to improve administration and provide a high quality of service to the public as the number of beneficiaries on the rolls increased; processing increased workloads growing out of the changes the 1965 amendments made in the retirement, survivors, and disability insurance programs; and planning and organizing for implementation of the health insurance provisions of the Social Security Act.

Reorganization of the Administration

Due largely to the addition of health insurance to the already complex social security programs, the Social Security Administration was reorganized on July 26, 1965, to:

- Establish new units to administer the hospital and supplementary medical insurance programs.
- Provide for greater efficiency and economy, and more fully utilize scarce skills in electronic data processing, by centering responsibility for this function in a single headquarters unit.
- Increase the technical support for district offices, payment centers, and State agency operations by assigning responsibility for functional supervision of technical work to specialized bureaus.
- Strengthen 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 who would report directly to the Commissioner.

Workloads and Administrative Expenses

Administering the social security program requires recordkeeping that is without parallel in size and scope. There were 282.5 million earnings items to be posted to social security earnings records, 5 million over the previous year. About 6.8 million new social security numbers were issued, an increase of about 1.8 million; 3.5 million duplicate account number cards were issued because the original had been lost or worn out, almost a half-million increase over 1965. In the claims operation, 4.1 million individuals were awarded monthly benefits, almost 1.5 million more than in 1965, and 1.1 million lump-sum death payments were made. At the end of the fiscal year, monthly benefits were going to more than 21.7 million persons, including about 1.9 million disabled workers and their dependents.

As the program grows, the number of actions necessary to maintain the correct names, addresses, and benefit amounts for the millions of social security beneficiaries continues to increase. In fiscal year 1966, 8.4 million separate actions were required to keep the benefit rolls up to date.

The total cost of administering the social security program amounted to $501 million. Of the total administrative expense, about $50 million was incurred by the Treasury Department in collecting social security contributions, preparing checks for beneficiaries, and related activities.

The administrative expenses chargeable to the retirement, survivors, and disability insurance program amounted to $413 million and were about 2.1 percent of the amount paid during the year to beneficiaries. The remaining administrative expenses, $89 million, represented the expenditures for implementation of the two health insurance programs in fiscal year 1966.

Implementation of the 1965 Amendments

The most complex of the amendment provisions, the new medicare program for the aged, required extensive administrative preparations and produced unprecedented workloads during the past year.

The Social Security Administration was assisted in these efforts by other Government agencies, notably the Public Health Service, the Welfare Administration, the Internal Revenue Service, the Department of Agriculture, and the Office of Economic Opportunity.

An extensive public information program was undertaken to explain the provisions to 19 million potential beneficiaries and to enable each

of them to decide whether or not he wished to participate in the voluntary part of the program. To insure that all potentially eligible individuals were informed (direct mailings were used where names and addresses of aged people could be secured), practically all the media of mass communication were used. The mass efforts were supplemented by many other projects, including door-to-door visits in certain areas. Practically everyone reaching age 65 is eligible for hospital insurance under medicare even if he has never worked under social security. Since each person should establish his eligibility during the 3-month period before he reaches 65, special efforts to reach potentially eligible individuals will now be a continuing operation.

Arrangements were made with State health agencies to determine whether hospitals and home health agencies met the quality standards for participation in the medicare program. In addition, the Public Health Service made contacts with these institutions to determine whether they were in compliance with title VI of the Civil Rights Act. Contractual and administrative arrangements were made with the Blue Cross-Blue Shield plans and the private insurance companies chosen to serve as intermediaries (or carriers) in dealing with health institutions, physicians, and beneficiaries. In addition, policies and procedures were developed for cost reimbursement, payment of physicians, safeguards against unnecessary or excessive use of services, and many other important aspects of the medicare program.

By year-end, an estimated 17.3 million persons age 65 or over had enrolled for supplementary medical insurance benefits; health insurance identification cards had been mailed (some to individuals entitled to both hospital and medical insurance benefits, others to those entitled to hospital benefits only, or to medical insurance benefits only) and well over 10,000 requests from providers to establish eligibility for participation had been processed.

Actual administration of the medicare program got off to a good start on July 1, 1966.

Manpower and Resources

The Social Security Administration had 44,774 employees at the end of the year, an increase of 8,787. The majority are in field installations—21,242 in regional and district offices to provide personal service to the public and 10,176 in payment centers to review claims for benefits and make certifications to the Treasury Department for benefit payments. The Bureau of Data Processing and Accounts, which establishes records, maintains earnings records, and provides central electronic data-processing services, had 6,511 employees. The Bureau of Disability Insurance, which processes claims for disability benefits, had 3,113; the hearings and appeals process employed 1,128;

and the central office headquarters employed 2,030. The newly established Bureau of Health Insurance had 574 employees to make preparations for, and actively supervise health insurance operations.

Improvements in Data Processing and Telecommunications

During 1966, the Social Security Administration's complex data-processing systems were expanded and improved to provide for increased workloads, rapid processing of earnings and claims data, and expeditious handling of earnings and claims data, and expeditious handling of earnings record and benefit inquiries.

In addition, automatic data-processing systems were designed and put into operation to process the enrollment of individuals for health insurance coverage; to handle the notices of hospital admissions; to process requests for information on eligibility, bills, and payments; and to prepare premium notices and handle premium collections.

To facilitate health insurance operations at the local level, each district office is provided with a newly developed microfilm locator record. This microfilm enables it, in a high proportion of cases, to provide health insurance claim numbers and to verify entitlement to hospital insurance and enrollment for medical insurance when a beneficiary is unable to present his health insurance card to a provider of service. For the few cases in which the district office does not have information about the beneficiary—for example, when the beneficiary is traveling outside his own State—the information can still be secured from the nearest district office, which will communicate by wire with the home district office or with the central recordkeeping office.

Extensive planning and preparation has been made for the automatic recalculation of benefits of those persons whose total earnings record may support a benefit increase. Programing has been largely completed so that eligible individuals may be identified and their benefits automatically recalculated by computer.

The Administration is beginning to operate an optical scanning device designed to read earnings reports submitted by employers and record the earnings information directly on magnetic tape, thereby eliminating the intermediate step of manually key punching this information into punchcards. When the equipment is fully operational, approximately 30 million earnings items will be processed in this manner each quarter. This will enable 140 key-punch operators to be retrained and assigned to other duties.

Processing earnings items more rapidly has been materially aided by an increasing number of employers who file their quarterly social security earnings reports on magnetic tape. This saves time and money, for both Government and employers, since the employer is not re-

quired to list earnings items on Form 941, and tapes are run through the Social Security Administration equipment and then returned to the employers for their further use. Of the 280 million earnings items received each year, more than 28 million are processed in this manner.

Progress in Cost Reduction and Productivity

The Social Security Administration's cost reduction program for fiscal year 1966 resulted in savings of 2,345 man-years and $18.9 million. The major categories of improvement included in this total figure are: Extended use of automatic data-processing equipment to additional operations, $1.8 million; automatic recomputation of benefits, $9.9 million; procedural improvements (such as, improvements in claims development procedures, streamlining of change-of-address procedures), $5.3 million; and organization and management improvements (such as, use of lower graded personnel to handle the more simple interviews in district offices, purchase of computer systems formerly leased), $1.9 million.

As a result of these improvements, productivity was increased by 5.6 percent during 1966.

Service to the Public

One of the most important activities in the Social Security Administration's program of service to the public is to inform the people of their rights and their responsibilities under the social security program.

A major effort during the past year was that of informing the public in meaningful and understandable terms about the complex provisions of the new health insurance program. Pamphlets, notices, posters, instruction booklets, and explanations of the need for action by potential beneficiaries were prepared and printed. Over 120 million booklets about the new programs of health insurance for the aged were printed and distributed; when material on other parts of the law are added, the total for the year was 230 million printed informational items.

During the year there was a continuous flow of materials to all the media of mass communication to provide information for the millions who needed to know. The cooperation and assistance of the media of mass communication were requested, and the response was unstinted throughout the year, particularly in the 7-month enrollment period specified in the law, from September 1, 1965, until March 31, 1966. (The period was later extended until May 31.) This period should be recorded as one of exemplary public service for all the media: newspapers presented column after column of space; radio and tele-

vision stations presented both recorded and live programs explaining the law; display organizations presented as much space as could be used by Government-prepared visual materials, and in many cases prepared additional materials. The number of news stories, articles, and broadcasts ran into many hundreds of thousands.

Cooperative projects were conducted with hundreds of organizations and agencies that had an interest or an administrative role in the new social security programs.

Approximately 1 million of the total inquiries received in Social Security headquarters in Baltimore concerned the health insurance program. The subject of this correspondence ranged from technical health insurance questions to problems about nonreceipt of medicare cards.

During fiscal year 1966, district office staff members made nearly 90,000 talks, 194,000 radio broadcasts, and 5,000 live TV appearances, and placed 29,500 exhibits.

To handle information requests, health insurance enrollments, and other claims activities, district offices remained open evenings and Saturdays during the peak of health insurance enrollment. District offices are continuing a program of extended hours as an added service to the public; currently, each office remains open an additional 3 hours a week, either on one evening during the week or on Saturday, depending on local needs.

In addition, service to the public was expanded through the opening of 9 additional district offices, 74 branch offices, 12 resident stations, and 21 temporary service centers. At year end, there were 625 district offices, 82 branch offices, 37 resident stations, 16 service centers, and 3,361 contact stations to serve the public. Any person with a question about his social security rights or his responsibilities under the social security law may get the answer from any of these offices which is convenient to him.

The administration strengthened its quality appraisal staffs and programs in order to continue improvements in the quality of service to the public and to ensure uniformity and equity in the application of claims policies and continuing accuracy of benefit payments. Special quality appraisal staffs are being established, and it is expected that their efforts will do much to enhance and maintain the standards of quality which have always been a Social Security Administration goal.

A new evaluation and measurement system—a continuous statistical evaluation of basic claims policies and the way they are implemented, based on complete redevelopment of a small sample of claims—is producing data which can be used to evaluate claims policies and practices and pinpoint problem areas so that necessary corrective actions can be taken.

Administration of the Social Security Program Abroad

Major emphasis in the Social Security Administration's foreign operations has been on a continued and systematic validation of beneficiary rolls abroad by rechecking eligibility of beneficiaries on a country-by-country basis. Validation surveys were completed in Mexico, the Philippines, Spain, and Germany. Special informational materials were provided beneficiaries abroad to inform them of the limitations of the health insurance program outside the United States.

Employee Relations

Considerable progress was made in the Social Security Administration's continuing efforts to assure all individuals, regardless of race, creed, color, or sex, equal employment opportunity. Employment of Negroes, especially in the upper grade levels, showed substantial increase. Diagnostic testing and counseling are provided to assist employees at all levels in their personal efforts toward self-improvement. And, in cooperation with local schools and colleges, after-hours adult education programs, with high school and college courses, have been established.

During the year, the Social Security Administration participated extensively in the neighborhood youth corps program of the Economic Opportunity Act. During the summer of 1966, 1,037 temporary employees were employed as part of the President's youth opportunity campaign. Liaison was also initiated with several colleges for the employment of students under the work-study program of the Vocational Education Act. Young people from all of these programs have helped significantly in the handling of the large workloads created by the 1965 amendments.

Financing the Program

A comprehensive review of the long-range actuarial cost estimates for the retirement, survivors, and disability insurance program, as modified by Public Law 89–97, has recently been completed. These new estimates show that, for the system as a whole over the long-range future, the estimated contribution income is substantially in excess of the estimated benefit cost. The system therefore continues to be financed on an actuarially sound basis, both for the short term and for the distant future.

It is difficult to make exact predictions of the actuarial status of a program that extends into the distant future. If different assumptions as to, say, rates of 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 precise. Future experience may vary from the actuarial assumptions. The cost estimates are continually examined 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, places the system substantially in balance. The law has such a contribution schedule.

Retirement and Survivors Insurance Benefits

The level-cost of retirement and survivors insurance benefits after 1966, on an intermediate-cost basis, assuming an interest rate of 3.75 percent and earnings at about the levels prevailing during 1966, is estimated at 7.94 percent of taxable payroll (after adjustments to allow for administrative expenses and interest earnings on the existing trust fund). The level contribution rate equivalent to the graded rates in the law is estimated at 8.83 percent of taxable payroll, leaving a positive actuarial balance of 0.89 percent of taxable payroll.

Disability Insurance Benefits

The Social Security Amendments of 1956 established a system for financing disability benefits which is separate from the financing of retirement 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), on an intermediate-cost basis, is 0.85 percent of taxable payroll. Contribution income has been specifically allocated to finance these benefits; this income is equivalent to 0.70 percent of taxable payroll, leaving an actuarial insufficiency of 0.15 percent of taxable payroll.

As indicated above, the new estimates show that the system of retirement, survivors, and disability insurance, as a whole, will have an income from contributions (based on the schedule now in the law) and from interest earned on investments which will be more than sufficient to meet total expenditures into the long-range future (i.e., over the next 75 years). However, the Department recommends an adjustment of the allocation of the total contribution rate between the two parts of the program to make for a more reasonable subdivision of future income, which would, of course, in no way affect the overall actuarial balance of the system.

Health Insurance Benefits for the Aged

The 1965 amendments established two separate health insurance programs for people 65 and over; these are financed in different manners.

Hospital Insurance Benefits

For beneficiaries of the retirement, survivors, and disability insurance system and the railroad retirement system, the hospital insurance plan is financed through contributions and a trust fund that are separate from the contributions and trust funds already established for the payment of retirement, survivors, and disability insurance benefits. (Hospital insurance benefits for people who are not such beneficiaries are financed from general Federal revenues.)

The level-cost of the benefits (including administrative expenses) over the 25-year period 1966–90 is estimated at 1.23 percent of taxable payroll. The level-equivalent of the graduated tax rates in the law is 1.23 percent of taxable payroll. Accordingly, the hospital insurance program is in actuarial balance.

Supplementary Medical Insurance Benefits

Persons enrolled in the supplementary medical insurance plan pay a monthly premium of $3, which is matched by an equal contribution from general Federal revenues. These premium rates are estimated to be adequate to meet all costs arising in the period July 1, 1966, to December 31, 1967, and, in addition, to result in the accumulation of a contingency fund. The law provides for appropriate adjustment in premium rates in subsequent years to assure that the program will be soundly financed.

Improvements in Hearings and Appeals Activities

In fiscal year 1966, the Bureau of Hearings and Appeals handled 23,400 cases; the median processing time was 100 days, the lowest in a decade. Hearings were held on 19,900 of these cases; of the others, about 2,500 were dismissed by the hearing examiner and most of the rest were decided at the request of claimants. This was achieved while continued efforts were being made to improve the quality of evidence upon which decisions are rendered.

In disability cases, additional emphasis was placed on the use of vocational and medical expert witnesses. Procedures also were adapted to pay claimants' travel expenses when it is desirable for them to travel more than 75 miles to a hearing. This is more economical than sending doctors, medical advisers, and vocational consultants (concerned with a claimant's hearing) to the claimant's area for the hearing.

Staff was added and plans were developed for the processing of cases under the health insurance program during fiscal year 1967, and

interim procedures were adopted during fiscal year 1966 to insure consideration of the Social Security Amendments of 1965 in all pending cases.

Administering the Federal Credit Union Program

The Bureau of Federal Credit Unions charters, supervises, and examines all Federal credit unions. Its program is fully financed through fees paid by the credit unions for these services; it receives no Federal appropriation.

In fiscal year 1966, more than 10,000 regular supervisory examinations were completed, and 643 Federal credit union charters were granted.

Federal credit unions increased in number from 11,493 at the beginning of the fiscal year to 11,872 at its end. They operated in all 50 States, the District of Columbia, Canal Zone, Guam, Puerto Rico, and the Virgin Islands.

Membership grew 6.7 percent from 8.3 to 8.9 million. Assets increased 11.8 percent to $5.3 billion. Members' savings rose 11 percent to a high of $4.7 billion, and loans increased approximately 12.6 percent to $4.1 billion.

The Bureau continued to advise Federal credit unions about automatic data processing accounting procedures approved for credit union operation. This technical assistance enabled interested credit unions to profit from experience gained by other credit unions which use these systems. Over 350 Federal credit unions now utilize these systems, and many others are contemplating the use of this equipment.

In cooperation with the Office of Economic Opportunity and local agencies, the Bureau organized and chartered 74 Federal credit unions to serve low-income groups. This chartering activity among low-income groups more than doubled that of the previous fiscal year. The Bureau also inaugurated "Project Moneywise"—a series of special training programs designed to help officials of credit unions in limited-income areas improve service to members. The training programs teach credit union officials the basic principles of consumer education, family financial counseling, Federal credit union operations, and leadership development.

In the War on Poverty, the Bureau assisted with a series of training sessions to familiarize VISTA volunteers with credit unions, their organization, and the part such facilities can play in helping the poor to solve financial problems.

In the field of education, the Higher Education Act of 1965 and the National Vocational Student Loan Insurance Act of 1965 expanded Federal credit union services to members. The former enables Federal credit unions to make insured loans of up to 10 percent of their assets to student members for postsecondary and higher education; the latter permits Federal credit unions to make insured loans of up to 5 percent of their assets to student members desiring vocational training in business, trade, technical, and other vocational schools.

The Bureau continued its program of information and training for representatives of foreign countries interested in establishing credit union programs. Representatives from Tanzania, Taiwan, and Kenya received special training in 1966. The Bureau also contributed to the development of foreign credit unions by training Peace Corps volunteers assigned to Latin American countries to assist in organizing and establishing credit unions.

During Cooperative Month, October 1965, the Bureau conducted a seminar on "Credit Unions—Partners in American Life," to give a better understanding of credit union philosophy and operations to the leaders of Government agencies and those in the community. The October 21 seminar coincided with the celebration of Credit Union Day, here and in other countries.

Research in credit union operations was furthered by a pilot test of a program to collect monthly information on purposes, security, interest charges, maturities, and other characteristics of loans made by Federal credit unions.

A survey of credit union policies on the limitation of share accounts was made to determine to what extent credit unions regulate the inflow of savings by relaxing this restriction.

The year-end financial and statistical report for 1965 included a breakdown of the number and amount of share accounts, by size, at Federal credit unions. This information will be useful both in evaluating legislative proposals and in enabling credit union officials to determine liquidity needs of credit unions.

For the first time, the 11,000-plus year-end financial and statistical reports were edited and summarized, and tables produced, by electronic data-processing equipment. It is possible with this equipment to compute detailed operating ratios and averages by type of membership and asset-size class of credit union. Such information will prove valuable in the Bureau's examination program.

In line with the greater emphasis being given to analysis in the Bureau's supervisory examination, a training course on the total analysis process was presented at the regional examiners' conferences.

A new staff development and appraisal program which provides an annual concentrated development period for each examiner was inaugurated. The program has the objective of increasing the ability of each employee to perform at maximum capacity in his present position and to develop to his full potential. The Bureau also developed a new promotion plan for examiners, designed to recognize superior ability by a method of formalized consideration throughout the country. Under the revised plan, a more effective method is provided for evaluating all examiners considered ready for promotion.

Research Activities

To provide the analytic basis for continuous evaluation of the social security system's effectiveness in providing for economic security and its relation to overall economic and social policy, the Social Security Administration conducts research in the general area of income security. It studies measures of income adequacy, the redistributive effects of social security benefits and financing and their impact on the economy, the relation of health expenditures and insurance benefits to economic security, the effects of existing social security benefit provisions on individual and family security, trends in aggregate social security and social welfare expenditures, the relation of public and private income-maintenance programs, and related questions.

Extensive plans were made during the year for long-range research and analysis and the development and maintenance of operations and program statistics relating to the new health and supplementary medical insurance programs. A current medicare survey was launched to obtain continuing information on medical care utilization and costs of aged persons.

In a series of studies on family income, the Social Security Administration continued the refinement of its poverty indexes and their application to the different needs of families of different types. The reports were issued in the *Social Security Bulletin*.

Reports on the 1963 survey of the aged, the first nationwide survey of a representative sample of all persons aged 62 and over, and on a survey of mother-child beneficiary groups, were completed and prepared for publication. Both of these surveys were conducted by the Social Security Administration, with the Bureau of the Census acting as its agent in collecting and tabulating the data.

Fieldwork was completed for the survey of noninstitutionalized disabled adults under age 65, an extensive study of disabled persons in 8,000 households.

Studies of persons in long-term institutions and of recipients of dependents' benefits are in the planning stage. Also in the planning stage is a longitudinal study of the aged, which will examine factors related to retirement and explore changes in income, assets, health, medical care, and living patterns after retirement.

A survey of all independent health insurance plans was completed, with a breakdown by State on enrollment, benefit expense, administrative expense, and net income of the plans.

The Social Security Administration, acting in concert with the Census Bureau and the Internal Revenue Service, continued linking data from the three agencies on a pilot basis. Individual agency policies of confidentiality were preserved by the methodology of the linkage. Research potentials in this type of linkage are of interest not only to the cooperating agencies but also to other Government and academic research groups. Initial analyses planned by the Social Security Administration from the link include the relation of total and taxable earnings covered by social security, the distribution of taxes and benefits by income group, and a number of methodological studies designed to improve the basis for future projections and estimates.

A fundamental review of the statistical systems that have developed over the years in the Social Security Administration, alternative ways of meeting statistical objectives, and the most appropriate and effective use of computer technology in research is underway.

Special Projects

Research grants and contracts, to social scientists in universities and other nonprofit research organizations, supplement the research programs of the Social Security Administration and increase scholarly interest in the study of social security. Among the major areas are studies relating to early retirement and the factors affecting the retirement patterns of various groups; the funding of private pension plans; lifetime earnings and employment patterns; medical expenditures in relation to family income; the economic costs of long-term care in different types of institutions; and trends in attitudes and knowledge about social insurance and social security programs. A study of the utilization of medical services before and after medicare, studies of the impact of the new health insurance program on hospital financing, and other related studies are being carried out for the Social Security Administration under contract arrangements.

The recording of interviews with key persons in the early years of social security history for an oral history project has been completed, and the interviewing of key persons in medicare history has begun. Both of these projects form part of the program to record these events through sound recording on the historical events as they are recalled by the individuals most concerned with these events.

Work continues on a series of projects to develop guides to historical social security records. The guides are expected to create an interest in social security history and to assist historians in locating records pertinent to research.

Research Publications in Fiscal Year 1966

Monthly and annual publications of the Office of Research and Statistics include the following:

Social Security Bulletin, issued monthly.

Annual Statistical Supplement. A supplement to the *Social Security Bulletin*, issued annually.

Social Security Programs in the United States. 1966 edition, issued annually.

New publications in the research report series included:

The Extent of Health Insurance Coverage in the United States. No. 10, 1965. 67 pp.

Insured and Disabled Workers Under the Social Security Disability Program: Characteristics and Benefit Payments—1957–63. No. 11, 1966. 36 pp.

Financial Experience of Health Insurance Organizations in the United States. No. 12, 1966. 64 pp.

Old-Age and Sickness Insurance in West Germany in 1965. No. 13, 1966. 56 pp.

International Activities

During the year, representatives of the Social Security Administration participated in the work of a number of the committees of the International Social Security Association (ISSA) in preparing studies in the fields of pensions, administration, and the relation of social security and social services; in the continuing efforts of ISSA to establish a Social Security Abstracting Service; and in the work of American regional social security committees, jointly sponsored by

ISSA and the Permanent Inter-American Committee on Social Security (PIACSS).

Two SSA staff members attended the 50th International Labor Conference in 1966 as technical advisers on social security to the U.S. delegation, and represented the U.S. Government on the Conference's Social Security Committee. This Committee developed a set of conclusions which are expected to lead to the adoption of a new international convention and recommendation on old-age, invalidity, and survivors insurance at the 1967 Conference.

Technical assistance on social security was provided to Chile, Iran, Jordan, and Saudi Arabia. A staff member went to the Trust Territories of the Pacific to initiate a study that is expected to lead to some social security protection for the indigenous population.

Negotiations were begun with the Canadian Government to explore the possibility of concluding a bilateral agreement to assure pension protection for persons who work intermittently in both Canada and the United States.

The program of orientation and training of persons from abroad, in conjunction with the Agency for International Development, included the annual 8-week seminar on administration of social security for foreign experts, which was attended by 23 participants from 13 countries, and short-term orientation and training of about 1 week or less for 1,129 persons from over 65 countries.

Summary and Conclusions

For the Social Security Administration, fiscal year 1966 began as a year of preparation: major improvements in the Social Security Act were imminent.

Even without amendments the social security beneficiary rolls were growing, and workloads were growing with them.

Changes made by the 1965 amendments in the established programs of retirement, survivors, and disability insurance were extensive, and presented massive additional workloads to be digested almost immediately: benefits already being paid to more than 20 million people had to be increased; applications from hundreds of thousands of newly eligible people had to be processed; millions affected by changes in the law had to be told about them.

But in addition to making changes in the established social security programs, the 1965 amendments established two new programs of

hospital and medical insurance—medicare—to go into operation just 11 months after enactment of the law.

It was a year of cooperation: other Federal agencies, State agencies, the national health community, and private and nonprofit insurance organizations were called upon by the new law to join forces with the Social Security Administration to administer the new programs.

It was a year of communication: the media of mass communication conveyed millions of items of written, spoken, and graphic information about the new law to the American people.

It was a year of action: the millions of benefits already being paid were increased; the newly payable benefits were started; more than 18 million people were certified to be eligible for hospital insurance, and more than 90 percent of those 65 or over enrolled for medical insurance.

While it was still June 30, 1966, in the continental United States, the medicare program went into operation across the international date line in Guam, where it was already July 1, 1966. As the fiscal year ended across the continental United States, the medicare program went into operation behind it.

The year of preparation paid off. The 1965 amendments were adding an important measure to the economic security of the American people.

Table 1.—*Federal credit unions: Assets, liabilities and capital, 1965*

[Amounts in thousands]

Item	Dec. 31, 1965		Change during 1965	
	Amount	Percentage distribution	Amount	Percent
Total assets/liabilities and capital	$5,165,807	100.0	$606,369	13.3
Loans to members	3,864,809	74.8	515,741	15.4
Cash	276,069	5.3	19,677	7.7
U.S. Government obligations [1]	112,668	2.2	12,722	12.7
Savings and loan shares	774,079	15.0	33,461	4.5
Loans to other credit unions	84,681	1.7	18,567	28.1
Other assets	53,501	1.0	6,197	13.1
Notes payable	95,452	1.8	16,921	21.5
Accounts payable and other liabilities	28,692	.6	−256	−.8
Shares	4,538,461	87.9	521,068	13.0
Regular reserve	267,661	5.2	41,136	18.2
Special reserve for delinquent loans	4,788	.1	−254	−5.0
Other reserves [2]	18,040	.3	3,283	22.2
Undivided earnings [3]	212,713	4.1	24,472	13.0

[1] Includes investments in Federal agency securities—amounting to $11.6 million—authorized under the 1964 amendments to the Federal Credit Union Act.
[2] Reserve for contingencies and special reserve for losses.
[3] Before payment of year-end dividends.

Table 2.—*Federal credit unions: Selected data on operations, by State, Dec. 31, 1965*

State	Number of credit unions	Number of members	Total assets (thousands)	Amount of members' shares		Amount of loans to members		
				Total (thousands)	Average [1] per member	Made during 1965		Outstanding as of Dec. 31, 1965 (thousands)
						Total (thousands)	Average [1]	
Total	11,543	8,640,560	$5,165,807	$4,538,461	$525	$5,081,636	$853	$3,864,809
Alabama	198	122,842	68,133	59,062	481	72,896	739	53,208
Alaska	35	36,977	24,354	21,004	568	27,482	994	20,149
Arizona	95	102,236	64,641	57,814	565	67,346	957	55,819
Arkansas	68	34,055	16,812	14,663	431	24,515	739	13,995
California	1,142	1,192,932	785,707	693,993	582	779,303	905	636,454
Canal Zone	7	13,890	5,521	4,821	347	6,616	381	3,079
Colorado	156	121,270	74,506	65,816	543	74,295	1,022	58,370
Connecticut	313	256,242	190,679	169,435	661	154,586	865	117,225
Delaware	60	40,322	19,638	17,313	429	22,139	764	15,903
District of Columbia	174	358,250	198,216	176,705	493	191,437	904	156,913
Florida	271	279,009	155,516	135,404	485	166,105	756	125,441
Georgia	210	153,333	78,118	69,237	452	93,760	626	61,148
Guam	3	5,274	1,067	1,017	193	1,436	431	937
Hawaii	167	150,021	129,168	114,819	765	113,065	1,109	84,054
Idaho	60	37,299	23,119	20,097	539	23,331	987	19,105
Illinois	364	162,263	87,180	77,324	477	80,708	753	60,906
Indiana	438	286,975	193,017	170,425	594	173,312	847	121,272
Iowa	6	5,472	4,248	3,903	713	3,421	945	2,532
Kansas	76	74,594	51,543	45,320	608	48,113	1,136	41,716
Kentucky	94	45,889	19,116	16,648	363	22,266	690	14,772
Louisiana	338	177,475	101,419	88,416	498	96,877	785	72,229
Maine	144	93,006	52,770	46,200	497	54,272	847	39,555
Maryland	163	146,004	71,909	63,175	433	75,248	716	58,247
Massachusetts	317	184,305	96,251	85,689	465	87,107	719	64,474
Michigan	399	558,397	392,328	340,451	610	372,976	1,144	312,176
Minnesota	53	27,002	12,202	10,846	402	10,417	816	9,570
Mississippi	126	72,661	33,641	29,175	402	38,731	616	27,530
Missouri	49	31,212	17,425	15,598	500	15,892	755	11,685
Montana	111	49,072	25,840	22,817	465	21,849	847	20,297
Nebraska	92	65,639	39,228	35,143	535	33,409	921	27,335
Nevada	67	45,526	29,450	24,696	542	28,234	823	25,128
New Hampshire	34	27,098	14,427	12,991	479	13,795	781	10,693
New Jersey	479	298,806	165,975	145,595	487	133,886	737	102,604
New Mexico	62	62,160	42,597	37,150	598	45,785	998	32,056
New York	998	665,477	373,375	329,404	495	333,554	868	262,087
North Carolina	62	57,547	22,246	19,733	343	25,741	569	18,087
North Dakota	30	15,455	8,166	7,348	475	8,162	815	6,657
Ohio	651	430,034	248,192	220,886	514	235,266	883	172,613
Oklahoma	131	85,669	50,133	43,731	510	52,218	911	42,333
Oregon	204	118,953	66,651	58,224	489	70,124	928	53,853
Pennsylvania	1,127	650,090	353,777	306,250	471	360,786	821	236,956
Puerto Rico	38	20,681	10,128	8,825	427	11,578	554	8,591
Rhode Island	28	8,269	3,692	3,284	397	2,689	549	1,900
South Carolina	86	74,428	30,250	27,042	363	38,164	540	25,940
South Dakota	96	38,834	22,073	19,558	504	23,555	1,016	16,441
Tennessee	189	135,650	93,543	82,174	606	103,086	842	68,583
Texas	851	590,941	349,669	302,343	512	391,831	829	280,864
Utah	100	50,013	33,268	29,061	581	34,360	1,057	27,692
Vermont	2	1,328	781	671	505	647	547	411
Virgin Islands	3	1,598	223	183	114	139	535	203
Virginia	194	160,459	77,935	68,114	424	79,821	698	58,846
Washington	180	133,125	87,883	76,976	578	86,578	928	69,988
West Virginia	140	57,224	31,899	27,593	482	34,209	815	24,241
Wisconsin	3	1,127	667	605	536	699	1,142	518
Wyoming	59	26,150	15,501	13,696	524	13,820	953	11,430

[1] Based on unrounded data.

Welfare Administration

SOCIAL LEGISLATION enacted in fiscal year 1966 enabled the Welfare Administration, in cooperation with public and voluntary welfare agencies throughout the Nation, to intensify its attack upon the causes of poverty and other social problems.

The new medical assistance program, authorized by title XIX of the Social Security Act, became effective January 1, 1966. By the end of the fiscal year, plans for the operation of the program in eight States and Puerto Rico had been approved. Policies and guidelines, developed in cooperation with representatives of the health and medical professions as well as welfare and other groups, had been established and the groundwork well laid for a system that should, within 10 years, assure that high-quality medical care is available to all persons in all age groups who could not otherwise afford the care they need.

A possible preview of what may ultimately become available for all children in low-income families, whose unmet health needs have caused nationwide concern, may be seen in the comprehensive child health projects authorized by another 1965 amendment to the Social Security Act. By the end of the fiscal year, grants had been awarded for 14 such projects in 11 States. Conducted in low-income areas by public health agencies, or medical schools, or teaching hospitals affiliated with medical schools, such projects can provide screening and diagnostic services for both preschool and school-age children and insure followup treatment for all who need it but whose parents cannot afford to pay for it. Dental as well as medical and other therapeutic services can be included, with Federal funds paying up to 75 percent of the cost of the project.

Combined with authorized increases in Federal aid for crippled children's services and maternal and child health programs (including special project grants for high-risk maternity groups), the new Federal legislation has made it possible for the Welfare Administration to give more effective help to States and communities than ever before in overcoming health problems which are both a cause and an effect of poverty.

Basic causes of poverty were also attacked more aggressively on a number of other fronts:

- Through family-centered projects, which operated in 51 jurisdictions during the year, over 15,000 families became self-supporting as a result of receiving intensive help in overcoming a variety of problems which had doomed them to chronic poverty. The services included basic educational and vocational training and work experience for parents of wage-earning age who were so underskilled and undereducated as to be unemployable; day care arrangements for women whose children were solely dependent on them for support; and help with health, marital, money management, and many other problems.
- Through increased attention to the problems of deprived families in big cities, a number of innovative programs were developed in major cities: a program which offers training and work experience to Chicago fathers who had deserted their families, combined with marital counseling, has already mended almost 50 broken homes; a system of satellite service centers in New York is bringing public welfare services into the neighborhoods where they are most needed; and in many States homemaker programs and classes and clubs for mothers are helping extremely deprived women (many of them newly arrived from rural areas) learn the ways of the city and improve their housekeeping, money management, and child-rearing practices.

A special study of public welfare problems and practices in six large cities was conducted by the Welfare Administration. Subsequently, a 2-day conference was held with the public welfare directors of State and big-city agencies to lay plans for further improvements in city public welfare services.

- Reduced caseloads, improvement in staff training, and new policies to reduce the amount of time and paperwork involved in administration and the investigation of eligibility have all contributed to a general rise in the quality of public welfare services throughout the Nation. The result has been an increase in efforts to deal constructively with social problems and a reduction of practices that tended to undermine self-confidence, hope, ambition, and dignity.

Staff assistance was given, upon request, to the Advisory Council on Public Welfare, appointed by the Secretary of Health, Education, and Welfare in compliance with a provision of the 1962 amendments to the Social Security Act. The Council issued its report at the end of the fiscal year.

Among its findings and recommendations, the Council reported that the most serious shortcoming in public welfare programs remains the

inadequacy of public assistance payments. Almost 8 million citizens must rely on these payments as a principal source of income because they are too old, too young, or too disabled to work. The Council findings were further validated by reviews and summaries of current research on the poor and their problems issued during the year by the Research Division of the Welfare Administration.

Bureau of Family Services

The Bureau of Family Services is responsible for administering the grant-in-aid programs of financial assistance, medical care, and social services to needy persons. The Bureau helps to develop, maintain, and improve these programs which aid needy people in securing the necessities of life, in meeting health problems, and in achieving as much economic and personal independence as possible.

New Legislation

Major emphasis of the 1965 amendments to the Social Security Act administered by the Bureau of Family Services is on the development of health and medical care programs for individuals and families who cannot otherwise afford the care they need. Other provisions are designed to improve the Federal-State programs of financial assistance to needy persons.

MEDICAL ASSISTANCE—TITLE XIX

The new medical assistance program (MA) is an extension of the Kerr-Mills program of medical assistance for the aged (MAA) authorized in 1960; it includes children and certain other adults in addition to the aged. When adopted by all States, it could provide comprehensive, high-quality medical care for those who need it but cannot afford it—about a fifth of the population in the Nation.

All recipients of financial aid under other federally aided public assistance programs must be included in the new MA program. States may also include certain other persons who are medically needy. By 1975 a State must include substantially all of the State's medically needy in a comprehensive program of medical care. The new program became available to States on January 1, 1966; effective January 1, 1970, Federal funds for medical care payments under other federally aided assistance programs will terminate.

States adopting this new program will be required to provide broad, high-quality, and equitable medical services for all needy groups covered under the program. As a minimum, after July 1, 1967, five specific medical care services must be furnished—inpatient and outpatient hospital care, skilled nursing home care (adults only), physi-

cians' services, and laboratory and X-ray services. Coverage of other services, including drugs, dental care, eyeglasses, or hearing aids, is optional with the States.

Significant provisions included in this legislation eliminate or modify certain restrictive conditions of eligibility found in some other categories of assistance, and ensure more effective administration. For example: no durational residence or citizenship requirement is permitted; an age requirement cannot be imposed that excludes otherwise eligible children under 21 regardless of school attendance; children in foster care can be aided; and the only relatives who can be held responsible for each other are spouses, parents for minor children, or parents for children over 21 if the children are blind or permanently and totally disabled.

INCREASED PAYMENTS

A new Federal matching formula, effective January 1, 1966, makes it possible for States—without any increase in State funds—to add an average of $1.25 a month to the payment for each needy child receiving aid to families with dependent children (AFDC), and to add an average of $2.50 per month to the payment of each adult receiving old age assistance (OAA), aid to the blind (AB), or aid to the permanently and totally disabled (APTD).

INCREASES IN EARNINGS EXEMPTIONS

To encourage dependent people to make a greater effort to earn at least a part of the money they need, effective October 1, 1965, States may permit recipients to keep some earnings without having their public assistance payments reduced: up to $50 a month in earnings per child recipient of AFDC but not exceeding $150 a month per family, and up to $50 a month in earnings of a recipient of OAA or APTD. Also, a public assistance recipient can keep $5 a month from any source. A previous amendment permits exemption of $85 a month plus half the balance of earned income of an AB recipient.

PATIENTS IN INSTITUTIONS

States that make public assistance payments to persons over 65 years of age who are patients in institutions for the mentally ill and the tuberculous are able to qualify for Federal matching funds to help defray the cost of these payments. (Effective January 1, 1966.)

Trends in Caseloads and Expenditures

In June 1966, federally aided assistance under OAA, AB, and AFDC programs was available in all 54 jurisdictions of the country—the 50 States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. APTD was available in all jurisdictions but one (Nevada). MAA was available in 38 jurisdictions, and 9 were admin-

istering the new MA program. General assistance (GA), wholly State and/or locally financed, was available in some form for some persons in all 54 jurisdictions.

Of the 54 jurisdictions administering AFDC, only 26 had provisions for making payments for foster care of children, 21 made payments to unemployed-parent families, 11 provided money payments to recipients under community work and training programs, and 32 permitted payments to children up to 21 years of age if attending a school or a vocational or technical training course—options provided by previous amendments.

CASELOADS

Over 8 million persons, or about a fourth of the poor,[1] were receiving aid under public assistance programs in June 1966. They included 2.1 million aged persons receiving OAA, 4.5 million dependent children and their parents or other caretakers (including 3.4 million children in 1.1 million families) receiving AFDC, 588,000 disabled receiving APTD, 85,000 blind receiving AB, 195,000 medically needy receiving MAA, 643,000 receiving aid under the new MA program in the States reporting complete data,[2] and 592,000 receiving GA.

There was a 28-percent decrease in MAA, due largely to transfers to the new MA program; an 11-percent decrease in GA; and a 2-percent decrease in OAA in June 1966 compared with June 1965. Two programs showed slight increases: 6 percent in APTD, and 2 percent in AFDC.

EXPENDITURES

By program, total payments from Federal, State, and local funds for June 1966 for OAA were $163 million; AFDC, $158 million; APTD, $48 million; MAA, $28 million; MA, $97 million; GA, $21 million; and AB, $8 million. Most of the programs showed decreases in expenditures compared with a year earlier: 44 percent in MAA, 9 percent in AB, 6 percent in OAA, and 0.1 percent in GA. In addition to expenditures under the new MA program, there was a 5-percent increase in AFDC and a 2-percent increase in APTD expenditures.

National monthly average payments were $77 per recipient for OAA, $145 for MAA, $75 for MA, $90 for AB, $81 for APTD, $35 for AFDC ($144 per family), and $35 for GA ($73 per case). The national average assistance payment provides little more than half the minimum amount required by a family for subsistence; in some low-income States it is less than a quarter of that amount.

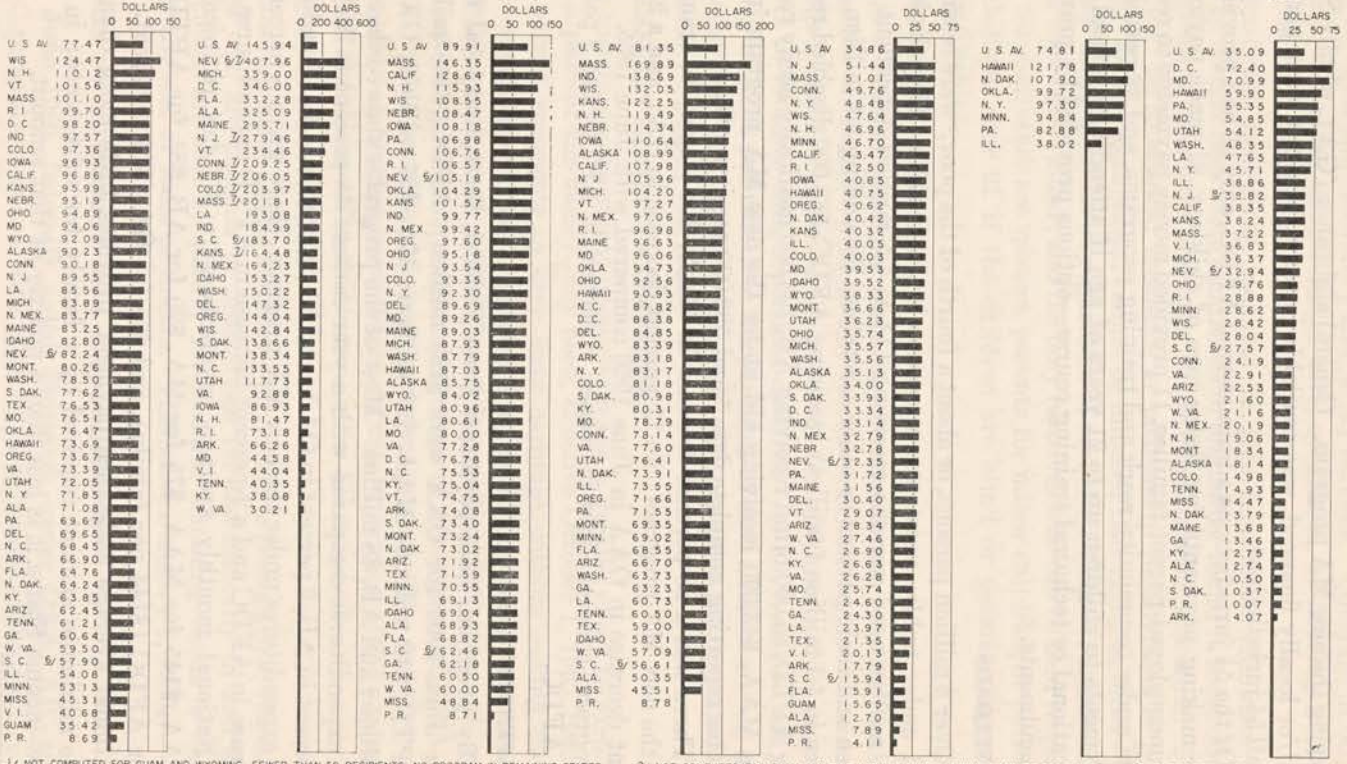
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[1] The President's Council of Economic Advisers classified as "poor" families of four persons whose annual income is less than $3,000, and unattached individuals with incomes under $1,500. See *Economic Report of the President*, January 1966, p. 111.

[2] Most of those receiving care under the MA program also received money payments under another assistance program.

CHART 1.—AVERAGE MONTHLY PUBLIC ASSISTANCE PAYMENT PER RECIPIENT, JUNE 1966

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



1/ NOT COMPUTED FOR GUAM AND WYOMING, FEWER THAN 50 RECIPIENTS; 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 AND THE VIRGIN ISLANDS, FEWER THAN 50 RECIPIENTS. 4/ DATA NOT REPORTED BY PUERTO RICO AND CALIFORNIA. 5/ NOT COMPUTED FOR GUAM, FEWER THAN 50 RECIPIENTS, AND FLORIDA, IDAHO, INDIANA, IOWA, NEBRASKA, OKLAHOMA, OREGON, TEXAS, AND VERMONT, DATA NOT AVAILABLE. 6/ MAY DATA; JUNE DATA NOT RECEIVED. 7/ INCLUDES SMALL AMOUNT OF MONEY PAYMENTS NOT SUBJECT TO FEDERAL PARTICIPATION. 8/ BASED ON DATA INCLUDING AN UNKNOWN NUMBER OF CASES RECEIVING MEDICAL CARE, HOSPITALIZATION, AND BURIAL ONLY, AND TOTAL PAYMENTS FOR THESE SERVICES.

Average payments are not only low, but vary widely from State to State as evidenced in the range of payments for a dependent child in June 1966 from a low of $7.89 in Mississippi (except for $4.11 in Puerto Rico) to a high of $51.44 in New Jersey; and for an old-age recipient from a low of $45.31 in Mississippi (except for $8.69 in Puerto Rico) to a high of $124.47 in Wisconsin. (See Chart 1.)

Assistance payments during 1966 represented less than a cent per dollar of total personal income in the Nation during 1966.

RELATION TO SOCIAL INSURANCE

About half of the OAA recipients and two-thirds of the MAA recipients received assistance to supplement their OASDI benefits under social security in order to meet basic or special needs. The percentage of other types of public assistance recipients who also received social insurance was considerably smaller—18 percent in AB, 14 percent in APTD, and 6 percent in AFDC.

The 7-percent increase in OASDI benefits effective October 1, 1965, was deducted as income from most public assistance grants; only 12 States permit the optional exemption of $5 a month. However, an estimated 900,000 aged persons on public assistance in 46 of the 54 jurisdictions were allowed to keep their retroactive "lump sum" social security benefit without deduction from the public assistance grant.

About 900,000 recipients of public assistance were identified and had social security account numbers assigned.

Program Developments

MEDICAL CARE

Concerted Bureau effort was directed toward planning for and implementing the new medical care legislation. An ad hoc advisory committee, representing various groups in the health and medical field, and a group of consultants to the Bureau on medical matters assisted in the development of policies interpreting legislative requirements. Planning meetings on policy and desirable relationships among the constituent agencies involved were held with the Public Health Service, Vocational Rehabilitation Administration, the Social Security Administration, and the Children's Bureau of the Welfare Administration. Working relationships were also established with various national public and voluntary agencies in mental health areas.

Official policies affecting the implementation of medical assistance programs under title XIX were issued for State use, and technical assistance was given to States wishing to develop medical care programs. Many State officials came to Washington to discuss their plans, and by the end of the year such meetings had been held with State agency staffs of the 27 jurisdictions that submitted plans or a preliminary prospectus.

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By the end of the year, 20 jurisdictions had completed plans for initiating medical assistance programs, 9 of which had been approved (California, Hawaii, Illinois, Minnesota, North Dakota, Ohio, Oklahoma, Pennsylvania, and Puerto Rico). One program was initiated on January 1, 1966, but had not yet been approved (New York). The scope of the approved programs was generally broad; the coverage, in terms of numbers of people provided for, tended to be at minimal levels.

WORK EXPERIENCE AND TRAINING PROGRAM

Title V of the Economic Opportunity Act provides Federal funds to State public welfare agencies for projects designed to raise the employability of needy persons who otherwise would not have the opportunity for constructive work experience and other needed training. Projects developed and administered at the community level provide work experience with public institutions and private employers, on-the-job instruction, vocational courses, literacy training, and instruction in good work habits.

Work experience and training is combined with the provision of social services, since most of the hard-core, longtime unemployed are undereducated and often functionally illiterate, untrained with few if any marketable skills, and usually heads of needy families with a multiplicity of problems associated with the extremes of economic, cultural, and educational deprivation.

Social services, including family support, medical care, child care, homemaker services, and counseling, are made available to assist such persons in overcoming serious and long standing personal and family problems that interfere with their efforts to become self-supporting and independent.

Maximum use is made of other programs contributing to these goals, such as the State employment service and manpower development and training (MDTA) and other training programs; there is also close cooperation with other anti-poverty programs. Trainees are counseled in the selection of training, and after completing a comprehensive program of work experience and training, they are aided in finding jobs.

By June 30, 1966, after 20 months of operation, 256 work experience and training projects and 55 administrative staff projects were funded; 147 of these (including 9 administrative staff projects) were initiated during fiscal 1966. Projects were in operation in approximately 600 cities, counties, and Indian reservations in 52 jurisdictions. Obligations during the 20-month period amounted to $223 million; $111 million of this amount was expended in fiscal 1966. The average cost of training per individual was about $1,337.

By the end of June 1966, nearly 104,000 persons had taken part in the work experience program. About a third of the 45,800 participants who left the program obtained gainful employment immediately after completing their training; the average monthly income from wages of a sampled group of trainees was $258, a 79-percent increase over the average monthly family assistance grant of $144 received before training. A smaller number (6,000) went into advanced vocational training.

In addition to the work experience program, about 20,000 persons participated in the public assistance work and training program set up by a 1962 amendment to the Social Security Act.

CIVIL RIGHTS COMPLIANCE

Statements of compliance and of implementing methods of administration to ensure compliance with title VI of the Civil Rights Act of 1964 were submitted as plan material by all jurisdictions except Alabama. A hearing on Alabama's noncompliance was held in October 1965.

Reviews were made of State plans for compliance, and a procedure developed for handling complaints. Guide materials on nondiscrimination in federally aided programs were developed for use with States; regional staff investigated complaints and worked with State agencies to remedy problems of noncompliance. Bureau staff participated in State and local reviews of compliance, and helped plan and carry out the Welfare Administration's intensive review of the operation of civil rights provisions in the Mississippi public welfare program.

SOCIAL SERVICES

Sustained effort was made to assist States in fulfilling the social service commitments which, under the 1962 public welfare amendments, entitled them to receive increased Federal funds. By January 1, 1966, all 54 jurisdictions were providing social services in the AFDC program; and 41, in the adult categories. Reviews of State operations indicated that some States are providing services to a significant extent, but also showed variations in the tooling-up process for statewide provision of services and difficulties in providing services because of insufficient staff. For example, only half the AFDC families and a tenth of the recipients aided under the adult categories received one or more social services between July and September 1965. The services most frequently provided to AFDC families related to maintaining family life and improving family functioning, health care, and self-support. In the adult categories, the most frequently provided services were health care and protective services.

DEMONSTRATION PROJECTS

Almost all the $2 million available for demonstration projects was obligated during the year; 79 new applications and 26 continuation

requests were approved. Of the projects active during fiscal 1966, 21 involved direct social services; 28 aimed to strengthen administration and stimulate program development; 10 involved new methods of administration, including the restructuring of agencies; 44 were concerned with staff recruitment, development, or strengthening relationships with social work education; 13 involved new approaches to encouraging education or preparing for self-support; and 3 demonstrated extensions of eligibility or increased assistance payments.

Model projects were designed for State use. One model stimulated 41 projects, in 27 States, which financed the summer employment of 121 social work faculty on assignments relating social work education more closely to public welfare. Another model resulted in 7 "Operation Bootstrap" projects to strengthen State agency administration by permitting employment of 91 specialists in social services, homemaker services, volunteer services, staff development, public information, field operations, and medical care administration.

REPATRIATION PROGRAM

Assistance was provided to 826 destitute or ill Americans returned to this country by the Department of State under legislation enacted in 1960 and 1961. Included were 300 children—with incapacitated parents or unaccompanied—who required foster placement or institutional care, and 212 mentally ill persons, 60 of whom received care at Saint Elizabeths Hospital.

Most returned from European countries; 29 were repatriated from Cuba following negotiations with the Swiss Government, and 22 from the Dominican Republic. Assistance to these individuals was provided through State and local welfare departments at ports of entry—meeting repatriates, and arranging for emergency food and lodging, needed hospitalization, and transportation back to their home States.

Agreements to participate in the repatriation program were formalized with three additional States (Connecticut, Massachusetts, and New Hampshire), making a total of 13.

EMERGENCY WELFARE SERVICES

Efforts were continued 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. Readiness criteria and objectives were developed and tested with 14 States. Agreements formalizing Federal-State relationships in administering emergency welfare services programs were negotiated with three jurisdictions; leaving only six that had not yet signed such agreements.

Manuals on emergency social services, clothing, and lodging were issued; manuals on emergency feeding and on welfare registration and inquiry were nearing completion. Technical assistance was provided to 35 State welfare agencies, with emphasis on interpreting the

role of welfare in national shelter-based civil defense programs. A training syllabus for social services in emergency conditions was issued, and a training course in emergency mass feeding was prepared jointly with the American National Red Cross and the Office of Civil Defense.

Administrative Developments

STAFF DEVELOPMENT

New requirements effective October 1, 1965, set as a floor the requirement of an undergraduate college degree for the beginning professional job in federally aided public assistance programs. States have improved their educational leave programs, but considerably more effort is needed to provide sufficient qualified staff. States will be required, beginning July 1, 1967, to increase the number of students on educational leave from year to year.

About 400 persons in State and local agencies were engaged in staff development and training in public assistance and child welfare programs. Workshops were held for newly appointed State staff development personnel, for State specialists on aging, and for State fiscal officers; and an institute was held for local agency directors on group methods in administration.

Technical assistance was provided to States in various aspects of staff training, and in establishing undergraduate social welfare sequences. Monographs were prepared on the utilization of social work staff with different levels of education and on the utilization of the auxiliary worker in providing family services. A report on the characteristics of State staff development provisions was issued, and teaching materials were being developed for State use in various areas, including training local administrators and orientation of new workers.

NEW POLICIES

Regulations were developed for a simplified process of determining eligibility of individuals for public assistance. These regulations curtail harassing investigative procedures, such as night visits to recipients' homes and illegal searching practices. The regulations consider the assistance recipient as the primary source of information, and provide for the use of a declaration form in applying for assistance.

New regulations also require States to simplify their methods of need determination, and prohibit the practice of assuming as income amounts which, in fact, are never received.

New policies were issued also on funds matchable as expenditures for administrative costs, including provision for Federal participation in costs of legal representation of assistance recipients who have requested a State hearing on the local agency's decision about their cases.

ORGANIZATION AND MANAGEMENT

A study was made by Harbridge House, Inc., a management consultant firm, of the organization and management of the Bureau. Consideration was also given by the Bureau to substantial changes in regional office workload and functions, and their impact on responsibilities of regional office staff.

Several divisions within the Bureau were reorganized to reflect increased responsibilities, and the employee training and development office was expanded to administer a new career development program in public welfare administration for recent graduates of schools of social work.

A simplified concept of the State plan for the MA program was developed and, after a period of experience, is to be extended to other programs. Staff guides were prepared on several aspects of policy-making activities, and are in process in other administrative areas. A program planning and budgeting system was introduced, and a project initiated on the development of an organized case classification system applicable to public welfare needs. Work was completed on the conversion of the method of payments for public assistance grants to States from monthly Treasury checks to a letter-of-credit system; substantial interest savings to the Federal Government are expected to result from this change.

Technical assistance was provided to States on organizational problems, procedural and paperwork simplification, use of automatic data-processing equipment, improvement in the quality of fiscal operations, statistical reporting procedures, quality control, establishment of local units for welfare services and "one-stop centers," and other areas of administration and management. Special surveys were conducted in eight State agencies of administrative, fiscal, or organizational problems, and in the five States which include protective payment provisions under the AFDC program.

REVIEW OF STATE OPERATIONS

"Operation Big City," a special review of large city public welfare operations, was carried out in six cities—Atlanta, Cleveland, Los Angeles, Minneapolis, New Orleans, and Philadelphia—to learn more about special problems in large urban welfare administration and the agency's effectiveness in dealing with them. Bureau staff also participated in a followup conference with State and local welfare administrators on urban public welfare administration.

Administrative reviews of social services were carried out in 35 States, of Cuban refugee assistance program in 5 States, and of fair hearings in 4 States. Individually planned reviews of special sub-

ject areas were also held in several States. Revisions in the quality control program in public assistance were introduced, and assistance given to States in installing the changes.

RESEARCH

Reports were issued on the studies made of the characteristics of AB and APTD recipients. Studies of the characteristics of OAA and MA recipients were in process.

PUBLIC INFORMATION

Work is underway on a motion picture on the key issues of public assistance. Fact sheets and informational pamphlets were developed in new program areas, and others revised to reflect program changes. News releases, exhibits, and other visual aids were prepared; editorial services were given to professional staff; and over 30,000 public inquiries answered.

Technical assistance was provided on request to several States, and all States were encouraged to plan programs, including visits to the poor, to help civic leaders get a better understanding of social problems and the community's resources for dealing with them.

Children's Bureau

The Children's Bureau assists the States, through technical and financial aid, in enhancing and protecting the well-being of children and youth through child health and welfare services. The Bureau also studies many types of conditions affecting the lives of children and youth, makes recommendations to promote better practices in child health, child welfare, and juvenile delinquency, and helps establish standards for the care of children.

Legislation in 1962, 1963, and 1965 increased the authorizations for annual appropriations for maternal and child health, crippled children's, and child welfare services and authorized special project grants for maternity and infant care, comprehensive health services for school and preschool children, research relating to maternal and child health, and crippled children's services, and training of professional personnel for child welfare services and health care for crippled children. The Bureau in fiscal year 1966 broadened and improved its programs for children with emphasis on the areas of civil rights, mental retardation, family planning, child abuse, youth services, and training of professional workers.

1966 Appropriations

The amounts appropriated for the Children's Bureau for fiscal year 1966 were:

Salaries and expenses	$4,840,000
Grants for maternal and child welfare	$187,000,000
Maternal and child health services	45,000,000
Crippled children's services	45,000,000
Child welfare services	40,000,000
Special projects for maternity and infant care	30,000,000
Special projects for health of school and preschool children	15,000,000
Research projects relating to maternal and child health services and crippled children's services	4,000,000
Research, training, or demonstration projects in child welfare	8,000,000

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 Chairman. The Bureau also provides the secretariat.

The Committee undertook a survey of Federal programs assisting children and youth. The purpose was to prepare a comprehensive inventory of such programs, a compilation and analysis of Federal funds expended for them, and, where possible, statistics on the numbers served.

An ad hoc Subcommittee on Youth Activities worked with a counterpart committee of national voluntary organizations in preparing a report for the White House Conference on International Cooperation in December 1965.

The Interdepartmental Committee participated with the Council of National Organizations, the National Council of State Committees on Children and Youth, and the National Committee on Children and Youth in the Mid-Decade Conference on Children and Youth held in Washington in April 1966.

Two publications were issued: *School to Work* and *Parent and Family Life Education for Low-Income Families.*

State Committees for Children and Youth

The Bureau served as a resource for materials, information, and consultation for 42 established or developing State committees for children and youth. The concern of the State committees during fiscal year 1966 about different aspects of youth life reinforced the Bureau's emphasis on youth.

Health Hazards of Smoking

The Public Health Service National Clearinghouse on Smoking and Health and the Children's Bureau sponsored a national consultation of youth leaders on the health hazards of smoking. The 3-day meeting produced many suggestions for further activities to help national voluntary organizations working with children and youth provide information and guidance to young people about the health hazards of smoking.

The youth leaders recommended that the Children's Bureau continue to issue publications for young people on smoking.

Youth Services

The Bureau initiated plans to collect data on problems of youth. This information will be used to mobilize public and voluntary resources in realigning or creating structures that will provide support for youth to have constructive roles in their own homes and contribute to their immediate and broader communities.

Physically Abused Children

The Bureau continued to highlight the development of medical, legal, and social work programs to protect the physically abused child. Interest in child abuse reporting legislation continued in the States, with the emphasis shifting from enactment to implementation of the laws. In 1966, Mississippi, Virginia, and the Virgin Islands passed new statutes, and Maryland revised a previous law. Forty-nine States and the Virgin Islands had reporting statutes as of June 30, 1966.

The Children's Bureau cosponsored two meetings on child abuse in 1966: A roundtable workshop on patterns of parental behavior leading to physical abuse of children, conducted by the University of Colorado Medical Center; and a conference on child abuse and the juvenile courts, held by the Columbia Law School Project on Child Welfare and Legal Authority.

Programs of the Bureau

RESEARCH IN CHILD LIFE

In addition to issuing its own studies and cooperating in joint studies, the Bureau supported research in child health and welfare through two research grant programs.

During fiscal year 1966, the Bureau's intramural research included studies on waivers from juvenile courts to criminal courts, the intake process in public child welfare agencies, and trends in foster care and adoption; an evaluation of a preschool program for culturally deprived

children; and surveys of child care arrangements of working mothers, infant mortality in low-income urban neighborhoods, and probation services and juvenile courts.

Some Facts and Figures

In 1964, 4,027,490 children were born in the United States, or slightly less than the 4,098,020 born in 1963 and 5 percent less than the record number of 4,254,484 in 1957. During the past decade, the number of births each year has been relatively stable: between 4.0 and 4.2 million. When the babies born in the years of high birth rates, 1947–57, reach childbearing age, the number of births will increase. Assuming fertility rates will be somewhat lower than in 1960–63, the Bureau of the Census estimated that 4.72 million babies will be born in 1969–70, 5 million in 1971–72, and 6 million in 1979–80.

The child population under 18 years of age numbered 70,432,000 on July 1, 1965. During the past 10 years, the child population under 18 has increased by 15 million—from 55.7 to 70.4 million. In 1955, 34 percent of the population was under 18 years of age; in 1965, 36 percent was under 18. By 1970, the population will include 80 million children under 20 years of age. More than 60 million will be in the school- or college-age group from 5 through 19 years. Youth in the age range 15 through 19 numbered 13.3 million in 1960 and may reach 19.1 million in 1970.

In 1965, there were about 38.9 million women aged 15 through 44 years. According to Census Bureau estimates, the number of women in the childbearing age will increase to 42.3 million in 1970, to 46.9 million in 1975, and 51.9 million in 1980.

There were 28.3 million families with related children under 18 years of age in the United States in 1965. Of this number, 25 million (89 percent) were husband-wife families, 2.9 million (10 percent) were families with a female head, and 0.4 million (1 percent) were families with a male head. Eighty-eight percent of the children under age 18 lived with both parents, 9 percent with one parent (8 percent with mother only and 1 percent with father only), and 3 percent with neither parent (most of them with relatives).

In 1964 (the latest year for which figures are available), births out of wedlock continued to increase: the number rose from 259,400 in 1963 to 275,700 in 1964, and the rate rose from 22.5 per 1,000 unmarried women aged 15 through 44 years in 1963 to 23.4 in 1964. Almost 7 percent of all live births were out of wedlock.

In that same year, infant mortality declined 2.7 percent from the 1960–62 average. The rate was 24.8 deaths of children under 1 year of age per 1,000 live births, the lowest ever achieved by the United States.

The death rate in 1964 for children aged 1 through 4 years was 96.1 per 100,000 children of that age as compared with 108.8 for 1960. For children aged 5 through 14 years, the death rate in 1964 was 43.3 per 100,000 as compared with 46.6 for 1960. The main cause of death of children aged 1 through 14 years was accidents other than in motor vehicles. Motor vehicle accidents were the second highest cause of childhood deaths.

The number of working mothers with children under 18 years of age continued to grow. In March 1965, about 9.7 million mothers were working, about 200,000 more than a year earlier. About one-third of all mothers with children under 18 were working. There were 3.7 million working mothers with children under 6, and 6 million with older children. About three-fourths of these mothers had full-time jobs.

Maternal and Child Health and Crippled Children's Research Grants

The amount awarded for maternal and child health and crippled children's research grants from fiscal year 1966 funds was $3,977,398 for 30 new projects and continuation of 37 projects. Grants were made to support research in such areas as family planning, nutrition, prenatal influences, prosthetics and orthotics, preventive services, incidence of breast feeding, congenital hand anomalies, galactosemia screening, infant formulas, auditory testing in infancy, hospital care of children, interdisciplinary services for handicapped children, programed instruction in prenatal and infant care, prophylaxis in noncardiac rheumatics, neurological findings and learning deficits in preschool children, and psychological assessment of the preschool child.

Child Welfare Research and Demonstration Grants

Child welfare research and demonstration grants supported studies and demonstrations in foster care, adoptions, services for mentally retarded children, manpower utilization and training, day care services, services for unmarried mothers, protective services for neglected and abused children, and child care facilities.

Of the $3 million available for these grants in fiscal year 1966, $2,999,425 was awarded for 51 projects.

Final reports were received on nine studies: "The Training of Personnel for Licensing of Family Homes in Child Welfare," "The Value of Homemaker Service in the Family With the Mentally Retarded Child Under Five," "Followup Study of Older Children Placed for Adoption," "Paths to Child Placement," "A Study of the Problems of Integrating Physically Handicapped Children With Nonhandicapped Children in Recreational Groups," "Cost Analysis in Day Care Centers for Children," "Social Distance and Illegitimacy," "District of Co-

lumbia Junior Village Project," and "Development of Methodology for Evaluative Research in Child Welfare."

MATERNAL AND CHILD HEALTH AND CRIPPLED CHILDREN'S SERVICES

During 1964, State and local public health agencies provided 287,700 expectant mothers with maternity clinic services as part of their maternal and child health services programs. Thirty-seven thousand mothers who had complications of pregnancy received inpatient hospital care, and 8,000 premature infants were cared for in hospital premature centers.

About 1,500,000 children (605,000 babies, 678,000 preschool children, 224,000 school children) were seen in well-child conferences. Approximately 8,352,000 school children were screened for visual defects; 5,342,000 for hearing defects; and 3,024,000 for dental defects. Physicians made 2,437,000 examinations of school children. Some 2,996,000 were immunized against smallpox; 4,306,000 against diphtheria; 3,064,000 against whooping cough; and 4,683,000 against tetanus. Booster shots were a regular part of the immunization program. Public health nurses visited approximately 2,860,000 children.

The State crippled children's programs continued to grow. More than 423,000 handicapped children under 21 years of age received services under these programs in 1964, or 7 percent more than in 1963. The rate increased from 5.1 children per 1,000 children under 21 in the population in 1963 to 5.4 in 1964 (which was twice the rate in 1937). Approximately 73,600 children received inpatient hospital care; the average number of inhospital days per child was 19.1. Three-fourths, or 316,000 children, received diagnosis, treatment, and followup care in medical clinics; about one-fourth were treated by physicians in homes or offices. As in previous years, congenital malformations represented the largest single diagnostic category of children served by crippled children's agencies, about 30 percent of the total. The median age was 8 years, and more than half of the children served were male.

State and local public health agencies spent an estimated $123 million in fiscal year 1965 for maternal and child health services. This included expenditures of $88.2 million from State and local funds (72 percent of the total) and $34.7 million from Federal funds (28 percent).

State and local crippled children's agencies spent an estimated $99.7 million in fiscal year 1965 for crippled children's services. This amount included expenditures of $64.6 million from State and local

funds (65 percent of the total) and $35.1 million from Federal funds (35 percent).

Mental Retardation Services

Services for mentally retarded children have expanded rapidly since 1957. States have established clinical services for the diagnosis, evaluation, and followup care of mentally retarded children by a multidiscipline team. Cytogenetic studies and parent counseling were important components of service. A number of medical center mental retardation clinics have developed satellite clinics in neighboring towns. By the end of fiscal year 1966, there were 191 mental retardation clinics, of which 134 were supported in whole or in part by Children's Bureau funds.

Maternity and Infant Care Projects

A program of comprehensive maternity care for women in low-income families has been in operation since April 1964. Twenty-six new projects were approved during fiscal year 1966, making a total of 51 maternity and infant care projects, for which a total of $32.7 million has been obligated.

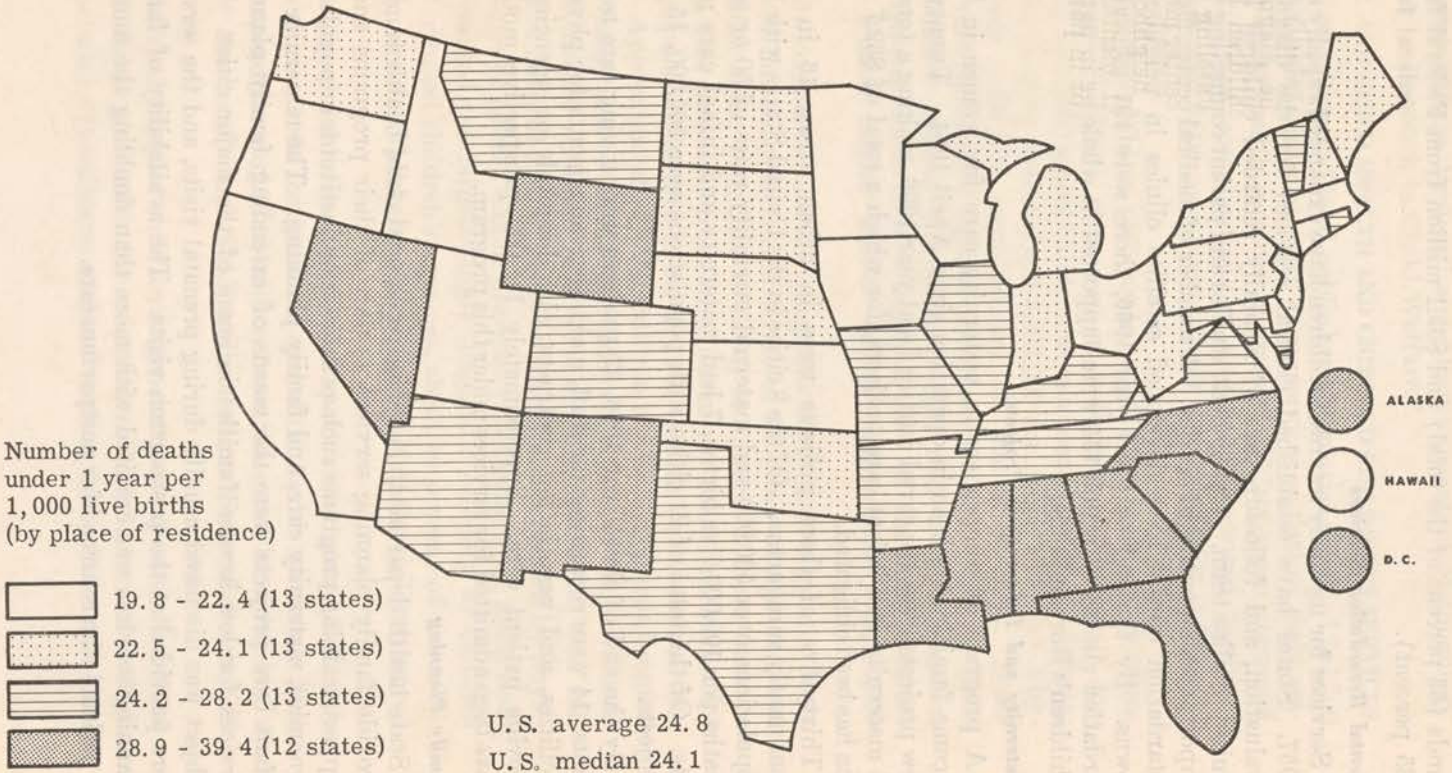
Thirty-five of these projects were in urban areas, 16 in predominantly rural areas. Of the 8 cities in the United States with 1960 populations over 500,000 and maternal mortality rates of 50 or more deaths per 100,000 live births, 7 had maternity and infant care projects. Of the total of 21 cities with populations over 500,000, 15 had projects.

By the end of fiscal year 1966, 37 projects were giving care to patients; 14 were recruiting for staff, making arrangements for physical facilities, and negotiating contracts with hospitals or agencies to provide patient care. Approximately 118,000 prospective mothers have been admitted for services under this program.

Family Planning

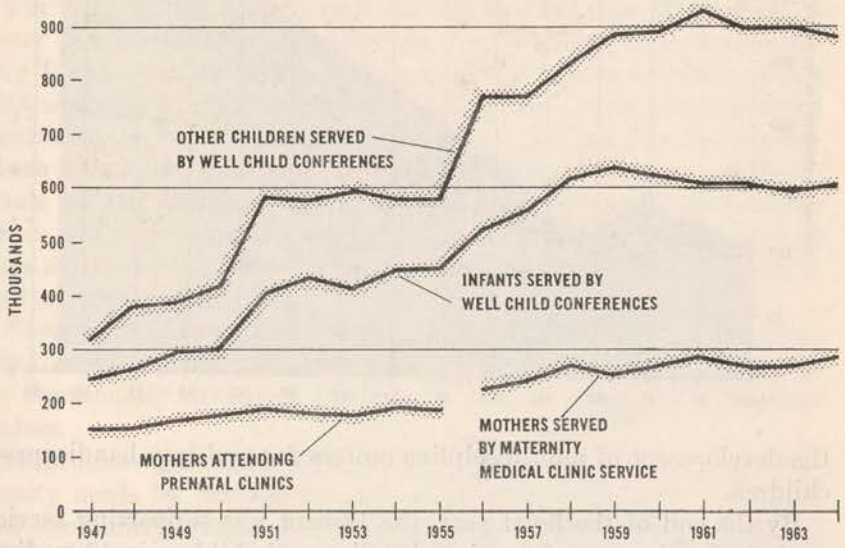
State health departments, used maternal and child health funds to provide family planning services as part of their programs and to support training programs such as short-term institutes in population dynamics, maternity care, and family planning. The maternity and infant care projects were the means of extending family planning services for low-income families in some of the major cities. The subject was discussed usually during prenatal visits, and the services were provided at the postpartum visits. The availability of family planning services was credited with more than doubling the number of patients who returned for postpartum care.

CHART 2.—INFANT MORTALITY RATE, UNITED STATES, 1964



In fiscal year 1965, 25 States reported spending $1,850,000 from maternal and child health services and maternity and infant care funds specifically for family planning services. It was estimated that $3 million was spent in fiscal year 1966 by 32 or more States for this purpose.

CHART 3.—MATERNAL AND CHILD HEALTH SERVICES, 1947–64



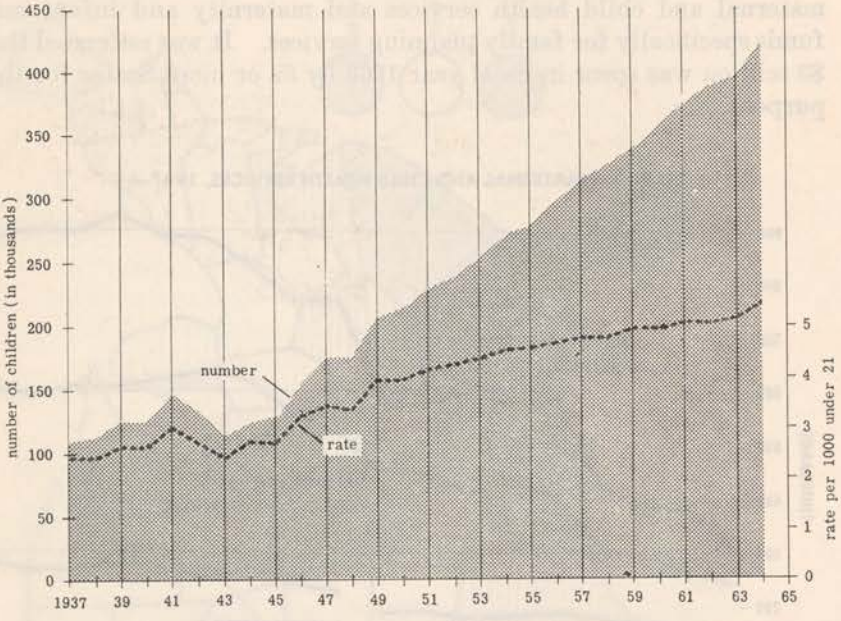
Health of School and Preschool Children Projects

The 1965 Social Security Amendments authorized a program of special project grants for health of school and preschool children, particularly in areas with concentrations of low-income families. The program includes screening, diagnosis, and preventive services, both medical and dental. Treatment, correction of defects, and aftercare services are provided to children who would not otherwise receive them because of low family income or other reasons beyond their control. By the end of fiscal year 1966, 14 projects in 11 States had been approved, for which a total of $14.7 million had been obligated. Three of these grants were to teaching hospitals, five to universities, four to city health departments, and two to State health departments. Two projects serve predominantly rural areas with the objective of bringing university medical services to rural communities.

Services for the Multiply Handicapped

The children seen in the crippled children's programs and the mental retardation clinics presented increasingly more complex handicaps, especially neurological handicaps. As a result, the trend was toward

CHART 4.—CHILDREN SERVED IN THE CRIPPLED CHILDREN'S PROGRAM, 1937–64



the development of multidiscipline centers for multiply handicapped children.

By the end of the fiscal year, the Bureau was supporting service projects for the care of multiply handicapped children in 12 medical centers.

CHILD WELFARE SERVICES

About 697,300 children were receiving services from public and voluntary child welfare agencies and institutions in the United States on March 31, 1965, or 7 percent more than were being served on March 31, 1964. Of this total, 483,000 (69 percent) were being served primarily by public agencies and institutions, and 213,500 (31 percent) primarily by voluntary agencies and institutions. The rate was 87 children served per 10,000 in the population, as compared with 83 per 10,000 in 1964.

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

State and local public welfare agencies spent an estimated $352 million in fiscal year 1965 for public child welfare services, a 12-percent rise over 1964. This amount included expenditures of $176 million from State funds (50 percent of the national total), $141.8 million

from local funds (40 percent), and $34.2 million from Federal funds (10 percent).

A total of $5 million in child welfare training grants, the full amount of the appropriation, provided for 125 field instruction units and 30 other faculty members to strengthen the school program in relation to child welfare; 727 traineeships, including 46 traineeships at the postmaster's level; and 21 short-term training projects.

For more than 20 years, both the number and rate of children in foster family care have risen steadily, with the largest increase occurring for those under public agency auspices. These increases, along with socioeconomic factors, made it difficult for public and voluntary agencies to recruit the number and quality of foster families needed. There was, however, a growing recognition by citizens and public officials of the complexities involved in the placement of children. There was also increasing acknowledgment that a high percentage of these children need foster family care for a long period of time, many for their entire childhood.

Foster family care programs were being developed for the emotionally disturbed child. Greater use was made of foster family homes for emotionally disturbed children in lieu of residential treatment centers.

Institutions generally responded to a variety of changing community needs by developing specialized combinations of residential and community services for adolescent boys and girls; by expanding the institutions into multiple child welfare service programs; and by developing psychiatric consultation, casework, and clinical services for children in institutions.

University extension divisions and graduate schools of social work started training programs in many parts of the country for staff of child-caring institutions.

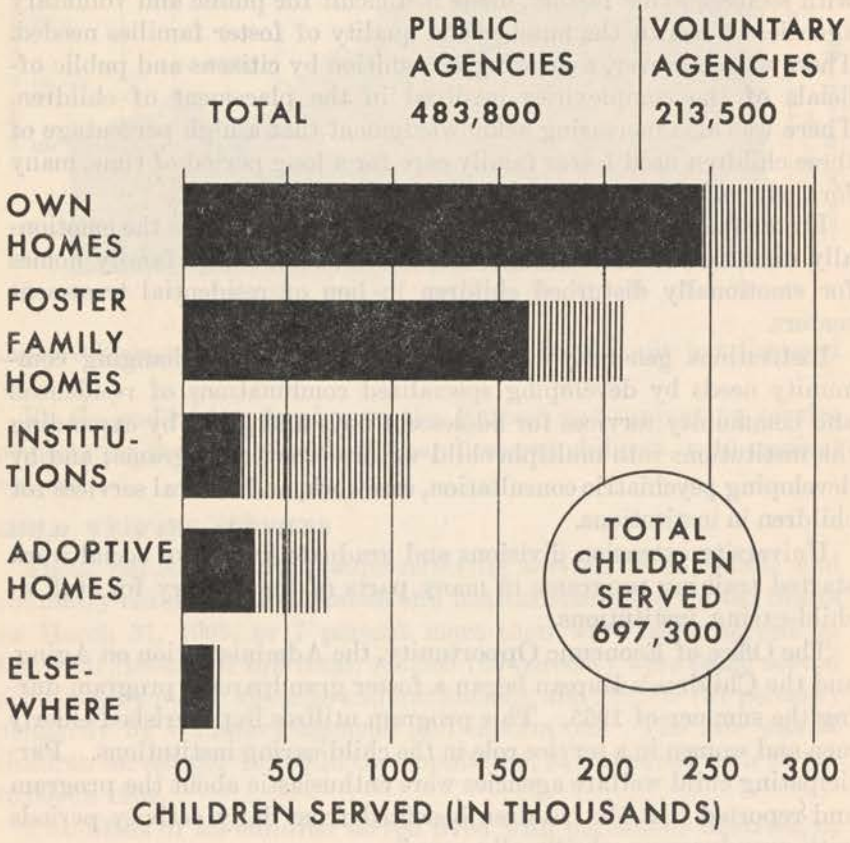
The Office of Economic Opportunity, the Administration on Aging, and the Children's Bureau began a foster grandparents program during the summer of 1965. This program utilizes impoverished elderly men and women in a service role in the child-caring institutions. Participating child welfare agencies were enthusiastic about the program and reported that the children benefited from daily activity periods with grandparents who "really care."

About 142,000 children were adopted in the United States in 1965, as compared with about 135,000 in 1964. Relatives adopted 54 percent of the children, and nonrelatives adopted 46 percent. The general public was becoming more aware of the advantages of adoptions made through social agencies: 83 percent of nonrelative adoptions in 1964 were made through social agencies as compared with 50 percent in 1951. Both public and voluntary agencies made greater ef-

forts to place children who were handicapped, older, nonwhite, or had mixed racial backgrounds. The number of children needing to be adopted had increased so rapidly, however, that agencies were not able to keep pace.

Many States improved the requirements for obtaining licenses for day care homes and centers and upgraded the standards for day care services. All States and Territories (except Idaho and Guam) included day care services in their child welfare services plans, and 27

CHART 5.—CHILDREN RECEIVING CHILD WELFARE SERVICES BY LIVING ARRANGEMENTS, MARCH 31, 1965



States appropriated funds for day care services. As of September 1965, there were about 7,300 licensed or approved day care centers in the Nation with an aggregate capacity estimated at 252,000 children. In addition, there were about 16,400 licensed family day care homes with an aggregate capacity estimated at 58,500 children.

A concerted effort to coordinate federally aided daytime programs for children began in fiscal year 1966. A meeting of representatives of the Welfare Administration and the Office of Education in the

Department of Health, Education, and Welfare, the Office of Economic Opportunity, national voluntary organizations, and State child welfare agencies was called by the Children's Bureau of the Welfare Administration to consider more effective ways of providing better daytime services for children.

Child welfare agencies increasingly became aware that homemakers can strengthen protective services for children. Forty States included homemaker services in their child welfare services plans for fiscal year 1966.

Although the States continued to demonstrate an interest in the development of protective services for neglected and abused children, these programs did not expand as fast as the need increased for around-the-clock, 7-day coordinated services.

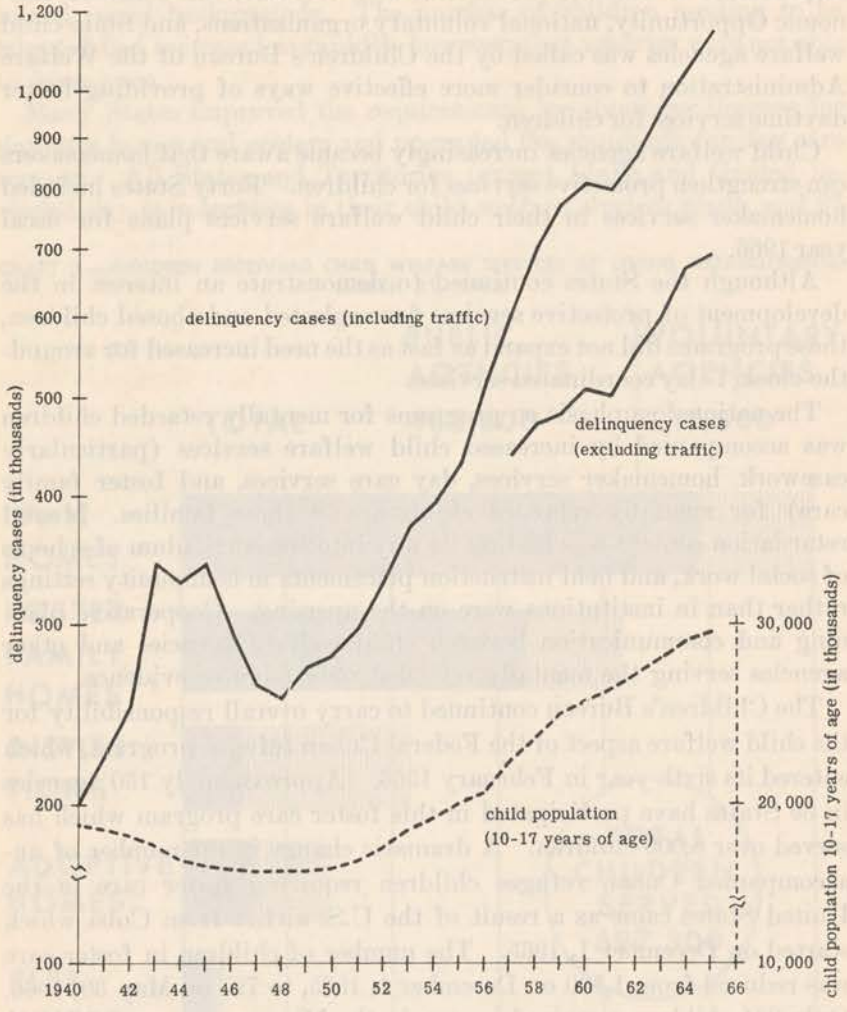
The national emphasis on programs for mentally retarded children was accompanied by increased child welfare services (particularly casework, homemaker services, day care services, and foster family care) for mentally retarded children and their families. Mental retardation content was finding its way into the curriculum of schools of social work, and field instruction placements in community settings rather than in institutions were on the upswing. Cooperative planning and communication between child welfare agencies and other agencies serving the mentally retarded were more in evidence.

The Children's Bureau continued to carry overall responsibility for the child welfare aspect of the Federal Cuban refugee program, which entered its sixth year in February 1966. Approximately 130 agencies in 39 States have participated in this foster care program which has served over 8,000 children. A dramatic change in the number of unaccompanied Cuban refugee children requiring foster care in the United States came as a result of the U.S. airlift from Cuba which started on December 1, 1965. The number of children in foster care was reduced from 1,500 on December 1, 1965, to 727 on May 30, 1966. Only 261 children remained in care in the Miami area.

JUVENILE DELINQUENCY SERVICE

Police arrested over 1.4 million children under 18 years of age in the United States in 1965, or 47 percent more than in 1960. The population in this age group had increased only 17 percent during the period. Nationally, persons under 15 years of age made up 9 percent of the total police arrests, while those under 18 years of age made up 21 percent of the total police arrests. In 45 percent of the cases where formal charges were preferred, the offenders were referred to juvenile court jurisdictions. Sixty-one percent of juvenile referrals were for auto theft. Young persons were referred to juvenile court

CHART 6.—JUVENILE DELINQUENCY IS STILL INCREASING



jurisdictions after being charged in 52 percent of burglary cases, 45 percent of larceny cases, 34 percent of forcible rape cases, 15 percent of aggravated assault cases, and 7 percent of criminal homicide cases.

The Bureau is responsible for developing program plans, guides, and recommendations for services in the field of juvenile delinquency; providing leadership in the development of National, State, and local programs for the control and treatment of juvenile delinquency; providing technical aid and advisory service to public and voluntary agencies and others on method, content, organization, and coordination

of such programs; and assisting in planning broad training programs for professional and nonprofessional staff working with delinquent children.

States, bar associations, Governors' commissions, and legislative commissions sought consultation in 1966 on nearly every aspect of service to delinquent children, including State administrative structure, detention, police methods, training, institutional care, juvenile and family courts, probation services, and aftercare and parole. Bureau staff began comprehensive studies of services to delinquent children in 10 States. Five of these studies had been completed by the end of the fiscal year.

The Bureau prepared position papers and background material for the National Commission on Law Enforcement and Administration of Justice, which was created by the President in 1965, and for a similar, short-term commission in the District of Columbia.

The Supreme Court of the United States for the first time granted certiorari in two juvenile matters, one of which was decided (*Kent* v. *U.S.*, 383 U.S. 451), and accepted jurisdiction in a third. Appeals from juvenile courts further focused attention upon basic legal rights and the elements of due process.

Standards for Juvenile and Family Courts, issued by the Bureau in 1966, was used as legal resource material in the juvenile matters pending before the U.S. Supreme Court.

New and amended juvenile court statutes in many States clarified the right to be represented by counsel. Statutes in California, New York, Ohio, Oregon, Washington, and Wyoming provided for access by counsel to social records and other information insofar as such facts figure in the dispositional phase of the court hearings.

Eight State legislatures in 1966 established new courts or reorganized State court systems. Hawaii enacted a new statewide Family Court Act, effective July 1, 1966. Illinois revised juvenile court procedures through its Juvenile Court Act of 1965. This Act made mandatory three separate hearings—detention, trial, and disposition. The Iowa Juvenile Court Act of 1965 provided court-appointed counsel for indigents and gave the criminal court concurrent jurisdiction of all crimes committed by juveniles. Maryland created, in 1966, a new department of juvenile services to contain in one agency the administration of all activities dealing with youth and their problems. The North Carolina Courts Commission bill of 1965 abolished all courts inferior to its superior court on a certain schedule between 1966 and 1971. North Dakota established family courts as divisions of district courts. Utah separated the juvenile court from the State

department of public welfare and established it as a statewide court at the district court level with a juvenile court commission authorized to appoint judges. Vermont created a district court system to replace municipal courts.

Some States changed the age of children subject to juvenile court jurisdiction. Arkansas lowered the maximum age of jurisdiction from 21 to 18 years; Kansas raised the age from 16 to 18; and New Hampshire lowered the age from 18 to 17.

Lack of staff training remained the greatest barrier to adequate professional services in all States, especially among staff that had the most contact with delinquent youth—police line officers, detention workers, child care staff in institutions, and aftercare personnel. Recognizing the need for training, Congress appropriated funds in 1965 for the Joint Commission on Correctional Manpower and Training. Decisions by the U.S. Supreme Court on law-enforcement procedures in arrest and apprehension also motivated interest in law-enforcement standards and training at the State level.

INTERNATIONAL COOPERATION

United Nations International Children's Fund (UNICEF)

The Children's Bureau serves as the focal point for coordinating technical advice from appropriate agencies of the U.S. Government on programs supported by UNICEF.

The Executive Board of UNICEF met in Addis Ababa, Ethiopia, in May 1966. This was the second time in 20 years that the UNICEF Board had met in a developing country. The meeting was preceded by visits of small groups of the Board members to selected African countries and a 3-day session on the needs of the African child.

UNICEF's income in 1965 amounted to about $33 million, mostly from voluntary contributions of 117 governments. At the May session of the Executive Board, $28 million was committed to 224 projects, for which the Children's Bureau obtained and collated reviews from appropriate U.S. agencies.

The major policy issue left pending by the Board was UNICEF's possible role in family planning.

Training

The Bureau, in cooperation with AID, the United Nations, the World Health Organization, and other agencies, planned training programs for a total of 267 visitors from 77 countries. Forty-two

specialists received training for 1 month or longer in child welfare, juvenile deliquency, and youth services; 29 in nursing and midwifery; and 27 in other aspects of maternal and child health. Others with interests varying from part-time volunteer work to full-time professional service received training for less than 1 month.

The first international training program for nurses and professional midwives to include family planning as an integral part of maternal and child health care was organized by the Bureau in cooperation with the Graduate School of Nursing, New York Medical College. Five AID-sponsored participants in key nursing and midwifery positions in Latin America and Africa completed the 13-week program. The second such program opened in June 1966 at Emory University School of Nursing for 16 key nurses from 8 nations.

Research Grants

The Bureau approved 6 new international research grants in the field of maternal and child health, making a total of 19 such projects to be approved since the program began in 1962. A study of prevention of tetanus in the newborn through immunization of the mother was the first to be approved for India. A study in Yugoslavia on the use of contraceptive devices to decrease cases of abortion was the first international research grant in the family planning field to be supported by the Children's Bureau.

International Conference on Inborn Errors of Metabolism

The Federal Institute of Public Health of Yugoslavia hosted an International Conference on Inborn Errors of Metabolism in Dubrovnik, May 30–June 3, 1966. Participants from 13 countries included 37 experts engaged in the study of phenylketonuria and other inborn errors of metabolism. The countries represented were Belgium, Germany, Greece, India, Ireland, Israel, Mexico, Pakistan, Poland, Scotland, Sweden, Yugoslavia, and the United States. The conference was the first which the Children's Bureau had organized and supported using U.S.-owned foreign currency under the interchange of experts program.

Table 1.—*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 1966* [1]

[In thousands]

State	Maternal and child health services	Crippled children's services	Child welfare services
United States	$40,558.3	$39,457.8	$39,826.9
Alabama	1,090.7	1,000.0	977.2
Alaska	203.7	159.6	115.4
Arizona	561.6		428.9
Arkansas	606.7	617.2	566.7
California	2,288.3	1,962.5	2,623.2
Colorado	689.2	424.8	417.8
Connecticut	626.8	384.9	409.6
Delaware	179.0	175.6	133.9
District of Columbia	429.3	364.9	156.0
Florida	1,523.3	1,039.0	1,207.4
Georgia	1,289.5	1,344.6	1,131.3
Guam	105.3	82.9	89.0
Hawaii	206.8	391.4	206.8
Idaho	197.3	419.3	203.0
Illinois	1,187.5	1,298.3	1,553.4
Indiana	744.3	943.5	972.8
Iowa	440.7	987.4	620.1
Kansas	338.6	448.6	496.8
Kentucky	1,241.4	870.3	848.7
Louisiana	963.8	973.1	1,004.5
Maine	271.8	250.0	257.8
Maryland	784.1	809.6	641.4
Massachusetts	855.9	654.3	859.8
Michigan	1,569.8	1,736.1	1,635.5
Minnesota	781.0	959.6	800.3
Mississippi	917.2	626.6	745.4
Missouri	860.0	757.0	839.0
Montana	196.8	264.2	221.2
Nebraska	262.2	309.0	319.8
Nevada	191.8	220.0	122.3
New Hampshire	165.3	186.7	176.3
New Jersey	613.8	342.0	1,014.6
New Mexico	552.1	367.1	332.8
New York	2,083.0	1,816.8	2,345.1
North Carolina	1,570.4	1,646.6	1,294.0
North Dakota	195.6	207.6	220.1
Ohio	1,756.1	1,678.9	1,906.0
Oklahoma	549.2	534.2	602.9
Oregon	420.6	414.7	345.6
Pennsylvania	1,766.6	2,252.7	1,939.4
Puerto Rico	1,085.2	1,079.7	912.3
Rhode Island	369.0	250.9	224.6
South Carolina	869.8	900.2	771.8
South Dakota	85.0	190.2	231.2
Tennessee	1,187.3	1,039.5	981.8
Texas	1,781.4	2,159.6	2,382.9
Utah	205.0	266.8	317.8
Vermont	166.7	166.3	144.4
Virgin Islands	133.6	127.2	90.8
Virginia	1,224.3	1,223.1	907.4
Washington	685.7	607.1	593.4
West Virginia	595.4	602.0	468.1
Wisconsin	745.5	783.3	883.8
Wyoming	147.2	139.9	134.9

[1] Additional grants were made for special projects to institutions of higher learning and to public or other nonprofit agencies and organizations as follows: Maternal and child health services, $4,084.4; crippled children's services, $4,720.9; child welfare research and demonstration projects, $2,999.6; research projects relating to maternal and child health and crippled children's services, $3,977.4; child welfare training $5,000.0; maternity and infant care projects, $24,155.9; and comprehensive health care and services for children of school and preschool age, $14,715.3.

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 act was extended through June 30, 1967, by Public Law 88–368, signed into law July 9, 1964, and by 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 communities to develop and/or implement comprehensive projects which would 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 would fund these projects when juvenile delinquency grants terminated.

The Office of Juvenile Delinquency and Youth Development now supports special short-term demonstration projects in such problem areas as teenage violence, delinquency among American Indians, narcotics addiction, delinquency among girls, and reintegration of delinquents from training schools into the community.

Training Projects

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

During the year, the Office of Juvenile Delinquency supported training centers at five colleges and universities across the country. In

addition to these centers, curriculum development projects have been or are being carried out by 24 organizations. Workshops, institutes, seminars, and related training activities have been conducted by 17 institutions and agencies. To date, over 30,000 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 and to numerous other communities which have requested assistance.

Cuban Refugee Program

A new and orderly relative-to-relative movement of refugees from Cuba began December 1, 1965, as a result of President Johnson's speech on October 3 of that year. The movement is based on a formal agreement between the two governments negotiated by the Swiss Embassy in Cuba representing U.S. interests. Priority is given to close relatives of Cubans already in the United States.

Flights arrive twice daily, 5 days a week in Miami, Fla. An average of 865 refugees arrive each week. As of August 31, 1966, over 33,400 refugees had arrived in Miami since the airlift began.

Freedom House, a hotel-like facility at the Miami airport, serves as a temporary shelter for those going on to join relatives in other parts of the United States.

Children Reunited With Parents

Special priority on the airlift is given the parents of unaccompanied Cuban children. Since the airlift began, more than 1,900 parents have been reunited with over 2,200 children who had been sent to the United States previously.

Voluntary Agencies Respond to Refugee Need

Alerted to the increased need for sponsors due to the airlift, the National Catholic Welfare Conference, Church World Service, United HIAS Service, and the International Rescue Committee—the four national voluntary agencies which participate in the resettlement of

refugees—called for revived efforts on local levels to sponsor refugees in communities throughout the Nation.

By November 30, 1965, over 183,000 Cubans had been registered at the Cuban Refugee Center in Miami, and more than 95,000 had been resettled in over 3,000 communities in every State, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. Since December 1, 1965, over 74 percent of the new registrants have been resettled.

The resettled refugee has the means to provide for his relatives, and Cuban civic groups announced their plans to assist new arrivals in their areas. Cubans have been of material value in this way, contributing greatly to the success of program resettlement planning. Voluntary agencies continue with long-range planning, opening new offices, promoting additional sponsorships, and providing adequate planning for the difficult-to-resettle family.

Program Appropriations

Federal obligations for the Cuban Refugee Program decreased from $46,012,000 in fiscal 1964 to $32,531,598 in fiscal 1965. However, the airlift brought total appropriations for fiscal 1966 up to $42,600,000.

Financial Assistance

A survey by the Bureau of Family Services, Welfare Administration, revealed that only 4 percent of resettled refugees have required Federal financial assistance, and among those who received such aid, it was needed for an average period of only 11 months.

The financial assistance caseload in Miami, after 9 months of the airlift, remained relatively stable. Slight increases were attributable to the medical needs of the older Cuban refugees. As of September 1, 1966, there were 7,113 active financial assistance cases—representing some 11,950 persons—among refugees in Miami. These cases are made up of elderly refugees, the physically and socially handicapped, the sick, and unaccompanied minor children. Many of these cases are receiving counseling, medical, and other services to help prepare them for resettlement opportunities.

Training of Professionals Continues

The continued training of Cuban professionals assumes more importance as the airlift continues. Cuban teachers, physicians, and dentists are among those who will fill positions in fields with a critical shortage of qualified professionals in the United States.

Over 1,900 Cuban-trained physicians have taken medical refresher courses; over 600 Cuban university graduates have received special

courses qualifying them as teachers of Spanish and as librarians. Training in refresher courses has included 345 other professionals. Refugee college students have received $1.6 million in loans to continue their education. Some 93 refugee dentists have been admitted with advance standing to 24 U.S. dental schools through efforts of the Cuban Refugee Program. Over 9 million student-hours of English and vocational training have been provided for Cuban refugee adults in Dade County (Miami) adult education programs.

Resettlement Continues As Major Objective

The continuation of the airlift will place major emphasis on resettlement efforts. Concurrent with the resettlement of new arrivals, the Miami caseload will continue to receive intensive study and planning to prepare or rehabilitate those families or individuals considered difficult to resettle.

The Cuban Refugee Center in Miami will continue to function as the focal point of U.S. activities concerned with the airlift.

Operational Programs in the Office of the Commissioner

The immediate office of the Commissioner is responsible for broad administrative functions, management, long-range planning, legislative considerations, and public information. In addition, it carries operational responsibilities for social welfare research and international activities.

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 which include, in addition to social work, sociology, psychology, economics, demography, and history.

The Division issues the monthly journal *Welfare in Review*, a major means of communication between the Welfare Administration and social welfare agencies. The majority of the full-length articles carried in *Welfare in Review* in 1966, were prepared by the Division's staff, including "Population Dynamics and Poverty in the United States: Implications for Family Planning Programs"; "Guaranteed Income Maintenance: A Discussion of Negative Income Tax Plans";

"Spanish-Americans of the Southwest"; "Cost Benefit Analysis and Social Welfare."

Additional research findings are issued in the form of separate reports. Among the study reports published during the past year are: *Growing Up Poor*, Welfare Administration Publication No. 13; *Low-Income Life Styles*, Welfare Administration Publication No. 14; *Social Development*, Welfare Administration Publication No. 15; *Study of Drug Purchase Problems and Policies*, Welfare Research Report 2; *Social, Psychological, and Economic Aspects of Alcoholism*, Welfare Research Report 3; and *Approaches to the Measurement of Family Change*, Welfare Research Report 4.

Studies now underway include, among others: "Spanish-Americans of the Southwest"; "National Study of Family Living Conditions in AFDC Families"; "A Survey of Accepted and Rejected Applicants for AFDC"; "Impact of Economic Dependency on School Achievement, Employment, and Alienation in a Knox County, Tenn., Area Sample"; "Work Incentives: Perceptions of and Responses to, by Subgroups of the Poor"; "Sources and Uses of Information About Public Assistance"; pilot work on the forthcoming national "Medical Care Benchmark Survey"; and a series of investigations focusing on the evaluation of program effectiveness, as well as cost benefit analyses to determine level of efficiency of program operation.

As another means of enhancing interest and expertise in social welfare research, the Division sponsored and conducted—in collaboration with the bureaus of the Welfare Administration—the Sixth Biennial Workshop on Public Welfare Research and Statistics. Individual staff members were also active in various professional organizations including the American Sociological Association, the American Psychological Association, and the National Association of Social Workers.

Another major function of the Division has been the provision of grants-in-aid for research under section 1110 of the Social Security Act. Under this Cooperative Welfare Administration and Social Security Administration research grants program, 42 initial and continuation grants totaling $1,807,565 were made in fiscal year 1966. These grants supported a wide variety of research relevant to Welfare Administration programs.

International Office

CONFERENCES

The White House Conference on International Cooperation held in Washington, November 28–December 1, 1965, was a major highlight of international activities in the United States. The Conference climaxed a year of discussions by widely representative groups of

citizens, including businessmen, voluntary agency executives, and Government officials. Recommendations ranged from the need for social services for families and children in Vietnam to support for a firm legislative base in the Welfare Administration for international cooperation. Better organizational arrangements were urged for United Nations social welfare activities and for appointment of social welfare experts to U.S. overseas diplomatic missions and those of the Agency for International Development.

The International Office provided extensive services for the 17th session of the United Nations Social Commission, which advanced plans for a United Nations Conference of Ministers Responsible for Social Welfare and for regional projects in training and social development to be carried out in 12 different countries; and for the UNICEF Executive Board meeting in Addis Ababa, Ethiopia, which evaluated 60 cooperative projects in social service. The Office also developed policy and technical statements for the Department of State and provided experts for some delegations to the regional economic commissions of the United Nations for Asia and the Far East, Africa, and Latin America.

COOPERATIVE RESEARCH

Twenty new awards were made through the special foreign currency international research program, bringing the total number of Welfare Administration grants to 54. This was an improvement over the previous year when funds were available for only three additional projects. These awards are administered by oversea universities, social welfare, or health organizations. There is a total of 9 grants in India, 22 in Israel, 3 in Pakistan, 9 in Poland, 5 in the United Arab Republic (Egypt), 5 in Yugoslavia, and 1 in Burma.

Included in the new studies is a survey of basic problems of older persons in Yugoslavia, a project which will extend the cross-national study now being supported in Israel and Poland. This research is already producing findings of universal interest in planning community services for older persons. Studies of alcoholism in Poland are the first to be conducted through the international research program. They will focus on problems of alcoholics in industrial centers and the social welfare of children in alcoholic families. A grant for the first international research project on family planning went to the United Arab Republic for a study of social welfare in family planning. The United Arab Republic has one of the highest rates of population growth in the world.

Another new study under this program is the cross-national research launched in Poland, Yugoslavia, and Israel on the intake and accomplishment of juvenile courts in delinquency cases. A similar study is being conducted in Puerto Rico.

Universities in the United States are providing consultation services on several of these projects. These include the School of Social Work, University of Michigan; the Florence Heller School for Advanced Studies in Social Welfare, Brandeis University, the Hunter College School of Social Work, City University of New York; the Department of Sociology and Anthropology, University of Illinois; and the Columbia University School of Social Work. The cooperation of these universities extends U.S. expert support for overseas research and affords excellent scientist-to-scientist relationships between the two countries.

TRAINING

The number of countries sending international trainees to the Welfare Administration increased to 102. There were 34 African countries represented, 20 from Europe, 15 from the Far East and South Pacific, 21 from Latin America; and 12 countries from the Near East, South Asia, and Australia. The variety of training needs expanded, and the Welfare Administration, in cooperation with AID, increased the use of group seminars for this purpose. Seminars were conducted in administration and social planning, in social aspects of urban development, in leadership in social aspects of development planning, and in youth services.

At the request of the United Nations and the Department of State, the International Office for the first time organized programs for U.N. Fellows in the field of human rights. Their interests were in social legislation—such as laws relating to families and children and legal rights of indigent persons.

Specialists in fields other than social welfare who come to this country show increased interest in orientation in social welfare. The Department of Labor asked for orientation programs for 366 labor leaders and other labor specialists. The Department of State, Bureau of Educational and Cultural Affairs, referred 209 foreign leaders for discussion of social welfare and social development in the United States. Voluntary agencies and other organizations bringing experts in under their own programs referred 185 persons.

At the request of the Agency for International Development, the International Office conducted a workshop in Sierra Leone in September 1965 for participants from five English-speaking West African countries. Thirty-eight delegates met and lived together at the Milton Margai Training College in Freetown for a 10-day period sharing ideas and information in regard to volunteers in social welfare. The workshop was intended to stimulate new approaches in social services. A publication based on the proceedings was distributed not only in Africa but in many other countries and has served as a useful manual.

VIETNAM

There has been acute concern over the plight of orphaned or homeless children, and a growing awareness that a more adequate social welfare structure is needed to provide both emergency and long-term services. A social welfare officer recruited by the International Office has been added to the AID staff in Saigon. The Welfare Administration, AID, and the voluntary agencies are cooperating to strengthen the program, providing training to Vietnamese welfare officers coming here and briefing experts being assigned to Saigon.

RECRUITMENT

During the year, 186 social workers indicated their interest in an overseas assignment. There were about 50 openings for which the International Office was recruiting.

A staff member of the International Office serves with the screening committee of the Conference Board of Associated Research Councils which selects Fulbright scholars for overseas appointments, advising on placement and assisting on recruitment. American specialists were sent to all geographic areas of the world during the year. A new effort is being made to develop programs for young social workers in order to capitalize on their enthusiasm and interest in international affairs and to give them a chance to learn and test social work methods in other countries.

Public Health Service

• In Little Rock, Ark., last April, two Public Health Service scientists wound up a 2-year experiment at the Arkansas Children's Colony. The result: The first effective experimental vaccine against German measles, a major cause of mental retardation and other birth defects.

• In San Antonio, Tex., ground was broken in March for the South Texas Medical School. It is one of eight new medical schools whose construction is being aided by Federal funds to increase the Nation's capacity for training physicians and other health professionals.

• At U.S. airports receiving international flights, Public Health Service quarantine inspectors gave health clearance to more than 5 million passengers arriving in the United States from foreign countries. Fiscal year 1966 was the first in which air passenger volume exceeded 5 million.

• In South Vietnam, on October 23, 1965, Public Health Service surgical teams marked the completion of three years of service aiding noncombatant civilians. In that time, the team had performed 10,000 major operations in provincial hospitals.

• In Bethesda, Md., in 1966, the Public Health Service's National Library of Medicine published for the first time the annual *Cumulated Index Medicus*, formerly published privately. For several years, NLM had been producing *Index Medicus*, a comprehensive monthly index to current articles from 2,400 biomedical journals which now reaches 6,000 libraries throughout the world.

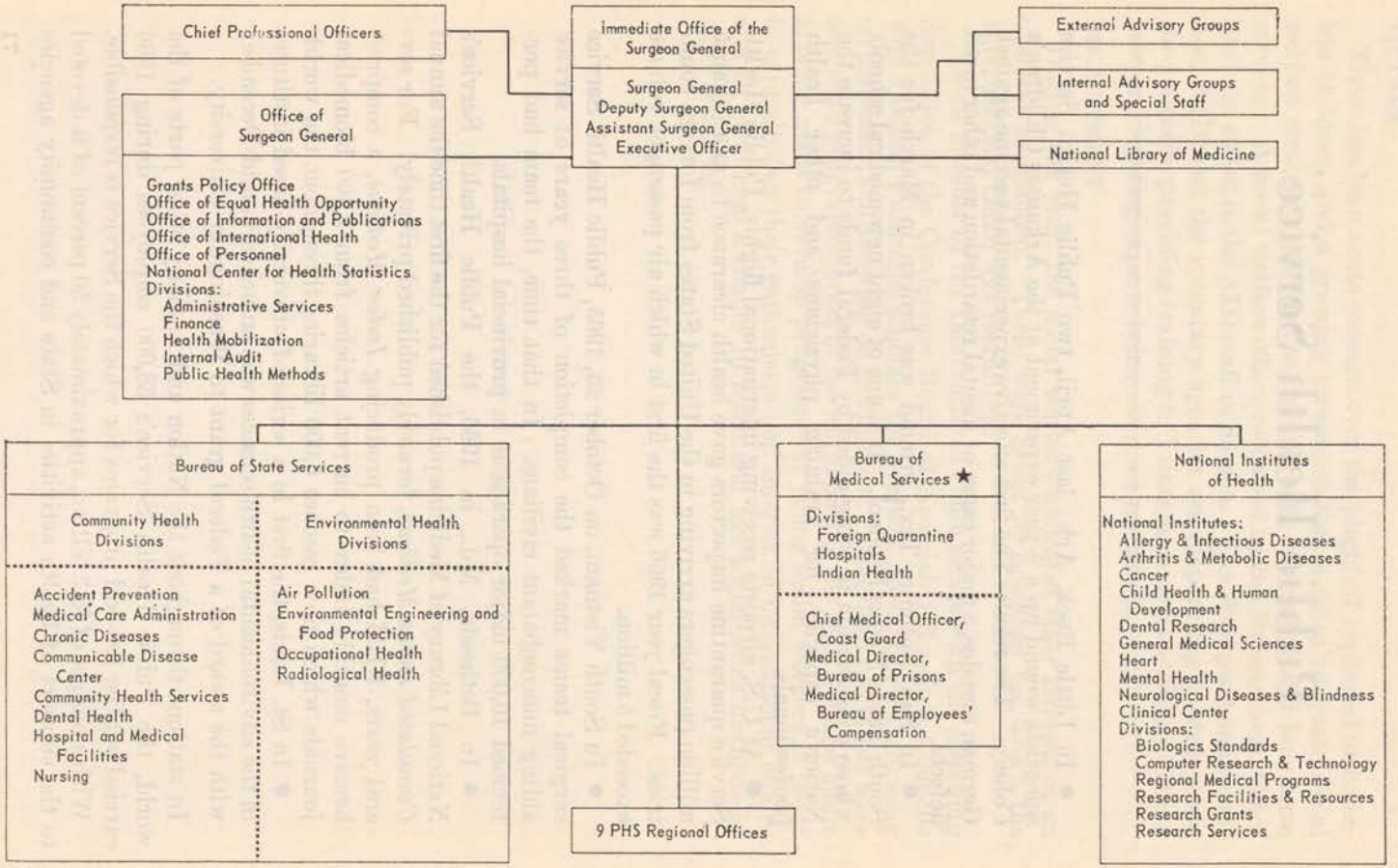
• In St. Louis, the first in a series of university-based institutes in the environmental health sciences was launched in mid-December with the award of a Federal grant to Washington University.

In stations throughout the Nation and in many other parts of the world, the Public Health Service's 38,000 employees during 1966 carried out the 100-odd programs for which the Service is responsible.

With a budget of $2.3 billion, approximately 50 percent of it devoted to the support of health activities in State and community agencies

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PUBLIC HEALTH SERVICE



★Division of Federal Employee Occupational Health and Safety established in June 1966.

and in private, nonprofit institutions, the Service concluded its 168th year.

Notable accomplishments during fiscal year 1966 in carrying out recent health legislation included:

- Providing $57 million in grants for the building or staffing of 128 community mental health centers in 42 States, Puerto Rico, and the District of Columbia. Through these centers, mental health services will be available to 22 million people.
- Certifying of more than 6,400 general hospitals as eligible under title VI of the Civil Rights Act of 1964 to participate in the medicare program.
- Awarding $11 million in construction grants to 29 schools of professional nursing, enabling them to expand freshman enrollment by over 900 students.
- Beginning Regional Medical Programs with $1.6 million in planning grants, under the Heart Disease, Cancer, and Stroke Amendments of 1965, for programs to be centered in Connecticut, Hawaii, Kansas, Missouri, and Vermont.
- Awarding nearly $15 million for 89 projects to build, remodel, or expand community facilities to serve approximately 11 million mentally retarded persons.

In older programs, as 1966 ended, the Service could report:

- A 45-percent decline in the infant death rate among Indians since 1954, when the Service was given full responsibility for Indian health, and a 76-percent drop in hospitalization of Indians for tuberculosis from the peak year of 1956.
- Grants totaling $193 million during the year for 533 hospital and other health facility construction projects under the Hill-Burton program.
- Award of 4,500 grants for research projects, training for research scientists, and fellowships in 50 major biomedical fields.
- Award of $5.5 million in grants for air pollution control programs in 28 States, 42 cities, and 42 intercity regions.
- A record number of professional training agreements between PHS hospitals and universities and other institutions—a total of 111 as compared with 79 at the beginning of the fiscal year.
- Response to more than 265,000 requests for biomedical information from physicians, scientists, and educators by the National Library of Medicine.

Much more knowledge of disease and health, many more health workers, much more personal action for health by individuals is required before all Americans will enjoy the best possible state of health. But in fiscal 1966—as shown by the examples above and those which follow—the Nation recorded accelerating progress toward this goal.

*Division of Federal Employee Occupational Health and Safety established in June 1966.

Health Record

About 87 million persons or 46 percent of the Nation's civilian noninstitutional population have one or more chronic conditions, according to recent Health Interview Survey estimates. Data also indicate that about 12 percent of this population is limited in activity because of chronic illness or impairment. (Limitation of activity includes both a person's major activity—working, keeping house, going to school—and other activities, such as recreation.)

Over a year's time Americans suffered an estimated 401 million acute illnesses or injuries requiring medical attention or causing at least 1 day of restricted activity. About 219 million of these conditions were respiratory, including 64 million cases of influenza, and about 56 million were injuries.

Americans experienced an estimated 16.4 days of restricted activity during the year because of acute or chronic conditions, of which 6.2 days were spent in bed. Two-thirds of the population saw a physician during the year, and about 40 percent visited a dentist. The average person made 4.5 physician visits in a year and 1.6 dentist visits.

About 1,825,000 deaths occurred in the United States in 1965, giving a death rate of 942 per 100,000 population, very close to the final rate of 940 for 1964.[1] The infant mortality rate was 24.8 per 1,000 live births, identical with the 1964 rate. The maternal mortality rate, based on deaths associated with pregnancy, childbirth, and confinement, was 3.1 deaths per 10,000 live births, compared with 3.3 in 1964. The rate for 1965 was the lowest ever recorded in the United States.

Disease of the heart, malignant neoplasms (cancer), and vascular lesions affecting the central nervous system (stroke), with respective death rates of 366, 153, and 105 per 100,000 population, together accounted for nearly two-thirds of all deaths. Accidents, with a rate of 55, were fourth.

While rates for these four causes have not changed greatly over the last 10 years, some of their components have. Arteriosclerotic heart disease, including coronary disease which comprises over three-quarters of all deaths from diseases of the heart, has increased by over 10 percent. The death rate for malignant neoplasm of the respiratory system has increased by almost 40 percent. Since 1961, the motor vehicle accident death rate has increased by about 20 percent, while the rate for other accident deaths has declined.

An infant born in 1965 could expect to live 70.2 years at the death rates prevailing for specific age groups during that year. Life expectancies by color and sex for 1964 (the latest year for which these

[1] All 1965 vital statistics frequencies and rates are provisional figures covering the calendar year. Data on causes of death are estimates based on a 10-percent sample of deaths. The smaller frequencies and rates may vary greatly when final figures become available.

figures are available) were as follows: White males, 67.7 years; white females, 74.6 years; nonwhite males, 61.1 years; nonwhite females, 67.2 years. In recent years, the life expectancy at birth for female babies has been increasing at a faster rate than that for male babies and at a faster rate for the nonwhite population than for the white population.

Births, Marriages, and Divorces

In 1965 the annual number of births fell below 4 million for the first time in 12 years. There were about 3,767,000 live births, giving a general birth rate of 19.4 per 1,000 population and a fertility rate of 96.7 per 1,000 women 15–44 years of age.

The fertility rate has been declining since 1957, when it reached a postwar high of 122.7. To an important degree this decline is a result of changes in the ages at which women are having their children. Because the women who are now over 25 years of age had relatively high birth rates in the 1950's, they are now having relatively low birth rates at the older childbearing ages. Further, current declines in fertility at the younger childbearing ages (under 25 years) may be due to the postponement of marriage and childbearing to slightly later ages or to a reduction in the total number of children that couples plan on having.

An offsetting factor is the larger numbers of young men and women now entering the ages when most people marry and start families. About 18.6 million children were born in the 5 years 1947–51, as compared to about 15.3 million in 1942–46, greatly increasing the number of young persons who are now entering the childbearing ages. The 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.

The rising number of young persons already has had some effect on the number of marriages. In 1965 there were about 1,789,000 marriages, giving a marriage rate of 9.2 per 1,000 population, as compared with a 1962 final rate of 8.5, a rise of about 8 percent.

There were an estimated 481,000 divorces and annulments in 1965, as compared with about 445,000 in 1964.

Organization

As the principal health agency of the Federal Government, the Public Health Service is responsible for maintaining and protecting the health of the American people through conduct of programs which meet current needs and by anticipating and preparing to deal with emerging health problems.

In its efforts to meet these broad responsibilities, the Service works closely with States and communities, colleges and universities, voluntary and professional organizations, hospitals, industry and labor, and others concerned with the health of the American people.

Its work is conducted by these major organizational units: Office of the Surgeon General, National Library of Medicine, and three operating Bureaus:

Bureau of Medical Services, which administers medical care, foreign quarantine, and related programs;

Bureau of State Services, which works with States and communities to achieve better community health and environmental health services; and

National Institutes of Health, which conducts biomedical research and administers a large program of grants and awards for research.

In September 1965, President Johnson named Dr. William H. Stewart as Surgeon General, the 10th in the Service's history. Under his leadership, the Service this year moved toward the reorganization of its activities and components demanded by the Nation's changing health problems and goals.

The following pages detail the accomplishments and activities of the Public Health Service during fiscal year 1966.

Funds

The total funds available to the Public Health Service in fiscal year 1966 amounted to $2,788.4 million. (See table 1, page 122.) Appropriations and authorizations accounted for about $2,378.6 million of this amount. The balance was made up of repayments for services given to other agencies and of unobligated balances from previous years.

Almost 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 the Surgeon General

The Office of the Surgeon General gives policy and management direction to the Service and conducts certain Servicewide programs.

Health Planning

In line with its responsibility for helping the Nation achieve the greatest benefits from health resources, the Service this year assisted

the development of legislation providing Federal grants to the States for comprehensive health planning and public health services. The legislation seeks to achieve a more effective coordination of Federal, State, and community health efforts and to shift the focus of those efforts from specific diseases to the total needs of people.

The Service continued to be vitally concerned with the development of ways to meet the Nation's health manpower requirements. Major focus this year was the allied health professions, such as medical technology and dental hygiene. A subcommittee of the National Advisory Health Council was established to advise on this area of manpower shortage. Legislation enacted this year provides Federal assistance for the training of allied health personnel.

A review of health manpower trends, projected future needs, and existing Federal programs providing aid for training of health services personnel was prepared for the Subcommittee on Health of the Department's Task Force on Health, Education, and Welfare Manpower Requirements and Training Programs.

Guarding Individual Rights

The Service is charged with ensuring that all health programs and facilities receiving support from any Federal agency are operated in accordance with title VI of the Civil Rights Act of 1964.

The Office of Equal Health Opportunity, established in March, gave first attention to the hospitals which applied to participate in medicare. Through surveys and field visits, its staff identified medical institutions which were practicing discrimination and, in many instances, helped them to eliminate those practices. The purpose of the effort was twofold: To ensure that all people could go to any hospital participating in medicare and be assigned a bed or given services on the basis of medical need; and to ensure that all qualified persons had equal opportunities for staff privileges or training in participating hospitals.

When medicare began on July 1, 1966, more than 6,400 general hospitals were extending health care without regard to race, color, or national origin, and were certified to be in compliance with title VI.

Also developed and implemented were new policies and procedures to further safeguard the well-being and rights of individuals serving as subjects in biomedical research conducted or supported by the Service.

Management Progress

An integrated programing, planning, and budgeting system initiated this year will enable the Service to determine program with full

knowledge of the implications of alternative courses of action among competing demands for national attention.

In other efforts to achieve maximum efficiency and economy in operations, a Service-wide equipment replacement program was initiated to provide information concerning the aging of equipment and the need for replacement. It will allow all Service programs to operate with the most advanced equipment available. Also under development was an automated reporting system which will provide management data on all contracts executed by the Service. Toward the goal of an optimum Service-wide ADP sharing program, the Service is assessing requirements and computer facilities and services for the fiscal years 1967–70. The findings will be used to adjust the scope and direction of the PHS systems management program.

Emphasis was given this year to audits of selected aspects of grants management, the development of work programs for intensive audits of certain field activities, and improvement of the followup system for handling findings and recommendations resulting from audits made by the Department and the General Accounting Office.

The Service's formal personnel development effort was extended with the establishment of Service-wide career programs in the following categories: Therapist, dietitian-nutritionist, health education, and pharmacy. Nine major health-related fields are now covered. Tables 2 and 3 (see pages 124 and 125) present employment data for 1966.

Public Information

The Service uses every means of communication in discharging its continuing and growing responsibility to provide health information to the professions and to the public. Information programs of individual units of the Service are coordinated and supplemented by the Office of Information and Publications, which also publishes *Public Health Reports*, official journal of the Service, and *PHS World*, which is distributed to Service employees in Washington and the field. During 1966, the Office responded to 175,000 requests for information, an increase of 50,000 over 1965 from professional organizations, members of Congress, the communications media, and the public.

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, and in developing the potentialities of these statistics.

One important Center program for improving the country's demo-

graphic and health statistics is the Public Health Conference on Records and Statistics. At the 11th national meeting of the Conference, held in June 1966, about 350 participants planned for the coming biennium in the light of the far-reaching changes occurring in the country's health system and in terms of the work accomplished over the preceding biennium by the Conference's 7 study groups.

As part of its international activities, the Center is using blocked foreign currencies in India, Pakistan, Poland, the United Arab Republic, and Yugoslavia to finance collaborative statistical studies on such subjects as ways of estimating population growth. During the year agreements for seven new studies were negotiated, and four earlier agreements were amended, obligating about $950,000 in foreign currencies. As studies terminate, their usefulness will be broadened through publication of findings.

Other activities this year include:

- Decennial revision of the standard certificates of live birth, death, fetal death, marriage, and divorce or annulment. The new certificates will come into use on January 1, 1968.
- Planning for a biennial survey, beginning in 1968, to secure current data on family planning as measured by expected and actual family size.
- Sponsorship and conduct of studies in advanced techniques for analyzing statistical information.
- Issuance of 44 new publications in the *Vital and Health Statistics* series.
- Analysis of age patterns in disability and illness and in the use of medical services over the 2 years ending June 1965. In conjunction with future studies on the use of physician services and on personal health expenditures, the report will be of value in assessing the medicare program.
- Completion of a 30-month program based on health examinations administered to a representative national sample of 7,420 children aged 6–11 years. The examination emphasized factors relating to growth and development. Young people aged 12–17 years, in another sample of about the same size, are now undergoing health examinations.
- Reporting of data on institutions providing nursing, personal, and domiciliary care to the aged or chronically and mentally ill, and on the characteristics of patients in these institutions.
- Preparation of a report assembling basic statistics on each of the almost 200 health professions and occupations, which are grouped into 34 categories.
- Sponsorship of a survey of all licensed pharmacists, and a study of State licensing provisions for occupations and professions in the health field.

- Intensive studies of general, perinatal, and infant mortality in the United States and, through contracts, in other countries, continued. The aim is to define trends and differentials more exactly, with a view to providing data for more refined program hypotheses.

International Health Activities

As part of the official U.S. participation in the 1965 International Cooperation Year, the Office of International Health coordinated activities for the ICY Government Committee on Health, in cooperation with the State Department. This committee was established to make recommendations to further U.S. cooperation in health with other nations, which were then considered at the White House Conference on International Cooperation. Activities developed as a part of the ICY celebration include an international system to monitor and report adverse reactions to drugs, an accelerated international program to eradicate smallpox, and programs for improved nutrition and population control.

During 1966, the Office continued to serve as the U.S. Government liaison with the World Health Organization and the Pan American Health Organization.

Health and medical programs conducted during 1966 by the Service through 62 project and staff agreements with the Agency for International Development included disease eradication and control, water supply, education and training, nursing, statistics, nutrition and medical care. Expenditures totaled nearly $3 million.

Under an agreement signed in March, administration of the AID malaria eradication program will be transferred to the Service. It will carry out malaria eradication activities in less developed nations, using AID funds and working closely with AID missions abroad. Currently, 15 nations are receiving support through AID.

The Service began development of a program to eradicate smallpox and control measles in 18 West African countries at the request of AID. This program will be fully integrated with the World Health Organization's global smallpox eradication program.

The new U.S.–U.S.S.R. health exchange agreement for 1966–67 was signed in March. This year, one U.S. delegation on hospital systems planning and nine individual scientists visited the Soviet Union. There were no U.S.S.R. delegations. Five individual Soviet scientists came to the United States.

Under the Special International Research Program (Public Law 480), 35 new projects were started in 6 excess currency countries for a dollar equivalent of over $6 million.

Emergency Health Preparedness

As the disaster arm of the Public Health Service, the Division of Health Mobilization has emphasized community preparedness in carrying out its mission to assist States and communities to meet their need for health services in time of emergency.

The major effort this year was revitalizing the Emergency Medical Stockpile Program in order to strengthen the system of national medical preparedness and to provide increased assistance to communities in handling localized disasters.

Toward this end, an Emergency Health Preparedness Task Force, composed of representatives from the Bureau of the Budget, Office of Emergency Planning, Office of Civil Defense, Office of Science and Technology and the Division, evaluated the program. Its findings emphasized Federal responsibility for a problem essentially national in character. Current program planning calls for the provision of a 30-day supply of critical medical items to all community hospitals as a portion of the national stockpile. In addition, all Packaged Disaster Hospitals now prepositioned throughout the country will be placed in direct operational affiliation with community hospitals. This program will serve to enhance the operational capability of the Packaged Disaster Hospital and to minimize the problems involved in the rotation of limited shelf-life items.

As coordinator for the Service's natural disaster services, the Division was active in relieving suffering in many local catastrophes, including Hurricane Betsy, during which a PDH was set up to care for New Orleans victims.

Initial reports on a 3-year study of methods to include disaster preparedness training in the curriculum of schools of pharmacy, dentistry, and veterinary medicine were completed.

More than 77,700 people received orientation or training in specific PDH activities or general emergency health planning in the 611 courses and exercises held across the country.

The Medical Self-Help Program stepped up its training 109 percent over last year, aided by the full-time MSH representatives now assigned to the States through additional funding from the Office of Civil Defense. The training program was promoted by an intensive national campaign which included 6 new radio and television spot announcements and MSH posters carried on the more than 51,000 U.S. postal vehicles. Nearly 3 million people have been trained to date and 1,395,335 people received certificates this year. School systems in all 50 States now offer MSH courses and many States have incorporated the course in the curriculum of all their school systems.

National Library of Medicine

The Medical Library Assistance Act of 1965 created broadened responsibilities for the National Library of Medicine to help the Nation's medical libraries provide vital services to medical education, research, and practice.

Toward the administration of the act, the Library prepared a 5-year program, incorporating recommendations of its Board of Regents, under which the Library will provide support and guidance for the development of a national network of medical libraries.

Funds being made available to the Nation's medical libraries under the Act for improved facilities, resources, training programs, and research in information handling technology will speed network development.

NLM intramural activities to provide centralized resources for the network were expanded. The Library is placing a new emphasis on accumulating and disseminating information in forms such as audiovisual materials as well as through printed materials.

Further decentralization of NLM's computer-based Medical Literature Analysis and Retrieval System (MEDLARS) during the past year represents an important step in network development. Supplementing the capability of NLM and the search centers already established at the University of California at Los Angeles and the University of Colorado in Denver, MEDLARS search centers are now becoming operational at the University of Alabama, Harvard University, and the University of Michigan.

In 1966, NLM began publication of *Cumulated Index Medicus*, formerly published by the American Medical Association, and the *National Library of Medicine Current Catalog*. Issued biweekly, the *NLM Current Catalog* includes complete bibliographic citations for publications cataloged by the Library. It assists medical libraries in cataloging and speeds acquisition, effecting considerable savings in manpower and dollars.

The Library joined other Federal and private organizations in a major effort to improve the communication of information on drugs and chemicals to scientists and clinicians. NLM participated in the development of several cooperative projects designed to support more efficient collection, processing, and dissemination of the published literature on the effects of drugs on man and animals.

Requests for information from scientists, practitioners, and educators continued to increase. During 1966 NLM provided 15,000 more individual reader reference and bibliographic services than in 1965, including a near-doubling of the number of computer-produced demand bibliographies (from 1,623 in fiscal 1965 to 3,035 in fiscal 1966). A total of 265,000 transactions was recorded—6 percent over 1965.

A report by a National Bureau of Standards team and a conference of authorities from industry and government led to the expansion of NLM's programs of microfilming biomedical literature which is endangered by paper deterioration. Pilot contracts were awarded for the microfilming of 2 million pages of journal literature, supplementing NLM's own microfilming which was expanded to preserve 2 million pages a year.

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 uniformed services and their families also may receive care at hospitals and clinics of the Bureau of Medical Services. The Bureau is responsible for medical and hospital care in all Federal prisons and correctional institutions.

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 in the United States are checked against the possibility of contagious disease. Applicants for visas to enter the United States are examined by physicians on duty in several cities abroad.

A special activity 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 1966, teams of American surgeons, nurses, and medical technologists were on duty aiding civilian patients in the provincial hospitals in Da Nang and Nha Trang.

The Bureau of Medical Services also conducts clinical research and carries on training programs for medical and health personnel.

Division of Hospitals

More than 50,000 patients were admitted to the 10 general medical and surgical hospitals of the Public Health Service in 1966, and 1,527,081 outpatient visits were made to the hospitals and outpatient clinics.

Compared with the previous year, there was a decrease of 2.4 percent in admissions and an increase of 5.3 percent in outpatient visits. Merchant seamen made up 41.8 percent of the patient load, while uniformed service personnel and their dependents constituted 37.4 percent.

About 1,900 patients received treatment for narcotic addiction and psychiatric disorders at the hospitals in Fort Worth, Tex., and Lexington, Ky. The Fort Worth hospital studied new methods of managing the treatment routine for narcotic addiction patients. The Lexington hospital was host to hundreds of visitors interested in Public Health Service methods of combating narcotic addiction.

At the hospital for leprosy patients in Carville, La., there were 108 admissions and 121 discharges. The average daily patient load was 329. Affiliations were made with the Vocational Rehabilitation Administration and Louisiana State University for collaborative rehabilitative research and health education for leprosy patients. The Division opened an additional outpatient treatment clinic for leprosy patients in San Pedro, Calif.

A construction contract was awarded at the Baltimore PHS hospital for the conversion of the nurses' home to a clinical pharmacology building. This project was begun in cooperation with the National Cancer Institute at an estimated construction cost of $800,000. Work was begun on the installation of a cobalt machine for cancer research and treatment at the Baltimore hospital.

Forty-one research projects were conducted during the year, 23 of which were completed. More than 100 professional papers, many based on the research projects, were written for publication.

Considerable progress was made in training programs for professional health care personnel. A combined clinical-preventive medicine residency was started at the San Francisco PHS hospital. The number of professional training agreements with universities and related training institutions was increased from 79 to 111. Formal training in Public Health Service hospitals was completed by 108 medical interns and 37 residents; 85 of the interns remained in the Public Health Service as medical officers.

Increased emphasis was placed on planning modernization and expansion of outpatient clinics and hospitals. Program plans for modernization were completed for nine hospitals. Authority was received to include the Detroit hospital in the modernization plans. Negotiations were begun with the Air Force to acquire the Hunter Air Force Base Hospital to replace the present PHS hospital building in Savannah, Ga.

In cooperation with the Office of Economic Opportunity training program for unemployed parents, training projects in health skills were begun at the New Orleans and Detroit hospitals, and a project was

planned for Job Corps women at the PHS outpatient clinic in Chicago. Training programs for high school and college students were started at the Boston and New Orleans hospitals. The New Orleans hospital began examining and treating preschool children under the OEO Head Start program.

Through the Federal employee health program, in the Division of Hospitals, about 65,000 Federal employees were provided services in health units in 42 locations. Approximately 5,000 periodic health examinations were given for employees age 40 and older. Nearly 32,000 immunizations were given for influenza, smallpox, and tetanus. Screening tests for diabetes, cancer, glaucoma, and visual acuity totaled 13,179.

Because of the increasing importance of health services for Government employees, the Public Health Service withdrew the Federal employee health program from the Division of Hospitals in June 1966 and created a new Division of Federal Employee Occupational Health and Safety, in the Bureau of Medical Services.

The Division of Hospitals furnished guidance to Freedmen's Hospital, a Government-supported hospital in Washington, D.C., which provides private hospital services for the community and teaching facilities for Howard University College of Medicine.

In 1966, there were 14,607 admissions to Freedmen's Hospital, 48,602 patients registered in the emergency room, and 56,561 outpatient visits. The hospital began establishment of a nurse training program in Freetown, Sierra Leone. Plans were made to celebrate the hospital's 100th anniversary from May 29 through June 1, 1967. Final plans also were directed toward transfer of the hospital to Howard University, effective June 30, 1967.

Division of Foreign Quarantine

Prevention of the importation of disease from abroad is the primary mission of the Division of Foreign Quarantine, which performs health inspections of arriving international travelers and immigrants, ships and airplanes, and certain imports at U.S. ports of entry.

In 1966, inspections of aircraft rose 15.3 percent, from 78,700 to 90,800. There was an increase of 18.6 percent in inspections of persons arriving by airplane, from 4,388,000 to 5,205,000. Inspections of ships increased from 35,400 to 37,200. Inspections of travelers arriving by ship decreased from 2,254,000 to 2,243,000.

The number of aliens applying for visas who were examined by Division of Foreign Quarantine medical personnel abroad rose 11.3 percent, from 190,700 to 212,300.

Quarantine officials placed under special health controls 823 arriving aliens with tuberculosis, and 56 arriving aliens with mental

conditions whose entry was authorized by the Immigration and Nationality Act.

An airlift of Cuban refugees began on December 1, 1965. Two flights from Cuba to Florida arrived each day, and each plane carried Public Health Service medical personnel who examined the refugees before arrival. In fiscal 1966, a total of 32,574 Cuban refugees were examined by quarantine personnel.

Smallpox continued to be endemic in countries of Asia, Africa, and South America. The United Kingdom experienced an epidemic of variola minor in the Midlands starting in February 1966, with 61 cases officially reported by the end of June. The World Health Organization announced that a total of 42 countries reported 50,557 cases of smallpox in 1965.

Countries of the Eastern Mediterranean conducted cholera vaccination programs because of the possibility of the spread of cholera El Tor. An outbreak of yellow fever occurred in Argentina. Plague was widespread in South Vietnam, including the ports of Saigon, Dalat, Nha Trang, and Da Nang; 1,784 cases of plague were reported in South Vietnam during the fiscal year.

Division of Indian Health

The Division of Indian Health provides comprehensive health services to more than 380,000 Indians, Eskimos, and Aleuts living in isolated areas of Alaska and the lower 48 States. Continued progress is being made in elevating the health status of these people despite language and cultural differences, low levels of education, population dispersion, abject poverty, poor housing, and limited sanitary facilities.

MEDICAL FACILITIES

Health services to the Indians and Alaska Natives are provided by staff personnel working in the Division's 49 hospitals and their outpatient clinics, 46 health centers, and about 300 other health stations. Additional services are provided by non-Federal hospitals, physicians, dentists, and State and local agencies through contractual arrangements. Thus, in addition to the 3,000 hospital beds in the Division's hospitals, another 1,000 beds in non-Federal community hospitals are available through contracts.

The professional staff includes 300 physicians, 117 dentists, 909 graduate nurses, 76 pharmacists, 40 dietitians and nutritionists, 51 health educators, 56 medical social workers, 14 hospital administrators, 21 health record librarians, and 102 sanitary engineers and sanitarians.

Assisting are many Indian and Alaska Native nursing aides, community health auxiliaries, dental aides, health record clerks, and sanitarian aides.

HOSPITALIZATION AND CLINIC SERVICES

Hospital admissions continue at a high rate and reached about 92,000 in fiscal 1966. Leading reasons for hospitalization, except in Alaska, are: (1) obstetric deliveries; (2) respiratory diseases; (3) accidents; (4) diseases of the digestive system; and (5) diseases of the nervous system and sense organs. In Alaska, respiratory illnesses rank first, deliveries second, accidents third, diseases of the digestive system fourth, and diseases of the nervous system and sense organs fifth.

Pediatric workload is high, comprising between 34 and 38 percent respectively of the Indian and Alaska Native general hospital discharges. Readmissions, especially among children up to 5 years of age, are high, attributed to a great extent to the home environment, lack of sanitary facilities, exposure to reinfections, malnutrition, and accidental injuries. Of the pediatric discharges from Indian general hospitals, 70 percent involve hospital treatment of children under 5.

Outpatient visits and workloads of all hospital clinics, field health clinics, and stations are increasing, especially the immunization workloads. Intensive use of the new measles vaccine among school children and preschool children has lowered the incidence of this disease for the second successive year.

HEALTH SERVICES

Increased emphasis in the nursing program was given to development of techniques for evaluation of services in both clinical nursing and public health nursing; to development of best possible means of working with personnel of other agencies and organizations, such as VISTA workers and Community Action Program workers; and to development of PHS nursing personnel for improved manpower utilization. A formal program was established to provide a carefully planned, well-supervised experience for new public health nurses.

The dental health program again placed major emphasis on preventive services to preschool and school children. For the first time there was a decrease in the decayed, missing, and filled teeth rates for children 6 to 17 years of age. Much of this decrease is believed to be due to the topical fluoride program: 82,729 topical fluorides were provided in 1966—an increase of 10 percent over 1965. Also, 570,752 dental services were provided to 125,819 persons, 67,700 of whom received complete care.

To achieve the best utilization of pharmacists in providing services to additional patients, Division pharmacists have assumed added func-

tions in laboratory, X-ray, administration, program planning, and training, in areas where pharmacy workloads would not have justified assignment of pharmacists.

Social workers in the Indian health program coordinate Office of Economic Opportunity programs, social security, and welfare medical aid programs on the reservations with Indian health activities. A study on the extent of the alcohol problem on a small reservation was completed. Another study has been started, on a Division-wide basis, of the reasons for referral of Indian patients to the social services branch.

The Division initiated a program of hospital management, utilizing nonphysician hospital administrators. Six hospitals are now administered by such hospital directors.

PROGRAM PLANNING AND EVALUATION

Major contributions were made in 1966 to the field of program planning and budgeting methodology. The experience gained has served as guidelines in the development of a planning, programing, budgeting system (PPB) which relates program achievement to resources, reveals alternative methods of achieving objectives, quantifies activities in terms of accomplishments, and permits objective evaluation.

An operations research unit to develop a systems analysis model applicable to community health programs was established at the PHS San Xavier Indian Health Center near Tucson, Ariz. "Operation SAM" is expected to produce a scientifically based system for measuring health level and health needs, and to provide a program evaluation system that will truly reflect results of specific programs, or combinations of programs.

The systems analysis project can be expected to provide a scientific method for management of comprehensive health services which can be adapted for use throughout the Nation as well as in other countries.

ENVIRONMENTAL HEALTH

In 1966 the Division of Indian Health was authorized to undertake 35 sanitation facilities construction projects which will benefit more than 4,000 Indian families. During the past 7 years approximately 33 percent of the known need for such facilities has been met. The Indians' participation in the program through the contribution of money, labor, and materials approximates one-third of the construction effort. In addition, the construction program was closely coordinated with 28 projects of other agencies providing federally assisted housing construction for Indians. Other related activities included promotion of improved environmental health practices in Indian homes and communities and in Federal installations serving Indians.

Nutritionists and dietitians have continued efforts to combat malnutrition through organized nutrition education services in the community as well as in Indian hospitals. Nutrition training has been provided for the Division's medical and paramedical staff and for personnel of the Office of Economic Opportunity and other agencies on reservations.

MATERNAL AND CHILD HEALTH

Head Start programs provided group settings through which more preschool children can be reached and examined, so that needed corrections can be made before they start to school.

The intensity and prevalence of trachoma were more fully identified in 1966, and through a special grant a trachoma control program was initiated.

Research projects and studies on otitis media, infant mortality and morbidity including prematurity, and congenital malformations among Indian infants and children are continuing or were initiated.

A prototype accident prevention program was conducted in the Portland, Oreg., area, yielding important data for the planning of a program for all areas.

TRAINING ACTIVITIES

Continued emphasis was given to a dynamic training program. A dental internship for 2 dentists and medical residencies for the training of 11 physicians in pediatrics and general practice were initiated. Forty staff members were in residencies or in graduate training, and 4,928 short-term training experiences were completed. Sixteen hundred persons received training in program planning and in planning, programing, and budgeting. Pilot projects produced 32 trained community health aides. Plans made for fiscal 1967 include the institution or expansion of residencies and internships, establishment of a training center, and implementation of an expanded Alaska Native aide training program.

CONSTRUCTION OF NEW FACILITIES

Improvement of Indian health facilities continued with the opening of a new 28-bed hospital in Fort Yates, N. Dak., and a 12-bed hospital in Barrow, Alaska. Bids were received for a new 50-bed hospital in Belcourt, N. Dak. Construction was begun on a new 80-bed hospital in Lawton, Okla. Planning studies were completed for a new 15-bed hospital in Mescalero, N. Mex., and a 200-bed hospital in Phoenix, Ariz. A new health center was constructed in Laguna, N. Mex. Plans were completed for a school health center in Fort Wingate, N. Mex.

Invitations to bid were issued for health stations in Cherry Creek, S. Dak., White Horse, S. Dak., Kaibeto, Ariz., Lower Greasewood, Ariz., and Wolf Point, Mont.

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 personnel of the Bureau of Medical Services assigned to the two 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 BMS personnel detailed to those agencies.

U.S. COAST GUARD, TREASURY DEPARTMENT

The medical program of the Coast Guard provides comprehensive health services at both shore and floating units to active and retired members of the Coast Guard and their dependents.

Eighty-six officers of the Public Health Service were assigned full time to the program in 1966, and about 60 medical officers were temporarily assigned to cutters engaged in Arctic and Antarctic operations and ocean station duties in the Atlantic and Pacific.

The aviation medicine program, begun a few years ago, continued to progress. One officer was trained at the Army's School of Aviation Medicine and two were trained at the U.S. Naval Aerospace Medical Institute.

The Coast Guard honored six PHS officers for heroic medical care. Two received the Coast Guard Commendation Medal: one performed an appendectomy at sea, and the other aided survivors of a fishing vessel that had been destroyed by a torpedo. One officer received the Coast Guard Unit Commendation Ribbon for his performance aboard a vessel during the Cuban exodus. Three officers on duty at the New Orleans Public Health Service hospital received the Commendation Ribbon for medical services given following Hurricane Betsy.

BUREAU OF PRISONS, DEPARTMENT OF JUSTICE

The Federal Prison Medical Service cooperated in efforts of the Bureau of Prisons to widen the scope of prison activities, particularly rehabilitation of discharged prisoners returning to the community, as part of the President's new attack on the problem of crime. Training inmates in paramedical occupations, such as practical nursing and medical technology, was emphasized. The purpose is to assist in the rehabilitation of prisoners by giving them job skills and also to help meet the national shortage of trained manpower.

Rising costs of hospital construction made it apparent that construction plans must be revised for a proposed new Bureau of Prisons psychiatric center in Butner, N.C., for which $19,560,000 has been appropriated. An ad hoc committee, composed of experts in medical care and hospital administration, was formed jointly by the PHS Bureau

of Medical Services and the Federal Prisons Medical Service, to consider this problem, to make a complete study of the Federal Prison Medical Service, and to review the functions of the two Public Health Service hospitals for psychiatric patients and narcotic addicts.

The committee's study, begun late in the fiscal year, encompasses the Bureau of Prisons responsibilities for the medical care of Federal prisoners and the adequacy of facilities and staff for this purpose; the problem of narcotic drug addiction and drug abuse as it impinges on both PHS and Bureau of Prisons programs; and the impact of trends and developments in several fields including medical care administration and correctional administration.

A vigorous tuberculosis control program begun 3 years ago, in which all Federal prisoners with active tuberculosis are treated at the Medical Center for Federal Prisoners, Springfield, Mo., has resulted in a decrease in the average number of active cases from 60 to 40.

There has been a 55-percent increase in the last 5 years in the number of psychiatric cases admitted to the Medical Center in Springfield by court order for mental observation to determine competency to stand trial or to aid the court in sentencing. An emerging problem is the legal status of prisoners under indictment who are found competent only while under the influence of psychotropic drugs and would relapse to incompetence without them. Medical Center psychiatric staff members are preparing suggested criteria for determining the legal competency and responsibility of persons under the influence of medication.

Two dental research projects were carried on. One is designed to find materials and techniques that will improve dental care in the United States. The other, on oral cytology, is underway in a majority of the Federal prisons for the identification of high-risk groups and the determination of the value of screening as a means of early detection of cancer.

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. Public Health Service medical officers are detailed to the BEC to carry on the medical care program.

There were 111,079 injuries reported among such workers during the fiscal year, the majority of which required medical care. In addition to compensation for wages lost, the injured employees were provided necessary medical and surgical care, hospitalization, and vocational rehabilitation in an attempt to return them to gainful

employment. Total medical expenses for treatment of the injuries amounted to $11 million, or approximately 15 percent of the total cost of compensation and services provided by the compensation fund.

MARITIME ADMINISTRATION, DEPARTMENT OF COMMERCE

Health care for the 700 cadets at the U.S. Merchant Marine Academy, Kings Point, N.Y., was administered by a Public Health Service physician and 2 dental officers assigned to the Academy. Professional consultation was provided by the medical officer in charge of the Staten Island PHS hospital.

Bureau of State Services

The Bureau of State Services works in partnership with State and local public health agencies and professional and voluntary organizations, providing leadership and support toward the achievement of the widest use of modern health knowledge. Its programs are concerned with the delivery of personal health services, with the maintenance of a healthful environment, and with the development of manpower, facilities, and other health resources. Support for the efforts of the Nation's total health resource is provided in a variety of ways—technical assistance and consultation, demonstrations, training of personnel, field studies and other kinds of applied research, and grants-in-aid.

The Bureau is divided into two major components. The community health component, made up of eight divisions, is concerned with the improvement of personal health services. The environmental health component, which consists of four divisions, conducts programs to protect the American people against hazards of the modern environment.

Community Health

In its sixth year, the Bureau of State Services (Community Health) explored and developed new methods to bring the fullest possible potential of good health care to larger numbers of citizens, and expanded ongoing preventive and curative programs in cooperation with other components of the Public Health Service and the Federal Government, State and local agencies, voluntary and professional organizations, hospitals, and others concerned with health.

Spelled out in greater detail in the Division reports which follow, the significant highlights in the Bureau's year include:

- Participation in preparations for the medicare program, including the development of conditions of participation for hospitals

and other facilities, by the new Division of Medical Care Administration, which serves as the focal point of PHS activity under its responsibility for the professional health aspects of the program.

- Expansion of research into the causes and prevention of traffic and other accidents, establishment of a driver-research laboratory, and progress in the area of emergency medical services.
- Extension of immunization programs against smallpox and measles into 18 West African nations in support of the World Health Organization and assumption of the administration of the U.S. contribution to malaria eradication in 15 nations.
- Sponsorship, through grants and contracts, of advances in prevention, casefinding, and treatment of an increasing number of communicable and chronic diseases.
- Expansion of programs to improve health among two major, previously neglected groups—migrant agricultural workers and military draft rejectees.
- Continued progress in helping communities achieve fluoridated water supplies, now serving about 70 million Americans.
- Awarding of grants for hospital construction which brought the Federal total, in the 20th year of the Hill-Burton program, to more than $2.5 billion.
- Expansion of efforts, including the initiation of two new grant programs, to increase the supply of physicians, dentists, nurses, and other health professional personnel and to improve their training.

Division of Accident Prevention

Approximately 107,000 persons were killed and over 54 million persons injured by accidents in the United States during 1965. Accidents continued to be the leading cause of death for persons age 1 through 34. Accident victims occupied 65,000 hospital beds every day and required the services of 88,000 doctors, nurses, and other hospital employees.

The Division continued to seek reduction of accidental deaths and injuries, to upgrade the quality of emergency care of the injured, and to conduct and support research into accident causation. Among its activities, the Division:

- Contributed substantially through PHS-sponsored research to the formulation of 17 safety standards specified by the General Services Administration for all cars purchased by the Federal Government beginning with the 1967 models. This research on motor vehicle injury causation will also contribute to safety standards contemplated under the Traffic Safety Act of 1966.
- Established a driving research laboratory in Providence, R.I.

- Established in Denver the first of 10 planned teams to gather epidemiologic data on accidental injuries. Through this network of data-gathering teams, the Service will maintain surveillance over known hazards, look for new accident trends, and uncover hypotheses of accident causation.
- Made its first grants specifically for training researchers in accident prevention and awarded the first fellowship grants to enable promising graduate students to pursue specialized training in accident prevention research.
- With the Department of Commerce, awarded a contract to the University of North Carolina to develop and demonstrate improved techniques of highway emergency medical services, as the first of several such demonstration projects being planned.
- Intensified a Public Health Service-industry consumer education program on the safe use of lawnmowers; and with the American College of Surgeons, the New York Academy of Medicine and the National Fire Protection Association, arranged to hold the first National Conference on Burns and Flame-Retardant Fabrics.

Division of Chronic Diseases

During fiscal year 1966, the Division:

- Sponsored a series of seminars on the "Laboratory Aspects of Cardiovascular and Other Chronic Diseases" to introduce new laboratory procedures, instrumentation, trends in preventive medicine and chronic disease casefinding, and laboratory-related program opportunities.
- Supported cervical cancer casefinding projects which have screened, initially, 666,494 adult women and discovered 2,952 preinvasive (and easily curable) cancers; 1,705 invasive cervical cancers; 765 genital cancers of types other than cervical; and 3,620 nonmalignant abnormalities.
- In the recently established Office-Detected Cervical Cancer Project, a cooperative venture with the American Academy of General Practice in which 31 State academies are now participating, more than 100,000 women have been screened, more than a third of them for the first time, and 112 proven carcinomas detected. In oral cancer, 110,708 people have been examined under Division-supported casefinding projects, with 305 proven carcinomas of the oral cavity diagnosed.
- Helped to establish 10 new artificial kidney centers, 2 of which are home dialysis programs, bringing the total number of such centers to 14 which will demonstrate technique and train health personnel. When in full operation, the centers will have a patient

capacity of approximately 400, all of whom would die without artificial kidney therapy.

• Established the National Clearinghouse for Smoking and Health in September 1965. In its first year, it awarded 40 grants and contracts totaling nearly $2 million for research and education projects. These include intensive, long-range experiments to reduce cigarette smoking through public education and the mass media; a parent-teachers' association program to keep seventh and eighth grade schoolchildren from smoking; a project to study the immediate effects of smoking on college students; and a project to help educational television stations develop programs to explain the smoking and health problem.

• Continued to stimulate interest in coronary care units for hospitalized acute myocardial infarction patients. Established units have achieved a 17-percent reduction in mortality.

• Began operating an automated system for processing continuous electrocardiographic signals which has immediate usefulness in coronary care, anesthesia-surgery, and other therapeutic monitoring.

• Established a Student Work Experience and Training program (SWEAT) in which 700 college and high school students spent the summer working with the mentally retarded. Continued and expanded the program for graduate training in mental retardation by awarding 55 individual traineeships. Extended the effectiveness of State programs by awarding planning grants to Colorado, Connecticut, Kansas, and Louisiana.

• Established the Chronic Respiratory Diseases Branch, which began setting up model intensive care units for respiratory failure patients in San Francisco, Washington, and Richmond; projects to demonstrate effective pulmonary rehabilitation for emphysema invalids in Denver and Minneapolis; and a test of a new concept in treatment and followup of early cases in New York City.

• Released three new publications on crippling arthritis, including *Report: Surgeon General's Workshop on Prevention of Disability From Arthritis.*

• Contracted for establishing adult health-protection centers in Milwaukee and New Orleans that will utilize automated equipment and computer techniques for health testing and provide counseling and referral services. Two more centers are under negotiation.

• Supported community service and training activities in neurological and sensory diseases in 32 States, the District of Columbia, and the Virgin Islands; helped establish statewide and area epilepsy seizure control and neurology centers in several States; provided support to the Indiana University Medical Center for a 3-year

demonstration of epilepsy control; and provided support to the New Mexico State Department of Health for a regional adult seizure control and rehabilitation center.

Communicable Disease Center

In fiscal 1966, the Communicable Disease Center (CDC), Atlanta, Ga., began implementing its largest international campaigns—the eradication of smallpox and the control of measles in West Africa where these diseases inflict a heavy toll. In May 1965, the World Health Assembly unanimously declared that the eradication of smallpox should be a principal objective of the World Health Organization; President Johnson publicly pledged U.S. support. CDC was instructed to work with the Agency for International Development in designing and directing an expanded eradication program that will reach all 18 countries in West Africa.

Early in 1966, responsibility for administering U.S. bilateral assistance for eradication of malaria in 15 countries in Asia, Africa, and the Americas was transferred from the Agency for International Development to the Public Health Service; the program is being conducted by CDC.

Also on the international front, CDC helped stop an epidemic of poliomyelitis in Honduras, assisting in launching the first nationwide vaccination campaign ever tried in that country.

Last year, 277 professional health workers slated for assignments abroad or engaged in international health work received training at CDC. Under an agreement with AID, CDC coordinated the activities of the Liberian National Medical Center to train nurses, sanitarians, health assistants, and midwives.

Within the United States, CDC:

- Fought a springtime epidemic of measles in Imperial County, Calif., with a mass immunization program, and a late-summer outbreak of St. Louis encephalitis in Dallas and Corpus Christi, Tex. The Center worked with Texas health authorities to combat the *Culex* mosquitoes which were spreading the virus.
- Moved toward its goal to eradicate syphilis as a public health problem in the United States by 1972. For the first time since 1957 there was a national decline in reported primary and secondary syphilis cases—a drop of 3.3 percent.
- Awarded special tuberculosis project grants to 49 States, the District of Columbia, and Puerto Rico in the first fully funded year of the task force program for tuberculosis control. These grants provide services to nonhospitalized tuberculosis patients and support tuberculin testing programs for school children.

• Continued the battle against *Aedes aegypti*, the carrier of urban yellow fever. This year CDC developed a solid formulation of the insecticide Abate used for the destruction of *Aedes aegypti* larvae. Instead of dissolving rapidly and creating very high initial toxic concentrations in water, this new material disperses slowly. The hazard to human and animal health is thus reduced.

• Developed a rapid, simple, and sensitive test for detecting chlorinated hydrocarbon insecticides such as DDT in the blood.

• Sponsored a conference on "Biomedical Communication: Problems and Resources" in New York City in April 1966, attended by more than 1,600 health professionals. Winning prizes for its filmmaking, the Medical Audiovisual Branch continued to lead a national program in the production and use of the single-concept teaching film in biomedical communication.

• Contracted for a TV network linking the CDC with Grady Memorial Hospital, Emory University Medical School, the Veterans Administration Hospital, and the Georgia State Department of Health, all based in Atlanta. This medical TV network is expected to provide guidelines for similar networks elsewhere in the United States.

Division of Community Health Services

The Division in fiscal 1966:

• In two new grant programs, awarded over $10 million in educational improvement grants to schools of medicine, dentistry, osteopathy, optometry, and podiatry, and $75,000 in scholarship grants to these schools and schools of pharmacy. Grants of $25 million were awarded under the ongoing nursing and health professions student loan programs.

• Extended the counseling and referral program for Armed Forces medical rejectees to all 50 States, the District of Columbia, Puerto Rico, and Guam.

• Awarded almost $7 million under the public health traineeship program, which was expanded to include residencies in preventive medicine and dentistry and public health apprenticeship training for medical and dental students.

• Contracted for studies to determine the effectiveness of systems analysis and data processing techniques in community health systems and in stimulating better communications between health and planning officials in urban and regional areas.

• Expanded the migrant health program so that it now supports more than 90 projects in 37 States and Puerto Rico. Under these projects, night clinics are held at migrant camps; nurses make periodic visits to the camps; sanitarians work with growers to up-

grade the laborers' camps and environment; and health educators and other health workers instruct the migrant in caring for his person and his surroundings as a means of preventing disease.

- Initiated several projects to develop methods of overcoming the shortage of health workers, including: A study of ways to reactivate female physicians and other health professionals not currently practicing their vocation and to facilitate their return through training programs; studies to test the feasibility of having medical assistants take over various limited functions of physicians or other health professionals; determination of the number and types of health personnel needed in hospitals and elsewhere; and studies to identify current activities in planning or operating paramedical and allied health profession schools.
- Initiated several projects in continuing education programs for physicians and other health personnel to bridge the gap between medical research and medical practice; established demonstration centers for continuing education at the Medical Schools of the Universities of Illinois and Washington; developed a procedure for determining priorities in continuing education programs for the doctor in the local community; developed an exchange program between the staffs of hospitals and medical schools; studied the use of video tape in programing instruction for medical interviewing; and evaluated the effectiveness of various continuing education programs.

Division of Dental Health

During the fiscal year, the Division:

- Encouraged the adoption of the fluoridation of public water supplies by more communities as a safe and effective method of preventing tooth decay. When New York City fluoridated its water supply in September 1965, a total of 69.6 million Americans (46 percent of the U.S. population served by public water supplies) were benefiting from fluoridated water.
- Sought to augment the inadequate supply of manpower by increasing dentist productivity and expanding dental school facilities. Grants were awarded to 46 dental schools for training students to use chairside assistants effectively. Five schools began construction to create more student places with aid previously awarded under the Health Professions Educational Assistance Act.
- Effected a contract with the Office of Economic Opportunity to bring dental care for the first time to over a million children participating in Project Head Start.
- Awarded dental health formula grants totaling $1 million to develop and expand dental programs in 49 States.
- Began the clinical evaluation of dental restorative materials, therapeutic agents, equipment and clinical techniques, and estab-

lished the first sealed-chamber operatory to test materials in germ-free conditions.

- Made available to dental and health organizations five self-instruction courses for the continuing education of dentists.
- Provided leadership in developing dental service corporation and other forms of dental prepayment plans. Nearly 2.5 million people in 568 groups now have dental insurance.
- Brought to 56 the number of research projects supported in universities and health agencies to conduct applied research and developmental activities.

Division of Hospital and Medical Facilities

The Division in fiscal 1966:

- Fostered the Hill-Burton hospital construction program's 20th anniversary observations and celebrations at Federal, State, and community levels. By the Hill-Burton anniversary date, August 13, 1966, a total of over $2.6 billion had been contributed to nearly 8,400 construction projects.
- Awarded the first grants—$20 million—for the modernization of obsolete health facilities.
- Accelerated the awarding of grants for health facility planning, research, and construction.
- Awarded the first construction grants—$15 million—to provide facilities for the mentally retarded within their home communities. Grants to help build facilities for training specialists in mental retardation received increased emphasis.
- Continued its attack on health manpower shortages through additional grants—$66 million—to schools of medicine, osteopathy, dentistry, optometry, pharmacy, podiatry, and public health for the construction of educational facilities. Since September 1963, construction grants have been awarded to provide 2,581 first-year places for students in the health professions.

Division of Medical Care Administration

Established on August 11, 1965, the Division this year:

- Cooperated with the Social Security Administration and the Welfare Administration in developing and publishing "Conditions of Participation" for the medicare program for hospitals, extended-care facilities, home health agencies, and independent laboratories.
- Through a series of regional and State conferences, oriented the personnel of State agencies responsible for the survey and certification of health facilities and agencies under the medicare program.

- Awarded formula grants in 50 States and territories which, matched by State funds, brought an increase of 1,785 home health service personnel in 600 counties.
- Developed an agreement with the Office of Economic Opportunity for 24 pilot projects to recruit and train a new type of nonprofessional home health worker from among the poor.
- Established a Health Resources Data Center to provide current information on the certification status of all potential providers of service under medicare, and ultimately to develop a complete health resource profile for the country, community by community.

Division of Nursing

During the fiscal year, the Division:

- Awarded grants to four-fifths of the eligible nursing education programs in the country to increase the nurse supply and improve the quality of nursing education.
- Awarded 29 grants for nursing school construction.
- Funded 38 projects which schools of nursing had individually tailored to strengthen and expand their educational programs. One far-reaching nursing education project is bringing educational television to 19 schools of nursing in the Chicago area.
- Continued as the major source of support to prepare nurses for teaching, administrative, and supervisory positions and clinical specialties.
- Helped 338 hospital schools of nursing to defray the costs of producing professional nurses.

Environmental Health—Office of the Bureau Chief

A new program authorized by the Solid Wastes Disposal Act of 1965 was begun midyear with the establishment of the Office of Solid Wastes. Designed to help meet a growing need for improvement in the handling and disposal of refuse, trash, garbage, and other solid pollutants of the environment, the program promptly launched all the activities authorized by the new legislation—research and training, demonstration of new and improved technology, technical assistance, and State planning.

Prime aims of the new program are to help find and apply waste handling techniques capable of reducing or eliminating the environmental health hazards caused by improper and inadequate methods now in general use, and to promote innovation in approaches to the safe reuse of waste materials. A third major aim of the program is to encourage comprehensive planning at all levels of government so that

communities, States, and the Nation will be prepared to meet future requirements for solid waste management.

During 1966, the Office of Pesticides moved from organizational and planning stages to implementation of new and strengthening of established action programs to determine health consequences from chronic exposure of the general public to minute amounts of toxic chemical pesticides, and to improve human health safeguards in the use of pesticides. A nationwide series of selected community-epidemiological studies on pesticides was expanded from 10 to 12 ongoing research projects. At the same time, four major new program dimensions were added: (1) Development and beginning construction in Florida of facilities for extensive toxicological, pharmacological, and physiological research; (2) design of a national network to monitor pesticide levels in the general population; (3) development of measures to assist State health departments in resolving pesticide problems; and (4) design and partial implementation of a comprehensive information center specializing in pesticide-health information and environmental exposure data.

The first of a series of university-based environmental health institutes was established this year with the awarding of a PHS grant to Washington University in St. Louis. The new institute, to be called Center for the Biology of Natural Systems, will involve the capabilities of half a dozen departments and will concentrate on a study of living organisms, including man, as they exist in nature and affect, or are affected by, their environment. A similar grant to the University of Cincinnati will establish a Center for the Study of the Human Environment, focusing chiefly on environmental epidemiology and toxicology.

Also planned in Cincinnati is a major new facility to house many of the expanding environmental health research programs and PHS components now scattered throughout the Cincinnati area.

The Arctic Health Research Center (AHRC) in Anchorage, Alaska, was expected to move into a new building in Fairbanks by late fall. Also during 1966, AHRC published and distributed a major study on housing of Alaska natives and completed an extensive survey on Alaskan dietary habits.

Division of Air Pollution

The new authorities conferred on the Department of Health, Education, and Welfare by the Clean Air Act of 1963—augmented by the 1965 amendments to the act—made possible more substantial progress toward air pollution control in 1966 than in any similar period in the history of the Federal program.

ABATEMENT

The principal problems to which the new Federal abatement powers have been addressed are emissions from motor vehicles, interstate pollution, and pollutants from Federal installations.

Motor Vehicles

Emission standards, to become effective with 1968 models, were promulgated for passenger cars and light trucks. Procedures were developed to enable manufacturers to apply for vehicle or engine certification. Plans were completed for a Federal compliance laboratory in the Detroit area for confirmation and surveillance testing. Emission tests were begun on 1966-model cars to check the effectiveness of California-type exhaust emission controls.

Interstate Pollution

The most important of several Federal investigations of interstate pollution problems was begun in Metropolitan New York and northern New Jersey. This was a necessary preliminary to a conference with all concerned State and local authorities, designed to formulate a comprehensive abatement program. The first phase of the program covers sulfur compounds and carbon monoxide. Steps toward similar action were initiated by the Division in three other interstate areas: Idaho-Washington, Kansas-Missouri, and Ohio-West Virginia.

Federal Installations

Following President Johnson's Executive Order 11282, the Secretary issued Department of Health, Education, and Welfare standards for control measures which will apply to plans for all new Federal facilities and buildings in the United States. All agencies were also directed to prepare time schedules for bringing existing installations up to required standards.

CRITERIA

Drafts of the first air quality criteria, for sulfur oxides and for photochemical oxidants, were completed and cleared by expert consultants; they are being circulated to industry for comment and possible revision.

PROGRAM GRANTS AND AIR POLLUTION TRAINEES

This year 529 persons attended training courses provided by the Division, more than doubling the 1965 figure of 243. This increase is attributed largely to the new needs for trained men generated by Federal program grants. For 1966, development, establishment, or improvement grants—to 28 States, 42 municipalities, and 42 intermunicipal regions—totaled $5,549,999. Also awarded were 18 survey grants ($896,952) and 10 demonstration grants ($974,998).

NEW INTERSTATE "EFFECTS NETWORK"

Reflecting the new responsibility of the Department of Health, Education, and Welfare for obtaining information on air pollution problems wherever interstate transport of pollutants may be expected, plans were completed and pilot studies initiated for an "effects network" with 200 stations in 75 interstate standard metropolitan statistical areas. To supplement current information on types and concentrations of pollutants and meteorological and emission data, data are being accumulated on: (1) Dustfall; (2) particulate identification of impinged materials; (3) sulfation; (4) corrosion and tarnishing of metals; and (5) deterioration of textiles, dyes, and rubber.

SULFUR COMPOUNDS, LEAD, BERYLLIUM

Research and development on sulfur compounds were expanded and accelerated, and a pilot plant for removing sulfur dioxide from flue gas by alkalized alumina is under construction. New or expanded efforts were also devoted to cadmium, asbestos, and several other substances—notably lead—which reach man through water, soil, and food as well as air. Air monitoring for these and other metals was expanded, and new measuring techniques were developed which are five times more sensitive than earlier methods.

Last December's PHS-sponsored Symposium on Lead in the Environment of Man reached no firm conclusions, but the old "occupational" view of lead hazards is now being seriously challenged. Reflecting the expressed concern of Congress for air pollution generated by the Nation's expanding space and missile program, the Department of Health, Education, and Welfare has intensified working relationships with Department of Defense, National Aeronautics and Space Administration, and other agencies, to make sure that toxic emissions to the lower atmosphere, particularly of beryllium, do not exceed the apparently innocuous levels of the past.

Division of Radiological Health

Fiscal year 1966 brought continued progress in all of the Division's radiological health programs, including surveillance and measurement, assistance to the States, research, and training. Of particular interest was the announcement of the results of the Division's national study of X-ray exposure, in which a sample population of 32,000 persons was surveyed on X-ray experiences. New, expanded facilities were dedicated at DRH's Southwestern Radiological Health Laboratory, Las Vegas, Nev., making it the largest and most modern of its kind in the world.

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The X-ray study shows that the number of Americans exposed to medical and dental X-rays increased from approximately 100 million in 1961 to more than 108 million in 1964, and this growth, which exceeds the population increase for the same period, does not reflect the increasing complexity of many medical X-ray procedures.

The report indicated a volume of 92.9 million medical X-ray visits, a rate per hundred persons of 49.8. Approximately 60 percent of all medical X-ray procedures were performed in hospital X-ray departments under the supervision of radiologists. Data on the equipment factors used for medical X-ray procedures showed that improvement can be obtained in the limitation of the X-ray beam to the area of the films used.

Purpose of the study was to establish a baseline for evaluating X-ray program effectiveness, to focus X-ray exposure, reduction, control and training efforts on specific problem areas, to formulate research hypotheses, and to identify study areas where such research can be most productive.

The new $6 million Southwestern Radiological Health Laboratory houses laboratories and equipment for off-site monitoring of environmental radiation, radiochemical analyses of samples, a whole-body counter, facilities for research in medical uses of radioisotopes, classrooms and laboratories for training workers in radiological health, and administration facilities.

Nevada Southern University constructed the five-building complex according to DRH specifications and is leasing it to the Division on a long-term basis. The university is cooperating with the Laboratory in a program of radiological health training.

Division of Occupational Health

The Division of Occupational Health, which has been concerned with the prevention and control of disease among the American working public for over 50 years, has embarked upon a new and expanded role in the maintenance of worker health. Past emphasis was placed primarily on elimination of hazards which disabled workers or removed them permanently from the work force. Today the Division is becoming increasingly concerned about any health factor which limits a worker's well-being or productivity, recognizing that emotional factors as well as physiological factors can be detrimental and that health maintenance is as important in the industrial setting as it is in the community at large.

Division research during the past year on the chronic chest disease of soft coal workers in Appalachia has indicated that a previously unrecognized disease of the small blood vessels of the lungs affects the heart long before there is evidence of lung damage. This finding has

important implications not only in all the dusty occupations but in the larger problem of respiratory diseases associated with environmental pollution. The new Appalachian Laboratories for Occupational Respiratory Diseases, established during the past year in Morgantown, W. Va., will expand this promising research and begin to investigate other occupational respiratory diseases such as asbestosis and berylliosis during 1966–67.

The broad scope of the Division's responsibility also embraces such diversified studies as the relationships between working conditions, including factors such as noise and temperature, and health and capacity to work. In attempting to keep up with the many new industrial materials, the Division conducts toxicological and dermatological studies and cooperates with other Federal and non-Federal agencies in developing threshold limit values for exposure to substances which might possibly prove harmful to the worker.

The results of the Division's research activities are disseminated through: (1) Training courses: (b) technical consultation with Federal, State, and local agencies, labor organizations, and universities; and (3) scientific and technical information programs. Through its State assistance program, advice is given to health agencies, health practitioners, labor unions, management, and individual workers in applying knowledge for the prevention of occupational disease and in developing preventive health services.

Division of Environmental Engineering and Food Protection

Programs of the Division of Environmental Engineering and Food Protection cover a wide range of public health interests. During fiscal year 1966, the Division continued its efforts to insure the healthfulness of milk and food by handling over 7,000 requests for technical assistance, increasing the sampling frequency of pasteurized milk, and adding a new institution in Alaska to the total diet network.

Significant research advances were made when work was completed on the heat resistance of spores of *C. botulinum*, Type E, in fish, and a rapid test tube method developed for specific detection of botulinal toxins in foods. Work is now in progress on the occurrence of these organisms in estuarial waters where shellfish are harvested, and the findings are being used to develop a sanitation guide for fish processing in cooperation with the Bureau of Commercial Fisheries of the Department of Interior.

Through the regulatory powers of the interstate quarantine regulations, the Division played a key role in the New York City water supply crisis. By restricting the classification of the city's supply

from "full" to "provisional" approval, it was instrumental in obtaining improved treatment of Hudson River water before it is turned into the city supply system. To insure a continuing supply of safe water, the Division established a committee to review the status of New York's water quality at monthly intervals.

Other significant activities of the Division included: The selection of a site for a new Northwest Shellfish Sanitation Research Laboratory in Manchester, Wash.; completion of plans for a high-safety marine virus-toxicant laboratory—the first of its kind in the world—in Rhode Island; the issuance, in cooperation with industry associations, of new standards and guides for mobile home and recreational vehicle facilities; and the sponsorship of the First Governor's Conference on Environmental Health Planning in Albuquerque, N. Mex.

National Institutes of Health

The National Institutes of Health has as its mission the discovery of knowledge for the control and prevention of disease and the extension of life. It fulfills this mission through a wide and complex program designed to meet increasing and changing needs in both the substance and conduct of biomedical science and the society it seeks to serve.

Part of this program is carried out through research conducted by an intramural staff of nearly 1,200 scientists in the laboratories and Clinical Center of the National Institutes of Health at Bethesda, Md.

By far the largest part, accounting for $1.02 billion of the $1.2 billion appropriated for the National Institutes of Health in fiscal year 1966, is carried out through Public Health Service grants and awards administered by NIH.

This extramural program seeks to support research through project grants to individual scientists and to assure a continuous and adequate flow of well-trained biomedical scientists through training grants, fellowships, and traineeships. The program also seeks to enhance the research environment by assisting with construction of new laboratory space and acquisition of costly modern research equipment, by establishment of centers where special facilities—from primate colonies to computers—can be available to scientists of an entire region, and by establishment of clinical research centers where special facilities and staff make possible sophisticated clinical investigations.

The most recent extension of the extramural program, designed to meet the need for bringing the benefits of research into practice in all areas of the Nation instead of in only a few large centers, is the Regional Medical Program whereby a group consisting of hospital, clinic, medical school, and other health organizations may organize to provide care, research, and training for a region.

Basic Research

The substance of science with which medical research must be concerned has expanded to a point where traditional medical disciplines no longer dominate. Some of the most promising and productive work today is in fields that sprawl across the neat demarcations that have long characterized academic science. Backed by Congressional foresight, NIH now supports a very broad range of fundamental research and training in the health sciences.

In fiscal 1966, NIH funded some 4,500 awards for research projects, training programs for young scientists, and fellowships in 50 major biomedical sciences.

In addition, there were 38 new research training grants to 30 colleges, universities, and hospitals, using funds specially earmarked by Congress for training in surgery, diagnostic radiology, anesthesiology, and biomedical engineering. In making these awards, NIH gages national trends and developments, and seeks to strengthen neglected research areas, such as anesthesiology, of critical importance to the Nation's health. It seeks also to bring together scientists from different fields into intensified, collaborative effort in solving complex research problems.

Molecular Biology

Developments in the field of molecular biology—which has revolutionized the biological sciences in only a few years—have the most fundamental implications for medicine. These developments, in their ultimate effects on the practice of medicine, may be as overwhelming as the discovery only 100 years ago that disease could be caused by germs.

Brilliant young scientists, working in this area, are unravelling the mysterious workings of genetics. It is already a reasonable proposition that the intricate mechanisms controlling heredity also control—or at least influence—some aspects of the functioning of the organism throughout its life, probably including its predisposition to contract certain diseases.

Developing research in this area has now made it apparent that, for many serious congenital diseases, the only feasible approach is prevention. Consequently, evolvement of better techniques for predicting under what conditions certain defects are likely to occur has been spurred. One such new technique is a blood test that identifies 75 percent of the women who are carriers of a gene causing muscular dystrophy. An increasing group of such procedures for detecting genetic defects transmissible from parent to child are beginning to make it possible for physicians to offer premarital genetic counseling that can

sharply reduce the occurrence of congenital anomalies that maim the bodies and retard the mental growth of large numbers of children.

Biomedical Engineering

Much activity continues in the relatively new field of biomedical engineering, which unites the research talents of the medical scientist and the applied skills of the engineer. Important products of this activity include two new cardiac pacemakers that are more efficient, reliable, and convenient than the earlier battery-powered models. Six new contracts have been awarded on artificial heart mechanisms. Sixty-seven biomedical engineering projects include such new approaches as the use of ultrasonic techniques for medical diagnoses, development of a combination television camera and computer which can make and record laboratory observations, and the ingenious application of mathematical processes used by utility companies for the study of power transmission lines to the study of certain aspects of the human nervous system.

Research interest in the artificial heart has grown substantially in recent years, but the problems involved in developing a practical one are formidable. NIH now has underway a program to develop a substitute for the human heart. Early studies are weighing various approaches to the problem, the cases in which an artificial heart would be valuable, the types of hearts that would serve various needs, and the impact such a device would have on public health.

The artificial heart program is now seeking to forge an effective combination of biomedical skills and engineering know-how. Expansion of the program during this year saw the application of systems development techniques to the goal of making totally implantable artificial hearts and artificial "booster" heart devices a clinical reality within the shortest possible time. Initial step in the systems approach was the award of six "feasibility" contracts for research to define specifications and to establish performance standards for various kinds of artificial hearts.

Modest success in keeping heart patients alive with booster, or auxiliary, pump devices was achieved during this fiscal year by NIH-supported scientists, Dr. Michael E. DeBakey, at Baylor University Hospital, Houston, Tex., and Dr. Adrian Kantrowitz, at Montefiore Hospital, N.Y.

Automation

Automation of suitable activities made good progress. This was the first full operating year for NIH's Division of Computer Research and Technology. Although much of the Division's activity

necessarily was given to recruitment of experienced personnel, major research projects were begun and effort was devoted to designing computer-based information processing systems urgently needed in the program areas of cardiology, neurology, cancer chemotherapy, Clinical Center activities, and central management functions.

Individual computer research projects undertaken included mathematical and statistical studies for (1) sequencing of nucleic acids and proteins, (2) mechanisms of flow of body fluids, (3) automated biochemical processes, and (4) blood chemistry tests of normal controls and Clinical Center patients.

In this period, NIH initiated an analysis phase on the use of the computer as an aid to internal communication within the Clinical Center. With the addition to the hospital staff of an adviser on hospital computer systems, an orderly research and development phase was begun, with no attempt being made to create initially a totally automated hospital. Instead, the intent was to put information into forms usable by disease investigators as well as by clinical staff in improving patient care.

The most telling advance in automating laboratory work came with installation of a CDC 3200 computer in the Clinical Center's Clinical Pathology Department. At the end of this period, the staff was operating six automated chemical analyses on blood. It is expected that by the end of calendar 1966, it will be possible to handle 18 automated chemical tests simultaneously.

Computer-based automatic chemical analysis will contribute to effective administration of the regional medical programs, since a single suitably organized central laboratory can service the needs of several hospitals and at very low cost.

Cardiovascular Research

Researchers have developed further their new method, introduced in 1965, of recognizing and classifying excesses in blood cholesterol and other fats. Using it to find out how many inheritable diseases among Americans are expressed in high blood-fat concentrations, they have demonstrated several syndromes not previously recognized as separate diseases. The "NIH classification" is being set up in laboratories in other countries and promises a basis for establishing the prevalence of these diseases in other populations of the world.

New studies have revealed that the ability of the human heart to generate the high-energy chemical compounds that power its contractions is not impaired in heart failure. The findings indicate that, if there is a biochemical flaw responsible for defective heart function, it lies not in the production of energy, but rather in the utilization of that energy in the contractile process. It has been found also that

increases in the velocity of heart-muscle contraction, induced by drugs or other means, are closely paralleled by increases in the heart's oxygen consumption, and that a mixture of gelatin and resorcinal, when treated with formaldehyde solution, forms an adhesive that bonds quickly and firmly to a variety of tissues and may be useful in surgery.

Data from the epidemiology study at Framingham, Mass., indicated that many of the factors increasing the individual's risk from strokes are similar to those increasing risk from heart attacks: advancing age, elevated serum cholesterol, high blood pressure, electrocardiographic abnormalities, and heart enlargement. Another investigation has shown that the ratio of cholesterol to phospholipid in the blood, held by some to be a sensitive indicator of susceptibility to coronary heart disease, was of no value as a predictor in the Framingham study population.

Cardiogenic shock, a complication of heart attacks associated with high mortality, usually stems from reduced blood output of the damaged heart coupled with resistance to bloodflow from constricted peripheral blood vessels. NIH-sponsored studies at the University of Minnesota revealed that 85 percent of untreated animals with this condition died within 24 hours, while 75 percent survived when treated with infusions of dextran, a plasma expander, plus phenoxybenzamine, a drug that blocks nerve receptors effecting blood vessel constriction. The combination was subsequently used in selected patients, with similar gratifying results.

Since most artificial pacemakers in current clinical use are powered by batteries that, although long-lived, need replacement (requiring minor surgery) every few years, one with no batteries would offer advantages. An implantable, subminiature, self-powered artificial pacemaker, weighing slightly over 1 ounce, was designed in grant-supported research at Western Reserve University. Its power source is a piezoelectric crystal that converts a portion of the mechanical energy generated by heart contraction to electrical energy. Successful trial in animals indicated feasibility for use in humans.

Cancer Research

NIH carries out investigations in its own laboratories on all the possible causes of cancer and their prevention. New areas for intensive research on specific types of cancer are being delineated by task forces—organized by NIH—which draw on the leading research expertise of the country. In addition to the Acute Leukemia Task Force organized in May 1962, three new task forces have been established: The Breast Cancer Task Force; the Lymphoma Task Force; and the Chronic Leukemia-Multiple Myeloma Task Force to study the possibility of increasing the cure rates for Hodgkin's disease and other

lymphomas, chronic leukemias and multiple myeloma, and breast cancer.

A number of studies have shown that a high percentage of patients with localized Hodgkin's disease can experience complete control of their disease for 15 years and longer, if they are treated with intensive doses of X-ray. Such results may be regarded as "cures" and suggest the possibility of a more promising outlook for this disease.

The possibility that human leukemia may be caused by virus is being studied in the special virus-leukemia program whose ultimate goals include the elimination of the threat of leukemia by a vaccine or other methods. A measure of the progress attained in treating acute leukemia is the listing in a worldwide survey conducted by the Leukemia Task Force of more than 130 children and adults as survivors for 5 years or longer after diagnosis of their disease. Undoubtedly, the use of drugs fostered over the years by NIH and the more recently introduced technique of platelet transfusions to control hemorrhage have been in large part responsible for these long-term remissions. It is noteworthy that, in the past year, 24 additional medical centers have joined the NIH-sponsored platelet transfusion therapy program.

Collaborative efforts by scientists, contractors, and grantees resulted in establishment in tissue culture of lymphoid cells from 21 different leukemia and lymphoma patients, and recovery of herpes-like virus particles from at least 14 of the cell lines. The second, "C" type, of viruslike particles detected by electron microscopy in human leukemic blood has been recovered directly from plasma of leukemia patients in the large quantities needed for further study. To speed the search for viral agents, NIH scientists have adapted two highly sensitive immunological techniques to the detection of mouse leukemia viral antigen and are investigating their application to human leukemia and lymphoma.

In the past year, two large epidemiological studies have confirmed the relationship between smoking and health. They showed that cigarette smokers—men and women—have a higher death rate than nonsmokers from lung cancer and almost every other disease, but that for unknown reasons the death rate from lung cancer is lower for women smokers than for men smokers.

Some carcinogenesis studies have focused on the cell's genetic components, the nucleic acids. One study showed that three chemicals that cause liver cancer in laboratory animals interact with cell DNA causing a reduction in synthesis of RNA, which controls synthesis of cell proteins. In another study by the National Cancer Institute, incubation of mouse leukemia cells with thymus DNA delayed the growth of these cells upon injection into host mice.

Reports from a large-scale study indicate that mammography, or examination of the breasts by X-ray, is revealing cancers not detect-

able by ordinary means and may be useful for early detection of breast cancer in populations of apparently healthy women.

Behavioral Science

At the forefront of the "new look" in medical research is the increasingly intensive study of human development. Current thinking views man as a single complex unit, and his progression from conception to death is regarded as a consequential continuum. Evidence is already at hand that this integrated approach will shed fresh light on origins, causes, and development of various diseases and disabilities, and will make unique contributions to preventive medicine and the solution of congenital and environmental health problems.

This period showed noteworthy progress in the spread of community mental health centers. Grants totaling $57 million were made for the construction and/or staffing of 128 new centers in 42 States, Puerto Rico, and the District of Columbia. When completed, these centers will seve some 22 million Americans.

Establishment at NIH of a Center for the Prevention and Control of Alcoholism centralized responsibility for coordinating all Federal programs in this area, including support of research and of State and community service programs. Additional centers were established to correlate program activity in schizophrenia, mental health and social problems, crime and delinquency, and mental health of children and youth. Activity in this last area was intensified with award of a $500,000 grant to make possible the activation of the Joint Commission on Mental Health of Children. Authorized by Congress, this Commission, following a 2-year study, will recommend means to provide adequate mental health services to children.

Significant activities in behavioral science included experimentation with cyclazocine, a new drug that appears to block the action of heroin; correlation of levels of a product of adrenal hormones (17-hydroxy-corticosteroids) with depression and anxiety; and the effort to control use and research in LSD by designation of the Mental Health Institute as the sole legal repository of the national supply of this hallucinogenic drug.

In this period, the National Advisory Child Health and Human Development Council issued a statement recommending increased efforts to determine the emotional effects of the use of oral and intrauterine contraceptive devices. Other research stressed behavior relating to reproduction.

In other developments, the mental retardation program, which continued to give guidance to those institutions seeking financial assistance for construction of mental retardation research centers, awarded the

first two implementation grants to support research programs in two centers nearing completion. Stepped-up studies of learning and behavior were undertaken in research aiming at optimal development of children. There was continued expansion of research into the behavioral and social changes occurring throughout the aging process.

Kidney Disease

NIH has launched a vigorous, target-oriented program of applied research and development related to artificial kidneys and chronic uremia. The program seeks more effective and less expensive methods of permanent maintenance of patients with impaired or lost kidney function. Relevant research and development projects are being funded through contracts, many of which have already been awarded to universities and private research organizations. At the same time, scientists have continued to demonstrate significant advances in systems of hemodialysis (blood purification with an artificial kidney), and in understanding the nature of kidney disease.

Excellent results have been obtained with an improved system of hemodialysis based on a standard artificial kidney. The system has been used successfully in over 150 human dialyses and represents substantial saving in equipment cost. One group of scientists has developed an automated, central dialysate supply system for a multiple artificial kidney hospital operation which again achieves significant savings. Another group has designed a new type of artificial kidney which combines greatly increased efficiency with drastic reduction in size and increased ease of operation.

In certain patients with partial chronic kidney failure, it has been shown that dialysis of a surgically relocated, isolated small bowel segment is a feasible and inexpensive method of purifying the blood. This technique is of great significance since it permits relatively nonhazardous self-dialysis at home.

Investigators have reported a technique that may signal the threatened rejection of a kidney graft. In this test, the presence of a particular kind of cell in specimens taken from patients with renal transplants signals the possible rejection of the graft.

In other investigations, prototype tissue-typing tests were used to match unrelated persons for kidney transplant operations. As a result, kidney transplants between unrelated but matched donors and recipients have now approached the success rate for transplants between relatives. This accomplishment is a landmark in the search for ways to overcome the major barrier to successful kidney and other organ transplantation: transplant rejection due to tissue incompatibility.

Rheumatic and Arthritic Diseases

For a number of years now, research into the causes of rheumatoid arthritis and other rheumatic diseases has focused on the possibility that the body's immunity or defense processes may be principally involved in the causes of these disorders. Special interest has continued in the possible etiologic role of autoimmunity, a defense mechanism through which the body becomes destructive of its own tissues.

This year, in a distinctly new trend, a great deal of research has centered on small infectious organisms, the mycoplasmas, a class of micro-organism distinct from bacteria and viruses, and endowed with properties which place them between these two groups. These organisms have been implicated in several arthritic syndromes in animals which resemble rheumatoid arthritis in man. Very recently, mycoplasmas have been isolated from synovial fluid and tissue of patients with rheumatoid arthritis. This may imply a possible causal relationship.

Evaluation of new drugs and methods of treatment for arthritis is a continuing activity. Most promising of the new drugs is indomethacin, recently shown to be an effective anti-inflammatory agent in patients with rheumatoid arthritis. Intensive clinical and basic laboratory research is being carried out in all other forms of arthritis, including degenerative arthritis or osteoarthritis, and gouty arthritis, which involves a metabolic alteration in the body's handling of uric acid.

Disorders of Metabolism

Investigations in diabetes have been particularly productive. Scientists who revealed that there is 15 times more diabetes among the Pima Indians of Arizona than among the general American population have established a field research unit in Phoenix and are exploring the possible precipitating factors in diabetes in this population group as well as factors in the prevention or postponement of the serious complications of the disease.

Other scientists are gathering more evidence that in early maturity-onset diabetes, the most common form of the disease, insulin is somehow blocked from performing its task of transporting sugar into body cells. This blockage may be due to specific circulating insulin antagonists, or to inactivation of insulin by a liver enzyme.

A new, reliable diagnostic test for cystic fibrosis, a grave, often fatal hereditary disease, has been devised which involves analyzing samples of toenails, fingernails, and hair for elevated concentrations of sodium and potassium.

The past year saw an important breakthrough in gastroenterology with the synthesis of the hormone gastrin, which stimulates peptic secretion, a feat which is expected to stimulate further findings in peptic ulcer research.

Therapy with human growth hormone can dramatically increase the height of hypopituitary dwarfs, but scarcity of the hormone severely restricts research and treatment. In a most important development, an investigator has determined the chemical structure of the hormone, paving the way toward its eventual laboratory synthesis. Another investigator has found that enzyme-modified growth hormone from cows exerts many of the effects of human growth hormone, and may provide a substitute for this invaluable substance.

Respiratory and Infectious Illnesses

There are no final victories in the battle against diseases caused by bacteria, viruses, and other infectious microbes. Despite great medical advances—including powerful antibiotics and potent vaccines—infectious diseases as a group are still the Nation's third leading cause of death and the number one cause of disability and time lost from work and school. More than half of all illness is caused by virus infections alone, including the common cold.

To combat the Nation's most common and most costly disease—acute respiratory illness—NIH has set in motion a nationwide collaborative research endeavor, embracing private drug firms, hospitals, and universities to yield and apply pertinent findings to the improvement of the Nation's health. Significant advances have been derived from this program during the past year:

Experimental vaccines against three types of parainfluenza viruses —which cause croup and bronchopneumonia in infants and children—have proved safe and effective in early tests at a children's hospital, and have been incorporated into a single vaccine now undergoing intensive field trials.

Early trials with an experimental vaccine against *Mycoplasma pneumoniae*, the microbe which is a major cause of primary atypical pneumonia, have given significant protection against experimentally produced illness. *M. pneumoniae* infection, which causes an estimated 50 percent of pneumonia cases in young adults, ranks as one of the most serious health problems in the Armed Forces. Most patients respond well to antibiotics, but epidemiological studies have shown that a vaccine would be particularly valuable in the military service.

A live oral vaccine against adenovirus type 4, which has caused severe epidemics of respiratory disease in military training camps, has now been successfully tested in field trials.

New or improved diagnostic tests were developed for these infectious diseases: Human brucellosis; amebiasis; Q fever; infectious mononucleosis; and rubella (German measles).

In 1966, NIH launched an $850,000 program of research on lung-crippling emphysema. This chronic, often progressive, disorder disables 1 out of every 14 American workingmen over 45. Social security disability benefits for victims of emphysema rank second only to those for heart disease. Research teams at 10 major medical centers will make a multidisciplinary attack on the disease. Their goal: To find the causes of emphysema so that it can someday be prevented.

In the continuing search for potent antimalarial drugs, NIH scientists reported that a combination of the long-acting sulfa compound fanasil and the antimalarial pyrimethamine were effective against three highly resistant strains of malaria, including a Vietnam strain which is partially resistant to quinine.

Diseases of the Nervous System

In 1966 the National Institute of Neurological Diseases and Blindness extended its attack on diseases and impairments of the brain, nervous system, and the sense organs, which affect millions of children and adults of all ages. As directed by the Congress, special efforts were made to speed and strengthen support of research and training in certain vital areas.

The mounting national problem of accidental brain injury, both on the highways and in other accidents, occupied the research limelight. In collaboration with other scientists, Institute investigators are seeking to learn the fundamental processes underlying concussion and brain swelling, frequently a serious consequence of seemingly trivial initial injury. They are observing experimental concussion in primates and studying the intracranial forces and vascular tissue reactions triggered by a blow to the head.

Studies of head-injury reaction are coupled with efforts to discover ways of reestablishing damaged brain tissues and restoring function to destroyed nerve cells. Methods of influencing nerve regeneration are being studied in the brain-injured adult and child.

The assault on cerebrovascular disease (stroke) received several major boosts. Grants were awarded to establish 4 new research centers, bringing the nationwide network of stroke centers to 15. Also, several new types of extramural research and training support were made, including grants for outpatient study, for investigations of the genetic and geographic patterns of cerebrovascular disease, and for training programs for medical practitioners. Evaluation of stroke therapy was also stepped up to provide needed data for assessing benefits and effects of drugs and other treatment.

Intensified study was given, in a program now 7 years old, to the theory that slow-acting viral agents may invade the human nervous system to cause or trigger degenerative neurological diseases. These agents may provide models of yet-undiscovered human "slow viruses" suspected as infectious agents in multiple sclerosis, amyotrophic lateral sclerosis, Parkinson's disease, and the mysterious neurological disorder called "kuru," which afflicts a native tribe in New Guinea. Recent discovery of a transmissible factor in the cause of kuru (previously considered a degenerative disease) is noteworthy in the progress of research.

A new program of eight outpatient clinical research units in neurology was launched, enabling study of large numbers of afflicted persons who do not require hospitalization. Intramural scientists sought to enlarge knowledge of the visual processes, to evaluate effects of drugs on ocular blood vessels, and to pinpoint causes of blinding diseases in the aging population.

Studies continued of diseases of the ear, the mechanism of hearing, disturbance of language perception and formulation, and the process of speech production. Advances occurred in understanding the process whereby sound waves impinging on the eardrum are converted to meaningful information to the brain. This is an essential step toward acquiring insights into the impairments of the deaf and hard-of-hearing, and to finding remedial techniques. Refinements in early diagnosis of speech, hearing, and language disabilities were also stressed.

Dental Research

Oral defects of one type or another are universal in all age groups. Findings from Operation Head Start, for example, have shown that the chief health problem of children under five is dental. To control and ultimately prevent oral disorders, the National Institute of Dental Research carries out and supports a broad program of research involving the basic and clinical sciences. The most recent reporting figures show an annual total of 339 grants for dental research, in the amount of $8,438,419. In addition to research grants, the Institute administers fellowships and training grants designed to increase the numbers and skills of scientists in this field.

Current research focuses on periodontal disease, the chief cause of loss of teeth after age 35; dental caries, which is more severe in younger age groups; oral ulcers of various types; congenital malformations, such as cleft palate and malocclusion; and the development of more effective biomaterials to repair or replace damaged teeth.

Immunologic findings have opened up new pathways this year in the study of periodontal disease. Work with rabbits suggests that bacterial antigens diffuse into the gingival tissues and bring about the

plasma cell accumulation observed in victims of periodontal disease. This new evidence points to a possible allergic basis for some forms of the disorder. Institute scientists have also found that human blood contains antibodies which kill certain bacteria living in the mouth that are associated with oral disease.

Collagen, the major protein of connective tissue, is destroyed during the course of periodontal disease. Of particular significance, an enzyme which helps to break down collagen was discovered this year in diseased human periodontal tissues.

Bone resorption, evident in later stages of periodontal disease, was shown to be advanced by heparin used in combination with parathyroid extract. Mast cells, found in diseased periodontal tissue, are the principal source of heparin and may be implicated in this disease.

In caries research, a second strain of human streptococcus, associated with slowly progressive tooth decay, has now been shown to establish the disease in both the germ-free rat and the hamster. This lead is being pursued by further studies to define the role of various strains of micro-organisms and to explore the feasibility of different control measures.

Following the isolation and identification of *Streptococcus sanguis* as the causative agent of canker sores, relief is now in sight for the millions of persons troubled with these ulcers. An allergic reaction has been shown to cause the canker sores, and steps are under way to develop preventive measures.

Improvement in treatment of patients with palatal and lip clefts continues, with development of better diagnostic, surgical, and speech therapy techniques. Studies of cleft palate in rats have shown that the defects following prenatal administration of certain antihistamines are not related to the antihistamine properties of the drugs but rather to a metabolic end product common to this group of drugs.

Regional Medical Programs

Five major regional medical groups—centered in Hawaii, Kansas, Vermont, Connecticut, and Missouri—joined the Nation's burgeoning Regional Medical Programs against heart disease, cancer, and stroke, when they received, during the latter part of fiscal year 1966, the first planning grants under this new activity—approximately $1.6 million totally.

This new, far-reaching Public Health Service activity, administered by NIH's Division of Regional Medical Programs, grew out of recommendations of the President's Commission on Heart Disease, Cancer, and Stroke. The authorizing legislation, Public Law 89–239, October 1965, established a 3-year, $340 million grants program to explore ways of bridging the gap between science and service.

Progress against the target diseases, which account for more than 70 percent of all deaths in the United States each year and for untold disability, often requires complex, sophisticated equipment and highly trained health teams, usually available only at larger modern medical centers.

Regional medical programs are designed to make these advanced medical capabilities available to all areas of the United States and to all Americans through regional cooperative arrangements involving the medical centers, community hospitals, and practicing physicians. While each region will have different needs, resources, and priorities, some programs, for example, are planning to send medical specialists in heart disease, cancer, and stroke from the major medical centers to small outlying hospitals to provide consultation for physicians at these facilities. Expensive but lifesaving diagnostic and treatment equipment will be made available, also, to outlying areas, and training in the use of the equipment will be provided. Continuing education of physicians and allied health specialists will assure more effective dissemination of the latest medical knowledge.

Review groups acted favorably in considering five other applications for regional medical programs centered in New York, North Carolina, Tennessee, Texas, and Utah, for planning grants amounting to about $2.7 million. The programs envision service across State boundaries.

In total, 38 grant applications in the regional medical program were received. Altogether, the regions covered by approved grants and pending applications included over 125 million persons, about two-thirds of the Nation's population. Proposed programs included all or parts of 40 States. Proposed regions varied from a single State to multiple States. Population bases involved ranged from a few hundred thousand people to more than 15 million. The outlook was that most of the Nation soon would be involved in planning or operating regional medical programs.

Biologics Standards

Federal control of biological products for human use began with passage, in 1902, of a "Biologics Control Act." Many biological products are derived from virulent micro-organisms, and all are potentially dangerous if improperly prepared and tested. As a consequence, close surveillance of production and constant improvement of quality are essential. These are responsibilities of the NIH's Division of Biologics Standards.

NIH recommends the licensing of manufacturers of biologics and of biologic products; establishes standards of safety, purity, and potency for a given biologic; and sees to it that such standards are

maintained. Controls are established only after careful and extensive research. NIH scientists conduct studies, for example, on the fundamental aspects of bacterial and viral infection, when necessary in setting up standards. New methods are constantly sought for the control of new products and the improvement of older ones. Maintenance of standards is assured through regular inspection of the manufacturing plants, review of protocols of the manufacturing process, and testing of the product. The NIH Division of Biologics Standards establishes and maintains standards of quality and safety for 295 specific biologic products licensed for the treatment and prevention of human disease.

This year, an effective experimental vaccine against rubella (German measles) was developed by the Division of Biologics Standards. The vaccine became a matter of urgency following the widespread epidemic of rubella in 1964–65. As a result of the increasingly intensive study of the problem by a number of investigative groups, the Division, in 1964, established a comprehensive research program to facilitate the ultimate licensing and control testing of the hoped-for vaccine.

In the course of their work with rubella virus, two of the investigators developed a live virus strain which appears to meet the essential requirements for a vaccine against rubella—one that will produce a nontransmissible infection, yet confer long-term immunity.

The first small clinical trials of the vaccine in children clearly indicated that it produced a noncommunicable immunization in those inoculated, with no evidence of clinical disease.

International Research

The international research program of NIH is designed to advance the status of the health sciences in the United States and thereby the health of the American people through cooperative endeavors with other countries in health research and research training. The program seeks to make use, wherever possible, of the capabilities of qualified scientists around the world. Scientists representing many disciplines, participating in integrated and comprehensive programs for the study of health problems of concern to all peoples, have received grants under this program.

International research grants are designed, also, to take advantage of a variety of unusual or unique opportunities that exist in foreign countries to pursue studies that are important to medical science and to the health of the American people. Investigations in the field of geographic pathology and epidemiology, for example, have yielded significant clues to the origins of certain diseases which cannot be studied adequately in more restricted environments.

To meet the needs of the Public Health Service for capable investigators with foreign research experience, the NIH international program has provided opportunities for promising young American scientists to work abroad as members of established research groups.

Only the very highest quality of science is supported overseas. No foreign grants may be made unless they have a very high order of priority. No foreign research project is supported unless it satisfies these criteria: (1) It provides unique opportunity or an outstandingly capable individual; (2) it utilizes a special population group for study; and (3) it is demonstrably related to U.S. domestic objectives. In addition, most American scientists awarded traveling fellowships for specialized training outside the United States go to geographic areas where U.S. funds are supporting research. Thus, the overseas support policy provides training spots for U.S. nationals.

U.S. funds spent overseas in no way substitute for domestically available funds abroad; their effect is to expand research opportunity. An example of how this has been accomplished was highlighted at the time of the award of the 1965 Nobel Prize in Medicine and Physiology.

Of the three French scientists of the Pasteur Institute who received this award for their studies of gene regulation, two had been NIH grantees for 4 years. One grantee, Dr. Jacques Monod, in a press interview, said, "If we have a debt, it is above all to the United States . . . French research has benefited enormously from the American contribution." Dr. Monod and his colleagues worked with simple bacteria and viruses, and their research, which has shed light on how genes control the production of bacteria, has already had sharp impact on investigations in viral diseases, metabolic disorders, and cancer. NIH support contributed heavily to this successful advance.

In addition to support of health-related research abroad, NIH supports further related activities including (1) contracts with foreign institutions to conduct specified research, (2) training grants to foreign centers of scientific excellence where American scientists may obtain firsthand knowledge of techniques not found in this country, (3) NIH fellowships to American scientists desiring to study at such foreign centers of excellence, (4) a visiting program which brings foreign scientists with unusual skills to this country to work with NIH intramural laboratories, and (5) an international postdoctoral fellowship program.

An important development during the year was the institution of the United States-Japan cooperative medical science program. Conceived at a meeting of President Johnson with Prime Minister Sato, the program will be concerned chiefly with research in cholera, leprosy, tuberculosis, parasitic diseases, virus diseases, and nutritional problems. Each country will finance the research of its own scientists.

Implementation of the program was begun with a United States-Japan Cooperative Medical Science Conference held in Honolulu in October 1965, and plans were made for a second conference to be held in the late summer of 1966.

Table 1.—*Statement of appropriations, authorizations, and obligations—fiscal year 1966*

[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	$2,378,609	0	$30,398	$374,796	$2,788,422	$2,279,825
Appropriations, PHS	2,378,303	0	30,398	374,535	2,783,236	2,275,104
Buildings and facilities	8,977			52,268	61,245	24,263
Scientific activities overseas (special foreign currency program)	5,000			2,226	7,226	7,150
National health statistics	7,230		341		7,571	7,287
National Library of Medicine	5,685	−1	24		5,709	5,548
Retired pay of commissioned officers	8,020				8,020	7,834
Salaries and expenses, Office of the Surgeon General	6,648	+210	100		6,958	6,732
Emergency health activities			35	13,370	13,405	8,471
Consolidated working fund, HEW			5,091	415	5,506	2,963
Do			6,013		6,013	5,920
Hospitals and medical care	58,980	−11	9,249		68,218	68,178
Foreign quarantine activities	7,648	−1	604		8,251	8,234
Indian health activities	67,538	−11	836		68,363	68,067
Construction of Indian health facilities	14,096			3,927	18,023	8,811
Consolidated working fund, HEW, grants for research			(703)	(159)	(863)	(604)
Injury control	4,349		101		4,450	4,358
Chronic diseases and health of the aged	80,335	−15	131		80,451	74,079
Chronic diseases and health of the aged (1966–68)	2,750				2,750	2,120
Communicable disease activities	32,495	−25	2,369		34,839	34,711
Communicable disease activities (1966–67)	8,000				8,000	4,126
Communicable disease activities (1965–66)				888	888	844
Community health practice and research (1965–66)	71,854	−10	2,162		74,007	68,248
Community health practice and research (1966–67)	27,076				27,076	27,056
Control of tuberculosis	15,666	−5			15,661	15,304
Control of venereal diseases	10,392	−5			10,387	10,321
Dental services and resources	8,382		58		8,440	8,384
Nursing services and resources (1965–66)	19,575		1		19,576	17,892
Hospital construction activities	20,801	−6	50		20,845	17,126
Hospital construction activities (mental retardation)	11,500			26,275	37,775	8,636
Hospital construction activities (1966–68)		+584			584	
Hospital construction activities (1966–67)	271,000	−584			270,416	42,586
Hospital construction activities (1965–67)				488	488	
Hospital construction activities (1965–66)		+1,596		180,771	182,367	180,981
Construction of health educational facilities	90,000			16,792	106,792	76,211
Do	599				599	553
George Washington University Hospital construction						
Bureau of State Services management fund			(5,899)		(5,899)	(5,811)
Environmental health sciences	15,980	−8	118		16,090	15,843
Air pollution	26,633	−10	2		26,624	26,580
Environmental engineering and sanitation	13,842	−3	418		14,257	14,104

Table 1.—*Statement of appropriations, authorizations, and obligations—fiscal year 1966*—Continued

[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	
Occupational health	$5,839	−2	$6		$5,842	$5,795
Radiological health	20,934	−6	2,007		22,935	22,568
Water supply and water pollution control	45,094	−10	416		45,499	41,648
Water supply and water pollution control (1965–66)				$820	820	820
Grants for waste treatment works construction (1966–67)	50,000				50,000	15,229
Grants for waste treatment works construction (1966)	91,000				91,000	78,525
Grants for waste treatment works construction (1965–66)				29,514	29,514	26,009
General research and services, NIH	60,469	−2	4		60,471	58,566
Biologics standards	6,806				6,806	5,256
National Institute of Child Health and Human Development	55,024	−1			55,023	53,614
National Cancer Institute	163,761	−55	11		163,717	161,322
National Institute of General Medical Sciences	127,188	−2			127,186	127,062
National Institute of Mental Health	232,662	−12	103		232,753	226,692
Regional medical programs (1966)	1,000				1,000	2,066
National Heart Institute	141,462	−3	7		141,466	141,172
Regional medical programs (1966–67)	24,000				24,000	2,066
Construction of community mental health centers (1966–67)	50,000				50,000	6,908
Construction of community mental health centers (1965–66)		−1,596		35,000	33,404	32,653
National Institute of Dental Research	23,677				23,678	23,482
National Institute of Arthritis and Metabolic Diseases	123,203	−3	2		123,202	121,621
National Institute of Allergy and Infectious Diseases	77,987	−1	72		78,058	77,781
National Institute of Neurological Diseases and Blindness	101,146	−2	67		101,211	100,308
Grants for construction of health research facilities	56,000			293	56,293	56,265
Construction of mental health, neurology research facility				11,488	11,488	8,155
General research support			(45,200)		(45,200)	(45,200)
National Institutes of Health management fund			(46,482)		(46,482)	(45,847)
Appropriations, special project funds made available by other agencies					4,619	4,454
Salaries and expenses, Bureau of Prisons (transfer to HEW, PHS)					2,975	2,957
American Sections, International Commissions State (transfer to HEW, PHS)					108	97
Assistance to refugees in the United States, Office of the Commissioner, SSA					1,536	1,400
Gift funds donated for general and specific purposes	306.2			260.9	567.1	266.9
Contributions, Indian health facilities	120.4			6.5	126.8	123.4
Public Health Service unconditional gift fund	18.0			144.0	162.0	8.0
Public Health Service conditional gift fund	114.2			70.4	184.7	81.1
Patients' benefit fund, Public Health Service hospitals	48.4			20.7	69.1	38.0
Special statistical work, vital statistics	5.2			19.3	24.5	16.4

Table 2.—*PHS total paid employment by bureau and division, as of June 30, 1966*

	Grand Total	Full Time						Part time and intermittent		
		Total	United States			Territories and possessions	Foreign countries	Total	Advisers and consultants	Others
			Total	Washington metropolitan area	Outside					
Public Health Service, all bureaus	37,982	36,186	35,628	16,665	18,963	241	317	1,796	376	1,420
Office of the Surgeon General	1,829	1,761	1,649	1,163	486	1	111	68	56	12
Immediate Office of the Surgeon General	128	124	124	76	48			4	3	1
Office of Information and Publications	50	46	46	46				4	3	1
Office of Equal Health Opportunity	96	68	68	18	50			28	28	
Office of International Health	63	61	61	60	1			2	1	1
Office of Personnel	174	172	172	172				2		2
National Center for Health Statistics	415	401	401	360	41			14	9	5
Division of Administrative Services	130	130	130	88	42					
Division of Finance	134	132	132	132				2		2
Division of Health Mobilization	173	173	172	93	79	1				
Division of Internal Audit	21	21	21	21						
Division of Public Health Methods	62	50	50	49	1			12	12	
Details to AID	32	32	5	5			27			
Details to Peace Corps	99	99	16	10	6		83			
Details to Food and Drug Administration	50	50	50	15	35					
Details to Federal Water Pollution Control Administration	194	194	194	12	182					
Details to other agencies	8	8	7	6	1		1			
Bureau of Medical Services	14,829	14,047	13,909	1,585	12,324	35	103	782	3	779
Office of the Chief	76	73	55	55			18	3	1	2
Division of Federal Employees Occupational Health and Safety	110	110	110	84	26					
Division of Foreign Quarantine	668	639	539	41	498	16	84	29		29
Division of Hospitals	7,769	7,386	7,367	1,242	6,125	19		383	1	382
Freedmen's Hospital	1,056	1,026	1,026	1,026				30		30
Division of Indian Health	5,807	5,443	5,442	131	5,311		1	364	1	363
Details to Bureau of Prisons	282	280	280	20	260			2		2
Details to U.S. Coast Guard	101	101	101	8	93					
Details to other agencies	16	15	15	4	11			1		1
Bureau of State Services—Community Health	5,937	5,622	5,515	1,740	3,775	61	46	315	178	137
Office of the Chief	212	196	196	183	13			16	16	
Division of Accident Prevention	168	163	163	109	54			5	2	3
Division of Chronic Diseases	973	892	890	573	317	2		81	67	14
Communicable Disease Center	3,287	3,189	3,084	103	2,981	59	46	98	12	86
Division of Community Health	273	250	250	182	68			23	20	3
Division of Dental Health	270	248	248	126	122			22	5	17
Division of Hospital and Medical Facilities	346	312	312	198	114			34	30	4
Division of Medical Care Administration	227	217	217	149	68			10	4	6
Division of Nursing	164	141	141	105	36			23	19	4
Details to other agencies	17	14	14	12	2			3	3	

Bureau of State Services—Environmental Health	2,858	2,768	2,749	989	1,760	1	18	90	15	75
Office of the Chief	593	579	579	264	315			14	1	13
Division of Air Pollution	603	591	589	132	457		2	12	2	10
Division of Environmental Engineering and Food Protection	413	410	399	114	285	1	10	3		3
Division of Occupational Health	206	199	199	49	150			7	7	
Details to Radiological Health	1,035	981	975	429	546		6	54	5	49
Details to other agencies	8	8	8	1	7					
National Institutes of Health	12,195	11,660	11,478	10,861	617	143	39	535	122	413
Office of the Director	1,492	1,449	1,427	1,424	3	2	20	43	20	23
National Cancer Institute	1,380	1,356	1,353	1,313	40		3	24	17	7
National Heart Institute	666	631	627	565	62	1	3	35	8	27
National Institute of Allergy and Infectious Diseases	728	716	659	468	191	53	4	12	8	4
National Institute of Arthritis and Metabolic Diseases	624	603	600	589	11		3	21	1	20
National Institute of Dental Research	310	301	300	299	1		1	9	2	7
National Institute of Mental Health	1,378	1,244	1,241	1,033	208		3	134	21	113
National Institute of Neurological Diseases and Blindness	822	769	684	680	4	85		53	13	40
National Institute of General Medical Sciences	187	174	174	174				13	9	4
National Institute of Child Health and Human Development	340	313	311	216	95		2	27	12	15
Clinical Center	1,740	1,625	1,625	1,624	1			115	1	114
Division of Biologics Standards	300	296	296	296				4	3	1
Division of Computer Research and Technology	211	208	207	207		1		3	1	2
Division of Regional Medical Programs	49	46	46	46				3	2	1
Division of Research Grants	596	573	572	572		1		23		23
Division of Research Services	1,217	1,211	1,211	1,210	1			6	1	5
Division of Research Facilities and Resources	144	134	134	134				10	3	7
Details to other agencies	11	11	11	11						
National Library of Medicine	334	328	328	327	1			6	2	4

Table 3.—*PHS total paid employment by bureau, commissioned officers and civil service, as of June 30, 1966*

	Grand Total	Commissioned officers					Civil service				
		Total	United States			Territories, possessions, and foreign countries	Total	United States			Territories, possessions, and foreign countries
			Total	Washington metropolitan area	Outside			Total	Washington metropolitan area	Outside	
Public Health Service, total	37,982	5,375	5,165	1,741	3,424	210	32,607	32,222	15,511	16,711	385
Office of the Surgeon General	1,829	477	366	124	242	111	1,352	1,350	1,059	291	2
Bureau of Medical Services	14,829	2,088	2,056	97	1,959	32	12,741	12,607	1,524	11,083	134
Bureau of State Services	8,795	1,542	1,505	465	1,040	37	7,253	7,159	2,359	4,800	94
Community Health	5,937	825	799	228	571	26	5,112	5,026	1,571	3,455	86
Environmental Health	2,858	717	706	237	469	11	2,141	2,133	788	1,345	8
National Institutes of Health	12,195	1,257	1,227	1,045	182	30	10,938	10,783	10,246	537	155
National Library of Medicine	334	11	11	10	1		323	323	323		

Table 4.—*Summary of Public Health Service grants and fiscal year*

[Exclusive of grants for scientific

Supporting institute or division	Total dollars	Research grants		Construction grants		Training	
						Graduate	
		Number	Dollars	Number	Dollars	Number	Dollars
Grand total	1,571,682,595	16,548	654,549,319	872	440,571,741	5,200	233,315,048
Total National Institutes of Health	988,895,801	15,153	600,972,940	177	100,542,762	3,912	192,771,144
Allergy and Infectious Diseases	51,554,266	1,317	39,133,901			193	8,996,444
Arthritis and Metabolic Diseases	96,309,247	2,707	76,585,153			324	14,202,190
Cancer	77,850,290	1,482	64,326,555			164	8,253,277
Child Health and Human Development	45,388,253	1,122	34,310,576			134	8,221,196
Dental Research	16,855,400	331	10,286,123			110	5,127,289
General Medical Sciences	114,500,515	1,689	54,904,435			713	41,175,017
Heart	111,179,160	2,310	87,747,924			301	14,861,740
Mental Health	235,713,355	1,927	78,447,512	93	41,798,969	1,671	76,494,435
Neurological Diseases and Blindness	77,900,031	1,592	57,320,471			302	15,439,556
Office of International Research	3,997,011	133	2,799,657				
Regional Medical Programs	3,793,847						
Research Facilities and Resources	153,854,426	543	95,110,633	84	58,743,793		
Total Bureau of State Services	581,494,771	1,361	52,749,525	695	340,028,979	1,279	40,112,714
Community Health	[3] 512,049,439	415	24,631,208	695	340,028,979	1,103	30,330,690
Accident Prevention	1,935,821	46	1,785,821			3	138,300
Chronic Diseases	49,040,378	66	3,538,916			87	2,106,175
Communicable Disease Center	32,076,812	73	1,921,000				
Community Health Services	46,468,184	75	3,815,000			454	14,309,784
Dental Health	4,477,734	40	938,819			2	149,918
Hospital and Medical Facilities	341,752,679	47	10,424,721	666	328,976,385		
Medical Care Administration	9,000,000						
Nursing	27,297,831	68	2,206,931	29	11,052,594	557	13,626,513
Environmental Health	58,692,407	946	28,118,317			176	9,782,024
Air Pollution	14,406,090	163	5,304,767			21	1,310,981
Environmental Engineering and Food Protection	4,531,744	203	4,531,744				
Occupational Health	2,741,662	82	2,741,662				
Radiological Health	7,555,330	107	2,548,484			33	2,268,487
Office of Resource Development	9,647,471	93	6,094,866			49	3,552,605
Office of Solid Wastes	3,391,573	24	852,887			4	149,977
Water Supply and Pollution Control [2]	16,418,537	274	6,043,907			69	2,499,974
National Library of Medicine	1,292,023	34	826,854			9	431,190

[1] Includes awards made for staffing community mental health centers and for planning regional medical programs.

[2] Funds administered by Bureau of State Services, programed by the National Institute of Mental Health.

[3] Includes 168 project grants for $10,752,925 awarded under the Community Health Service and Facilities Act of 1961 and administered on a Bureauwide basis.

awards, by type of award and institute or division

1966

evaluation purposes]

grants		Traineeship awards		Fellowship awards		Research career program awards		Health services			
Undergraduate								Formula grants		Project grants[1]	
Number	Dollars	Number	Dollars	Number	Dollars	Number	Dollars	Number	Dollars	Number	Dollars
1,126	31,426,402	497	3,897,007	4,543	29,519,165	1,343	25,745,934	548	62,550,000	1,318	90,107,979
561	12,961,222	217	2,047,254	4,263	27,880,952	1,343	25,745,934	54	6,750,000	63	19,223,593
------	------	------	------	151	1,213,180	117	2,210,741	------	------	------	------
------	------	------	------	297	2,521,891	150	3,000,013	------	------	------	------
173	2,056,628	------	------	175	1,482,978	89	1,730,852	------	------	------	------
------	------	------	------	138	1,154,622	87	1,701,859	------	------	------	------
------	------	------	------	68	506,537	55	935,451	------	------	------	------
------	------	------	------	2,013	11,786,812	358	6,634,251	------	------	------	------
105	2,473,577	------	------	267	2,164,219	204	3,931,700	------	------	------	------
283	8,431,017	------	------	893	202,215	155	3,159,461	[2] 54	[2] 6,750,000	54	15,429,746
------	------	17	2,047,254	95	651,144	128	2,441,606	------	------	------	------
------	------	------	------	166	1,197,354	------	------	------	------	------	------
------	------	------	------	------	------	------	------	------	------	9	3,793,847
------	------	------	------	------	------	------	------	------	------	------	------
------	------	------	------	------	------	------	------	------	------	------	------
565	18,465,180	280	1,849,753	279	1,604,234	------	------	494	55,800,000	[1] 1,255	[1] 70,884,386
558	18,226,821	280	1,849,753	109	520,838	------	------	378	48,300,000	[3] 864	[3] 48,161,150
------	------	------	------	2	11,700	------	------	------	------	------	------
74	1,232,466	223	1,636,927	------	------	------	------	162	25,300,000	450	15,225,894
------	------	------	------	------	------	------	------	54	3,000,000	287	27,155,812
435	14,605,358	57	212,826	14	97,345	------	------	54	10,000,000	78	3,427,871
49	2,388,997	------	------	------	------	------	------	54	1,000,000	------	------
------	------	------	------	------	------	------	------	------	------	49	2,351,573
------	------	------	------	------	------	------	------	54	9,000,000	------	------
------	------	------	------	93	411,793	------	------	------	------	------	------
7	238,359	------	------	170	1,083,396	------	------	116	7,500,000	223	11,970,311
------	------	------	------	57	373,396	------	------	------	------	137	7,416,946
------	------	------	------	------	------	------	------	------	------	------	------
7	238,359	------	------	------	------	------	------	54	2,500,000	------	------
------	------	------	------	------	------	------	------	------	------	39	2,388,709
------	------	------	------	113	710,000	------	------	[4] 62	[4] 5,000,000	47	2,164,656
------	------	------	------	1	33,979	------	------	------	------	------	------

[4] Includes 8 allotments for $300,000 made to interstate agencies by the Water Pollution Control Program.
[3] Transferred to the Department of Health, Education and Welfare on December 31, 1965 and to the Department of the Interior on May 10, 1966.

Office of Education

Introduction

For the Office of Education, fiscal year 1966 marked a period of steadily mounting effort to help the people of the Nation meet the forces of change by promoting high-quality educational opportunities for all.

This was the year the Office administered the heaviest financial support of education in any of its 99 years.

This was the year that the scope of program on behalf of education reached the broadest proportions in the history of the Office.

The White House Conference on Education met in Washington on July 20 and 21, 1965. More than 600 leaders in education, industry, labor, and government answered President Johnson's call "for a lively exchange of views on the major problems confronting our schools and colleges."

Chairman John W. Gardner, then president of the Carnegie Corp. of New York and the Carnegie Foundation for the Advancement of Teaching, stated the purpose of the Conference as being "to examine critical issues in education on which the Nation should focus attention." Nine target agenda topics were selected to provoke vigorous discussion reaching virtually all areas and interests of education—"Education and the World of Work," "Improving the Quality of Education," "Partnership in Education," "Education for World Responsibility," "Education of the Special Student," "Extending Educational Opportunities," "Innovations in Education," "Higher Education in Transition," and "Education in the Urban Community."

In September, the President appointed Commissioner of Education Francis Keppel to the newly created post of Assistant Secretary for Education in the U.S. Department of Health, Education, and Welfare. Mr. Keppel served both as Assistant Secretary and as Commissioner until January 5, 1966, when Harold Howe II was sworn in as Commissioner of Education.

As the year began, established programs of the Office continued to operate using funds authorized by Congressional joint resolutions of

June 30 and July 30, pending passage of the regular appropriation act for 1966 which became law on August 31, 1965. Later enactments provided funds for new programs authorized in the latter part of the previous year and for most of the new ones authorized in fiscal year 1966.

The appropriation act of September 23, 1965, made initial action possible under the provisions of the Elementary and Secondary Education Act of 1965. This act authorizes a range of new assistance programs.

It authorizes programs for the education of children of low-income families, for acquisition of instructional materials, for establishment of supplementary educational centers and services, and for strengthening State departments of education. It provides for expansion of the Cooperative Research Program and adds a new dimension in the form of an authorization of funds for construction of facilities for regional educational research laboratories where new methods and practices may be discovered, tried out, and put into common use.

Work began, too, under the National Technical Institute for the Deaf Act and on expansion of programs as authorized by the Manpower Act of 1965. Then appropriation legislation of October 31, 1965, made possible the launching of education activities authorized by the National Foundation on the Arts and the Humanities Act of 1965.

The same October 31 law appropriated certain funds subject to enactment of the major education bill then under legislative consideration. Thus it was that funds were in hand to launch most of the programs authorized when the Higher Education Act of 1965 was signed on November 8.

Started at once were programs of assistance for community service and continuing education, for strengthening developing institutions of higher education through cooperative agreements and through national teaching fellowships, for student aid through educational opportunity grants and low-interest insured loans and expanded college work-study opportunities, and for teacher training—to strengthen teacher education and to provide fellowships for prospective and for experienced teachers.

On May 13, 1966, funds were appropriated for three more programs. One of these three under the Higher Education Act of 1965 is the National Teacher Corps. Another is the program of basic grants to encourage institutions and combinations of institutions of higher learning to acquire more college library materials. The third makes possible the transfer of funds to the Librarian of Congress for the acquisition and cataloging of library materials of value to scholarship which are being published throughout the world.

The same May 13 appropriation act provided supplemental funds for programs concerned with the education of children of low-income families. It also enabled activation of most of the programs in the October 22 National Vocational Student Loan Insurance Act of 1965.

Finally, it appropriated funds for additional programs of school maintenance and operation in federally affected areas. These are the ones resulting under change in the amended Public Law 81–874 which reduces eligibility requirements for large city school districts to the level required of other school districts participating in the program.

Another legislative enactment in fiscal year 1966 of special significance to Office activities authorizes assistance for public schools affected by major disasters. This act, Public Law 89–313, adds to and otherwise amends Public Laws 81–815 and 81–874 on school construction and on school maintenance and operation.

Still another enactment in fiscal year 1966 is Public Law 89–105 amending the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963. The new measure raises the fund authorizations and expands the provisions of titles II and III of the earlier law.

It permits grants to assist in meeting the initial costs of professional and technical staffing for comprehensive community health centers. It also authorizes grants for construction, equipment, and operation of facilities for research or for research and related purposes pertaining to the education of handicapped children.

Planning for Assistance to Education

Two recent developments in Federal planning for assistance to education gained headway in fiscal year 1966. Both are part of the total Executive Branch effort to achieve improved decision-making resources, identify legislative needs of the future, and clearly define programs for presentation to the Congress.

First, the Federal Interagency Committee on Education emerged from the need for better coordination of the direct and indirect concerns of many Federal agencies with the field of education. The Committee met monthly during the latter half of the year to consider projects in education which cross agency lines—education manpower needs, financial aid to students, and research in education, for example.

The Assistant Secretary for Education is the chairman of this Committee which was established by Executive Order 11185 on October 16, 1964. The Office of Education and some 15 other agencies are represented on the Committee and the Office provides staff services for its work.

Secondly, an integrated process is developing to relate the budget more directly to long-range planning and programing. Plans were

underway in fiscal year 1966 toward determining on a continuing basis the Office response to general and long-term education needs. These plans include means of comparing and evaluating individual projects within a single program area, anticipating program operations by about 5 years, and developing the budget as a related financial expression of program plans.

Equal Educational Opportunities

The Equal Educational Opportunities Program is the focal point of activities undertaken by the Office of Education in accordance with provisions of the Civil Rights Act of 1964.

Title IV of the Civil Rights Act of 1964 provides funds to assist State and local school systems in dealing with education problems arising from desegregation. Title VI prohibits Federal funds for activities or programs that discriminate as to race, color, or national origin.

Assistance under title IV includes grants to school boards for training of school personnel in dealing with desegregation problems. Training may range from the use of new curriculum materials designed for children in desegrated situations for the first time, to such areas as school-community relations.

Approximately 6,400 teachers and other school personnel received specialized training under projects funded by title IV grants in fiscal year 1966.

Title IV assistance also includes contract awards to colleges and universities for institutes to strengthen skills of school personnel in dealing with school desegregation problems. Some 4,335 teachers, counselors, and supervisors attended institutes funded in fiscal year 1966.

Obligations against the $8 million appropriated for title IV in fiscal 1966 were: $3.413 million for institutes, $2.848 million for grants to school boards, and $1.314 million for administration, including technical assistance by Equal Educational Opportunities Program staff and $58 million toward the survey discussed on p. 187.

In connection with title VI, the Equal Educational Opportunities Program administers the guidelines for school desegregation in the 17 Southern and Border States which formerly operated dual school systems. The guidelines, formally titled the *Revised Statement of Policies for School Desegregation Plans Under Title VI of the Civil Rights Act of 1964*, were published in the *Federal Register* on April 9, 1966, after distribution to State and local school systems and public announcement by the Commissioner on March 7. The guidelines applied to some 1,800 school desegregation plans in school systems operating under voluntary desegregation plans. Voluntary plans

include free choice of schools by all students, geographic zoning enrollment, or a combination of free choice and zoning.

Voluntary plan districts were required to submit an assurance of compliance (HEW 441–B) by April 15. The deadline was extended to May 6 after school districts indicated the need for more time. Assurances of compliance were received from some 1,700 districts, indicating their intention to comply with title VI of the Civil Rights Act, by May 6.

During fiscal year 1966, Federal hearing examiners recommended termination of funds for 52 school districts. By June 30, 1966, the Secretary of Health, Education, and Welfare had rendered final decisions upholding initial decisions by the Federal examiner in 25 of these cases, referring them to appropriate committees responsible for education legislation in the House and Senate. Termination of funds becomes effective 30 days after Senate and House Committees are notified. Twenty-one of the decisions had become final by June 30.

During May and June 1966, the Equal Educational Opportunities Program directed much of its effort toward school districts accomplishing the least progress in school desegregation, in an effort to assist them in complying with title VI in order to remain eligible for Federal assistance. Efforts included analysis of progress reports submitted by school districts and on-site staff visits to school districts to determine how progress could be achieved. In addition, staff members participated in regional information meetings with State and local school officials, civil rights organization representatives, and others, to explain policy in relation to the guidelines. Arrangements were also made during the summer to employ a hundred temporary staff members to assist in compliance reviews.

Staff Work in Behalf of the Disadvantaged and Handicapped

Need for information and for coordination of services resulted in the Office of the Disadvantaged and Handicapped becoming operational on July 1, 1965. Work of the former staff office for programs for the education of the disadvantaged was absorbed in the more comprehensive staff-level activities under the reorganization.

These activities seek to bring together the resources of programs for the economically disadvantaged and the otherwise handicapped which exist in the Office of Education, the Office of Economic Opportunity, and other Federal agencies. The overall aim is economic and expeditious achievement of mutual goals.

Two of the specific aims are coordination of program services for rapid identification of areas where additional knowledge is needed and referral of findings to those concerned for necessary action in such fields as administration and research. Two other specific aims are the uncovering of duplications and gaps in existing services and the informing of those concerned so that administrative action may be taken where possible and proposals may be developed for any needed legislative action.

The coordinating and other staff activities of the Office of the Disadvantaged and Handicapped concentrated on:

- Establishing an information center for the collection, organization, and analysis of information on needs, programs, plans, legislation, research, and expenditures on behalf of the disadvantaged and otherwise handicapped.
- Developing a procedure with the Office of Economic Opportunity to encourage communication by officials at the local level through checkpoints for coordination of their related programs. (Of particular concern on one hand are the education components of Community Action Programs under title II of the amended Economic Opportunity Act of 1964 and special programs for educationally disadvantaged children authorized by title I of the Elementary and Secondary Education Act of 1965.)
- Sponsoring "grassroots" regional conferences to (*a*) inform communities on legislation for the benefit of the disadvantaged and handicapped, and (*b*) help them plan programs on a coordinated basis to meet local needs. (The first one was held in Washington, D.C., Dec. 1–2, 1965. The next two were in Columbia, S.C., Feb. 10–11, and Brooklyn, N.Y., Mar. 31–Apr. 1.)
- Assisting the National Teacher Corps with planning and providing on-site assistance to universities to supply data on geographic location of poverty and to help them with orientation programs for those undergoing training for service in the corps.
- Coordinating pertinent programs in the field of vocational education with the Vocational Rehabilitation Administration to identify program components for the handicapped, plan for joint participation in designing and administering programs for the education and rehabilitaton of the handicapped, and develop common guidelines for the use of State agencies.
- Planning for an ongoing committee within the Office of Education to give maximum priority to needs and to policy and procedure for the benefit of the handicapped.

- Initiating action leading to establishment of interagency committees to coordinate Federal programs for the education of Indians and migrants.
- Issuing publications such as *Federal Teacher Training Programs in Fields of the Disadvantaged and Handicapped* to provide information on special services dealing with education of the disadvantaged and handicapped.
- Planning and scheduling a conference for Mexican Americans for August 5–7, 1966, in Los Angeles to inform them about different Federal programs, establish liaison between leaders of their communities and regional and headquarters staffs of Federal agencies, and help advance and coordinate the federally sponsored programs to meet the special educational needs of this group.

Opportunity for Educationally Deprived Children

More than a billion dollars was obligated in fiscal year 1966 for special action for some 7 million educationally deprived children. The aim is to help them catch up to those with greater educational advantages.

The program was authorized by title I of the Elementary and Secondary Education Act of 1965 which adds title II to the amended Public Law 81–874 on school maintenance and operation. The statutory formula determining entitlements for Federal payments emphasizes low-income factors and welfare data. Accordingly, the largest proportion of the Federal funds is for rural counties in the South and slum areas in the larger cities.

Eligible "States" include the 50 States of the Union, the District of Columbia, Puerto Rico, and the Territories of American Samoa, Guam, and the Virgin Islands within the Nation, plus the Territory of the Pacific Islands which the Nation administers under the United Nations Trusteeship System. Only American Samoa was a nonparticipant in fiscal year 1966.

State departments of education administer the program. They have authority to approve grant applications from local education agencies having administrative control of public schools.

Public Law 89–313 amended title II to authorize grants to State agencies operating or supporting schools for handicapped children.

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Their applications also are acted upon by State departments of education.

State departments of education file assurances with the Office of Education that they will administer the program in accordance with law and regulations. Participating agencies at State and local level must provide satisfactory assurance of compliance with title VI of the Civil Rights Act of 1964.

Federal financing is handled by letter of credit established in each State for this and other Office programs. State departments of education are authorized to withdraw Federal funds on a monthly basis for their own needs under the program and for disbursements to local school districts and to State agencies with approved projects.

The enabling legislation authorized ratable reductions in payments if appropriations were less than entitlements for fiscal year 1966. However, when Public Law 89–199 made the initial appropriation of $775 million, it included a proviso that determinations and payments "shall be on the basis of the amount authorized to be appropriated." Obligations then were estimated on a preliminary basis in keeping with entitlements rather than appropriations.

Information from the States shows that 17,481 of the 24,926 eligible school districts participated in the program in fiscal year 1966. Allocations ranged from just under $100 in a small district to $65 million for the largest city program.

By making Federal funds available for administrative costs and for technical assistance in evaluating projects, the program is paying a dividend in helping to strengthen State departments of education. This dividend is over and above those accruing under the special program for that purpose under title V of the Elementary and Secondary Education Act of 1965.

Experience already has shown that schools are the most inadequate where need for educational enrichment is greatest—in slum areas. It shows, too, that children who are both culturally different and slow to learn tend to be unmotivated. When enough imagination and attention are brought to bear, most of them respond and schools become part of the solution rather than part of the problem for educationally disadvantaged children.

Table 1 shows maximum entitlements, number of approved projects and related preliminary obligations by eligible areas. The $184 million appropriated on May 13, 1966 brought the total Federal funds up to $959 million for fiscal year 1966—the amount then expected to be needed when all expenditures against preliminary obligations have been made.

Table 1.—*Federal assistance to help meet special educational needs of educationally deprived children: Fiscal year 1966* [1]

States and other eligible areas	Maximum entitlements			Number of projects	Preliminary obligations [2]	
	Geographic areas	State-supported schools for handicapped	Total		Amount	Percent of total entitlement
Alabama	$34,634,567	$148,665	$34,783,232	131	$31,455,281	90
Alaska	1,797,914		1,797,914	22	1,513,246	84
Arizona	10,360,005	173,856	10,533,861	280	9,398,432	89
Arkansas	22,600,021	150,404	22,750,425	409	20,954,806	92
California	77,975,731	567,580	78,543,311	1,802	73,701,234	94
Colorado	9,755,134	367,393	10,122,527	181	8,926,113	88
Connecticut	7,196,504	433,574	7,630,078	175	6,530,585	86
Delaware	1,975,217	141,033	2,116,250	37	2,058,953	97
Florida	27,478,937	404,666	27,883,603	172	27,883,603	100
Georgia	37,342,341	48,563	37,390,904	271	36,083,977	97
Hawaii	2,374,944	136,561	2,511,505	87	2,374,949	95
Idaho	2,544,238	45,504	2,589,742	185	2,534,334	98
Illinois	61,112,154	428,026	61,540,180	952	52,104,304	85
Indiana	18,378,029	556,916	18,934,945	412	17,546,797	93
Iowa	18,652,957	314,358	18,967,315	1,033	15,028,711	79
Kansas	10,595,499	224,603	10,820,102	454	9,855,484	91
Kentucky	30,131,330	106,074	30,237,404	277	28,616,085	95
Louisiana	38,344,221	166,935	38,511,156	81	25,597,395	66
Maine	4,014,213	90,036	4,104,249	460	3,725,164	91
Maryland	15,249,238	262,785	15,512,023	61	12,836,613	83
Massachusetts	16,539,689	730,385	17,270,074	323	10,856,800	63
Michigan	34,734,957	580,596	35,315,553	771	33,892,225	96
Minnesota	24,530,168	606,755	25,136,923	1,261	19,738,265	79
Mississippi	30,894,244		30,894,244	305	21,558,851	70
Missouri	29,857,937	357,383	30,215,320	982	25,067,571	83
Montana	3,756,470	138,235	3,894,705	521	3,391,762	87
Nebraska	6,929,812	136,909	7,066,721	369	5,250,287	74
Nevada	949,969	13,866	963,835	20	845,165	88
New Hampshire	1,452,253	58,444	1,510,697	177	1,175,299	78
New Jersey	24,560,286	1,058,106	25,618,392	607	25,280,066	99
New Mexico	9,789,895	211,491	10,001,386	203	9,989,698	99
New York	109,670,427	2,707,272	112,377,699	1,461	101,763,960	91
North Carolina	52,826,063	394,484	53,220,547	185	49,949,676	94
North Dakota	5,219,893	70,649	5,290,542	448	3,335,472	63
Ohio	39,185,691	327,292	39,512,983	1,045	36,897,935	93
Oklahoma	17,393,688	59,173	17,452,861	774	17,099,592	98
Oregon	8,231,740	312,765	8,544,505	383	7,926,759	93
Pennsylvania	55,941,428	1,345,289	57,286,717	821	51,537,327	90
Rhode Island	4,039,555	109,713	4,149,268	82	3,504,503	84
South Carolina	27,478,721	148,140	27,626,861	275	22,974,021	83
South Dakota	6,936,594	97,267	7,033,861	431	4,759,558	68
Tennessee	32,206,225	87,670	32,293,895	348	30,885,715	96
Texas	77,638,778	465,160	78,103,938	812	73,380,389	94
Utah	2,853,159	76,560	2,929,719	46	2,922,319	99
Vermont	1,744,857	79,122	1,823,979	155	1,712,547	94
Virginia	30,619,294	41,551	30,660,845	388	24,324,150	79
Washington	10,757,118	300,363	11,057,481	552	10,863,696	98
West Virginia	16,991,225	88,715	17,079,940	140	16,423,901	96
Wisconsin	18,058,203	264,247	18,322,450	665	15,050,000	82
Wyoming	1,555,058	88,618	1,643,676	69	1,215,087	74
American Samoa	209,336		209,336			
District of Columbia	5,381,927	193,349	5,575,276	3	5,575,276	100
Guam	628,008		628,008	6	566,770	90
Puerto Rico	21,347,116		21,347,116	61	21,133,645	99
Virgin Islands	317,881		317,881	2	317,881	100
Trust Territory of the Pacific Islands	788,241		788,241	16	707,873	90
Total	1,164,529,100	15,917,101	1,180,446,201	22,189	1,050,600,107	89

[1] Initial authorization for this program is title I of the Elementary and Secondary Education Act of 1965. This title in Public Law 89-10 adds title II to the amended Public Law 81-874 on school maintenance and operation. Title II then was amended by section 3 of Public Law 89-77 and sections 6 and 7 of Public Law 89-313.

[2] Preliminary figures based on information in the final *Quarterly Report* for fiscal year 1966 as received from each of the eligible areas. Obligations were estimated in keeping with entitlements as authorized in Public Law 89-199 making the initial appropriation of $775 million for fiscal year 1966. Public Law 89-426 appropriated $184 million on May 13, 1966. The total of $959 million was the amount then expected to be needed when all Federal expenditures against preliminary obligations were made.

Supplementary Educational Centers and Services

A new program of Federal grants for Projects to Advance Creativity in Education (PACE) was initiated in fiscal year 1966 under title III of the Elementary and Secondary Education Act of 1965. Grants for these projects aim to stimulate innovative and exemplary programs and services.

Three-fourths of the $100 million authorized for PACE was appropriated for fiscal year 1966 with funds being available for payment through fiscal year 1967. The 55 parts of the Nation and the Trust Territory of the Pacific Islands are the "States" eligible to participate.

By the time the year closed, 839 proposals from 51 of these eligible areas had been approved in the amount of $53,132,458. Proposals from 2 others were among the 285 requesting $37,198,580 which were

Table 2.—*Number—by category and type—of approved projects, with amount of Federal support in fiscal year 1966 for supplementary educational centers and services under title III of the amended Elementary and Secondary Education Act of 1965*

Project category	Planning projects		Operational projects	
	Number	Federal support	Number	Federal support
Multiple purpose	207	$10,852,678	122	$12,482,251
Supplementary and learning centers	90	5,783,862	31	3,965,436
Media and materials	48	2,508,680	33	3,862,340
Demonstration	32	1,475,064	21	2,088,016
Cultural enrichment	32	967,172	28	2,138,258
Mobile services	5	117,900	9	428,201
Special programs	219	11,584,028	87	8,028,624
Determining needs and resources	68	4,712,065		
Curriculum development	30	1,411,952	11	1,137,778
Special education	28	921,737	13	1,345,610
Planning	27	2,332,784		
Outdoor education	21	690,141	11	808,793
Guidance, counseling, testing	19	486,226	17	1,228,905
Remedial instruction	17	647,458	22	2,611,999
Self instruction	9	381,665	6	457,663
Preschool education			7	437,876
Administration and personnel	45	1,926,616	34	2,395,305
Teacher inservice training	21	748,583	13	1,335,690
Computer processing	13	469,524	12	409,132
School administration	11	708,509	3	277,646
Team teaching			3	104,929
Teachers' aides			2	212,908
Community resources			1	55,000
Subject matter	64	2,179,820	48	3,012,307
Arts, humanities, social sciences	20	898,166	23	1,014,946
Science and mathematics	20	519,995	15	1,211,710
Vocational education	14	440,859		
Language arts	10	320,800	8	752,000
Foreign languages			2	33,651
Others	10	396,004	3	274,825
Grand total—all categories	545	$26,939,146	294	$26,193,312

pending decision. None had arrived yet from American Samoa, Guam, or Puerto Rico.

In all, there were 2,706 proposals requesting $249,625,955. Of this number, 1,582 for $159,319,415 were disapproved for such reasons as failure to be recommended by the State agency or failure to meet announced criteria.

Table 2 identifies the approved planning and operational projects by main category. It is estimated that the 294 operational projects will serve nearly 99,000 preschool children, 10.3 million children at elementary and secondary levels, 301,283 teachers receiving inservice training, and some 233,375 other adults.

Guidance, Counseling, and Testing

Part A of title V of the National Defense Education Act of 1958 as amended, focuses on assistance in establishing and maintaining programs of guidance, counseling, and testing in public schools in 56 "States"—including the 55 parts of the Nation and the Canal Zone. As in the preceding fiscal year, all except American Samoa and the Canal Zone participated.

Final figures received from State departments of education relate to fiscal year 1965. They show that States and their local education agencies are averaging expenditures of $10 of their own money for every Federal dollar received.

They show, too, that the equivalent number of full-time public secondary school counselors was 32,373 compared with approximately 12,000 in fiscal year 1959 when the program began. Based on projected school enrollments in each case, the ratio of full-time counselors to secondary school students dropped during this period from 1 to 960 in fiscal year 1959 to 1 to every 460 in fiscal year 1965.

The number on guidance staffs of State education agencies increased from 99 before the law was enacted to 340 by the end of fiscal year 1965. Some State departments included specialists in elementary school guidance. Others enlarged their staffs with specialists in guidance programs for kindergarten through grade 12.

Nine million aptitude and achievement tests were given to public school students and 370,000 to students in nonpublic schools. In addition, Office contracts were made with testing agencies to administer 210,300 tests to more than 179,500 nonpublic school students in 39 States (including the District of Columbia and Guam).

The program initially was authorized at secondary level—grades 7 through 12 in some systems and 9 through 12 in others. After Public

Law 88–210 established the program floor at grade 7, Public Law 88–665 expanded the authorization to add programs for elementary schools, junior colleges, and technical institutes.

Until $24.5 million was appropriated for fiscal year 1966, appropriations were below authorizations for the expanded program. Accordingly, State departments of education report the number of counselors at elementary level continues to be low in fiscal year 1965 pending funds to implement plans for the enlarged program.

Instructional Materials and Equipment

Many programs of Federal support are administered by the Office of Education to help improve instruction. Some provide financial assistance for acquisition of instructional materials and equipment.

School Library Resources, Textbooks, and Other Materials

The new program under title II of the Elementary and Secondary Education Act of 1965 aims to help education agencies acquire library resources, textbooks, and other instructional materials for use by children and teachers in public and private elementary and secondary schools. The $100 million authorized for fiscal year 1966 was appropriated and then allotted according to numbers of children in each of 56 "States," including the 55 parts of the Nation and the Trust Territory of the Pacific Islands.

All except American Samoa submitted "State" plans. Its allotment of $22,200 was the only one available for reallotment (to Puerto Rico and the Virgin Islands) though requests for such action amounted to $19.5 million.

Ten States permitted use of up to 100 percent of their statewide allotments on school library resources while another 35 used more than half for this purpose. In all, the program made possible the purchase of materials to serve an estimated 49 million students and 1.9 million teachers.

From allotments for administration, some States financed workshops, consultative services, and publications for inservice training in selection and use of instructional materials. Thirteen began to develop centers to demonstrate and evaluate materials. Nineteen em-

ployed school library supervisors at State level, with six taking this action for the first time.

Strengthening Instruction in Critical Areas

Strengthening instruction is the focus of Federal assistance for acquisition of equipment and materials other than textbooks and for supervisory and administrative services in subject matter areas identified as critical in title III of the amended National Defense Education Act of 1958. When fiscal year 1966 began, amendments already had expanded coverage of the title to include the 55 parts of the Nation and the Canal Zone.

Number of critical areas also had increased to include civics, English, geography, history, and reading, as well as the original areas of science, mathematics, and modern foreign languages. An amendment by the Higher Education Act of 1965 added economics. This law also increased the annual authorization from $90 million for fiscal years 1966 through 1968 to $100 million for acquisitions without changing the previously authorized $10 million for services.

The fiscal year 1966 funds were $88.2 million. In making the appropriation, Public Law 89–156 specified that *allotments* for acquisitions and related minor remodeling were to be *on the basis of* $79.2 million for grants to States, $10.8 million for loans to nonpublic schools, and $9 million for services.

Eligible geographic areas except the Canal Zone participated in both the acquisition and service parts of the program compared with all but American Samoa and the Canal Zone the preceding year. Federal funds matched those of local school districts or the States for State-approved projects for the benefit of elementary and secondary schools. Thirty-five loans for acquisitions by 34 nonpublic schools were approved for a total of $786,443 compared with 32 amounting to $400,331 the previous year.

In 1958 before the initial part of the program began, there were 33 supervisors at State level in all for science, mathematics, and modern foreign languages. By the end of fiscal year 1966, there were 93 in science, 79 in mathematics, and 58 in modern foreign languages.

Before the next 5 fields were added to the program by amendment of October 16, 1964, there were 22 supervisors at State level for social studies, 12 for English, and 4 for reading. At the close of fiscal year 1966 (after economics had been added), there were 71 in social studies, 62 in English, and 54 in reading.

Strengthening Instruction in the Arts and the Humanities

Section 12 of the National Foundation on the Arts and the Humanities Act of 1965 authorizes Federal grants and loans for acquisitions similar to those for strengthening instruction in critical areas. Funds are allotted in the same manner except that this program applies only to the 55 parts of the Nation and focuses solely on the arts and the humanities.

From a lump sum appropriation on October 31, 1965, allotments of $440,000 for grants and $60,000 for loans were made. Regulations were amended to take account of the new program and were published in the *Federal Register* on January 21, 1966.

Between that time and the close of the fiscal year, all parts of the Nation were participating in the program except Alabama, Arkansas, Maine, Nebraska, Oregon, Vermont, Virginia, American Samoa, Guam, and the Virgin Islands. Loans to two private schools were approved for a total of $11,798.

Strengthening Undergraduate Instruction

Part A in title VI of the Higher Education Act of 1965 authorizes two grant programs to help colleges and universities improve their undergraduate instruction. One focuses on laboratory and other special equipment, related minor remodeling, and instructional materials other than textbooks; the other on television equipment, related minor remodeling, and materials for closed-circuit instruction.

A State commission receives applications from public and from nonpublic private institutions in the State. This commission determines priority of eligible projects and the Federal share (up to 50 percent except in hardship cases, when it may reach 80 percent). Approved applications are forwarded to the Office of Education for action under the law and under the related regulations published in the *Federal Register* on March 22 and amended on May 14, 1966.

Public Law 89–309, enacted October 31, 1965, appropriated $15 million of the $37.5 million the enabling legislation authorized for fiscal year 1966. Table 3 shows that 49 States, the District of Columbia, and Puerto Rico received 773 grants totaling $13,399,973 toward laboratory and classroom equipment and materials while 49 States and the District of Columbia received 123 grants totaling $1,472,171 for similar projects related to closed-circuit television.

Table 3.—*Number of approved applications by State [1] with amount of Federal grants in fiscal year 1966 under the Higher Education Act of 1965, title VI, part A (for equipment, related minor remodeling, and materials to improve undergraduate instruction)*

State [1]	Grants for equipment, minor remodeling, and materials (other than textbooks)			
	Laboratories and classrooms		Closed-circuit television	
	Number	Amount	Number	Amount
Alabama	12	$189,645	2	$21,072
Alaska [2]				
Arizona	6	151,914	2	17,815
Arkansas	9	125,636	1	13,960
California	41	1,536,250	7	170,694
Colorado	10	175,734	2	19,526
Connecticut	10	151,052	2	16,783
Delaware	3	24,198	1	1,313
Florida	16	335,561	2	37,285
Georgia	12	226,926	1	25,214
Hawaii	2	42,146	1	4,683
Idaho	7	54,429	2	6,204
Illinois	22	619,815	5	68,868
Indiana	16	353,679	2	39,298
Iowa	20	234,737	1	25,980
Kansas	27	210,223	4	23,358
Kentucky	10	208,421	5	23,158
Louisiana	12	268,955	1	29,884
Maine	7	55,393	1	6,155
Maryland	15	191,070	2	21,230
Massachusetts	26	455,002	3	50,556
Michigan	23	587,374	5	65,264
Minnesota	20	305,711	4	33,968
Mississippi	5	168,079	1	18,675
Missouri	25	317,314	5	35,257
Montana	3	56,643	1	6,294
Nebraska	11	121,733	3	13,526
Nevada	1	13,044	1	1,450
New Hampshire	3	30,552	1	916
New Jersey	10	247,311	2	19,286
New Mexico	5	74,583	2	8,287
New York	92	1,112,542	7	123,615
North Carolina	21	337,204	2	37,467
North Dakota	5	64,842	1	7,250
Ohio	17	639,879	2	71,097
Oklahoma	12	233,605	2	25,956
Oregon	17	166,981	2	18,553
Pennsylvania	57	688,917	11	76,546
Rhode Island	9	72,104	2	8,012
South Carolina	14	137,552	1	15,283
South Dakota	8	62,907	1	6,990
Tennessee	18	282,936	2	31,438
Texas	30	749,001	4	83,222
Utah	4	154,242	1	17,025
Vermont	7	42,397	1	4,711
Virginia	10	233,837	1	25,982
Washington	14	195,126	2	28,590
West Virginia	14	124,331	1	13,815
Wisconsin	15	318,904	5	35,434
Wyoming	2	26,043	1	2,894
American Samoa [3]				
District of Columbia	9	110,993	2	12,332
Guam	1	2,639		
Puerto Rico	8	109,861		
Virgin Islands [4]				
Total	773	13,399,973	123	1,472,171

[1] Sec. 801(b) of Public Law 89-329 (Higher Education Act of 1965) specifies: "The term 'State' includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands."

[2] The earthquake on Mar. 27, 1964, accounts for institutions in Alaska being unable to qualify in fiscal year 1966 under the maintenance of effort provision in sec. 604(b) of Public Law 89-329.

[3] American Samoa has no institution of higher education as defined in sec. 801(a) of Public Law 89-329.

[4] No institution in the Virgin Islands applied for a grant under this program in fiscal year 1966.

Improving Qualifications of School Personnel

The Office administers support for various types of institutes, fellowships, and other advanced study opportunities. Some of them are designed to upgrade the qualifications of teachers and allied personnel for elementary and secondary schools.

National Teacher Corps

The National Teacher Corps is authorized by part B of title V of the Higher Education Act of 1965. It aims to strengthen educational opportunities and to attract and train qualified teachers and inexperienced interns for teaching careers in poverty areas.

To prevent delay once funds were in hand to launch the new program, the Office issued a call on April 13 for corps volunteers and asked for their applications by May 31. This same deadline also applied to requests from school districts for Teacher Corps teams in the fall of 1966.

Applications were pouring in by May 13 when the President made another appeal for funds for the corps. That day, with three applicants at his side, he signed into law the Second Supplemental Appropriation Act, 1966, which made available $9.5 million of the $36.1 million authorized for the program in fiscal year 1966. Thus, the way was cleared for activating the corps on a limited, crash basis.

By June 30, contracts and grants totaling approximately $6.5 million had been awarded to 42 colleges and universities throughout the Nation for summer and academic year training of team leaders and interns. Each of the 1,600 (selected out of approximately 10,000 applicants for the corps) had been assigned to one of the institutions for the preservice program including training in basic teaching skills and opportunity to work in and learn some of the problems of a poverty environment and to gain experience as a member of a Teacher Corps team.

Requests for services of corps members for the 1966–67 school year came from 176 local education agencies throughout the country. When fiscal year 1966 closed, corps assignments and agreements with local education agencies were pending appropriation action for fiscal year 1967.

Experienced and Prospective Teacher Fellowships

Part C of title V of the Higher Education Act of 1965 authorizes Federal assistance to improve the quality of education offered in ele-

mentary and secondary schools by upgrading the qualifications of those pursuing or planning a career in such schools. This career may be in teaching or in such directly related fields as library science, school social work, guidance and counseling, educational media, and special education.

Fellowship awards for graduate study of up to 2 years for an advanced degree below the doctorate are made to experienced and to prospective teachers and allied professional personnel. Experienced teachers receive stipends of $4,000 per academic year plus dependency allowances; prospective teachers receive $2,000 the first year and $2,200 the second plus dependency allowances.

In addition, colleges and universities conducting fellowship programs receive grants of $2,500 each year per fellow for program support. Any tuition charged the fellows must be paid out of these grants.

Emphasis throughout the program is on cooperation of institutions of higher education with local education agencies and their private school counterparts. School administrators are encouraged to select and recommend applicants so that fellowships are awarded to benefit both the school and the individual. Fellowships also may be awarded to those who lost their professional positions in schools as a result of desegregation.

The 1,004 experienced teacher and the 1,530 prospective teacher fellowship awards in fiscal year 1966 were for study beginning in the fall of 1966. Federal obligations amounted to $7.5 million each for these two programs. Grants from an additional allotment of $5 million in fiscal year 1966, were made to help strengthen teacher education in 123 of the institutions conducting the fellowship programs.

Institutes for Advanced Study in 12 Areas

When title XI was added by Public Law 88–665 to the amended National Defense Education Act of 1958, it authorized Federal support for advanced study institutes in nine areas. The 494 financed from fiscal year 1965 and conducted in fiscal year 1966 were in these 9 areas; English, English as a foreign language, modern foreign languages, reading, geography, and history, or for teachers of disadvantaged youth, library school personnel, or educational media specialists.

On November 8, section 467(b) of the Higher Education Act of 1965 amended title XI to authorize institutes in additional areas—economics, civics, and industrial arts—and changed the original authorization of $32,750,000 for the 9 areas to $50 million for the 12. Actually, $34,987,000 was made available.

Fiscal year 1966 proposals were solicited in the fall of 1965 for institutes in the original nine areas under title XI. In each of the three added by amendment, a limited competition was held to negotiate contracts for five pilot institutes.

All but 22 of the grand total of 554 institutes approved for support were short term. Most were scheduled for early in fiscal year 1967—the summer of 1966. Certain experimental institutes were held during fiscal year 1966 and contracts were negotiated for others to be carried out in fiscal year 1967.

Operation Reclaim, an institute for teachers who lost their positions as a result of school desegregation, was conducted by the City University of New York in cooperation with the New York Board of Education. Its cost was about $125,000 in fiscal year 1966 funds.

A series of short-term pilot workshops in educational media, for institute directors in other areas, led to a $300,000 fiscal year 1966 contract with the University of Southern California for 19 such programs. Another for $300,000 was negotiated with the University of Florida for an experimental institute for teachers under the middle school system, with participants coming from urban school districts in Florida, Georgia, and Maryland. Both contracts are to be carried out in fiscal year 1967.

A contract for a national institute costing about $1 million in fiscal year 1966 funds was negotiated with Ball State University as fiscal agent of the American Association of Colleges for Teacher Education. This one calls for a combination, where possible, of instruction for the disadvantaged with teacher education. A purpose of this institute is the development of educational leadership for programs in poverty areas.

To provide more time for planning by institutions and by participants, a second national competition was held late in fiscal year 1966. Proposals in this competition are for fiscal year 1967 financing with most of those approved to be carried out in the summer of 1967. Some of the nearly 1,400 proposals received already had been evaluated by panels of consultants when fiscal year 1966 closed.

Institutes in the Arts and the Humanities

Institutes for advanced study to strengthen teaching of the arts and the humanities in public and private nonprofit elementary and secondary schools were authorized on September 29 by section 13 of the National Foundation on the Arts and the Humanities Act of 1965. As authorized, $500,000 was made available from a lump-sum appropriation on October 31.

A limited competition for the conducting of exploratory, pilot programs was held among institutions of higher education. Eleven contracts were negotiated for institutes for about 400 participants during the summer of 1966 at an estimated cost of $483,679 from fiscal year 1966 funds. Subject matter focus includes music, film appreciation, Latin, theater, art appreciation, and arts and literature.

Counseling and Guidance Institutes

Part B of title V of the amended National Defense Education Act of 1958, authorizes contracts with colleges and universities for the conduct of short-term and regular session institutes for advanced training in the counseling and guidance field. These institutes are for those in the field and for teachers preparing to engage in the counseling and guidance of students in elementary and secondary schools and in higher education institutions, including junior colleges and technical institutes.

Thirty-four short-term institutes and 24 regular session institutes were held in the summer of 1965 and the 1965–66 academic year using fiscal year 1965 funds. Of the 1,733 participants, 1,013 were enrolled in the summer programs.

Contracts were negotiated during the year for the 47 short-term institutes planned for the summer of 1966 and the 19 programs for the 1966–67 school year. Expected enrollment is 1,980. Fiscal year 1966 funds of $7.25 million were obligated to finance them as follows:

Institutional level	*Federal funds*	*Percentage*
Elementary	$2, 024, 066	28
Secondary	4, 276, 688	59
Higher education	949, 246	13
Total	7, 250, 000	100

Training for Education of the Handicapped

Public Law 85–926 as amended, authorizes Federal support for programs for teachers, supervisors, and specialized personnel in the education of handicapped children. Federal obligations for programs in academic year 1965–66 were made from fiscal year 1965 funds and amounted to $14,499,444.

From these funds, 5,015 teachers and other students were enrolled for training in 193 institutions of higher education and in programs of the 50 State education agencies. In addition, 59 institutions of higher education received grants totaling $824,600 for the development of new programs. Finally, $200,961 was obligated for State education agency administrative costs.

Public Law 89–105 of August 4, 1965, extended coverage of the basic legislation by defining "State" to include the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands as well as the 50 States. Appropriations for fiscal year 1966 were $19.5 million for the program projected for academic year 1966–67.

Part of this sum is for use by 221 colleges and universities (scattered through the 50 States, the District of Columbia, and Puerto Rico) and 54 State education agencies (with American Samoa not participating). This portion is for awards to 8,320 participants. The rest covers 53 grants to 48 institutions for the development of new training programs and grants to 47 State education agencies for administrative costs.

Table 4 summarizes information for each part of the program by type, number, and amount of awards from fiscal year 1966 funds to colleges and universities. Table 5 presents similar information on Federal obligations for awards to State education agencies.

Table 4.—*Summary information on Federal awards to colleges and universities from fiscal year 1966 funds under Public Law 85-926 as amended, for programs for training of professional personnel in the education of handicapped children*

Program area	Number of participating institutions [1]	Fellowships				Traineeships				Program development grants		Total Federal obligation
		Master's level		Post-master's level		Senior year		Institute				
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
Mentally retarded	162	488	$2,732,800	119	$666,400	700	$2,520,000	15	$6,765	10	$138,100	$6,064,065
Deaf	52	306	1,713,600	23	128,800	138	496,800	50	7,000	1	20,000	2,366,200
Speech impaired and hard of hearing	115	300	1,680,000	26	145,600			145	29,179	17	293,421	2,148,200
Visually handicapped	22	105	588,000	33	184,800	86	309,600			1	18,700	1,101,100
Emotionally disturbed	51	275	1,540,000	46	257,600	10	36,000			9	113,250	1,946,850
Crippled	33	128	716,800	20	112,000	90	324,000			4	65,950	1,218,750
Other health impaired	10	37	207,200	8	44,800			33	11,752	8	104,835	368,587
Administration of special education	11			27	151,200					3	56,550	207,750
Grand total	[1] 221	1,639	9,178,400	302	1,691,200	1,024	3,686,400	[2] 243	54,696	[3] 53	810,806	15,421,502

[1] At least 1 participating institution is in each of 49 States (excluding Alaska), the District of Columbia, and Puerto Rico. A few of the 221 are represented in all 8 program areas; the rest are represented in 1 or more program areas.

[2] Involved are 7 institutes—4 in the speech impaired and hard of hearing program area and 1 each in the following program areas: Mentally retarded; deaf; and other health impaired.

[3] These 53 grants were made to 48 institutions. One received program development grants in 3 areas—deaf, visually handicapped, and other health impaired. Three institutions each received grants in 2 program areas: Speech impaired and hard of hearing and emotionally disturbed; mentally retarded and emotionally disturbed; and other health impaired (deaf-blind and learning disabilities).

Table 5.—*Summary information on Federal awards to State [1] education agencies from fiscal year 1966 funds under Public Law 85-926 as amended, for programs for the training of professional personnel in the education of handicapped children*

Program area	Number of participating State [1] education agencies	Fellowships [2]		Traineeships				Total number of awards	Total Federal obligation
				Senior year		Institute			
		Number	Amount	Number	Amount	Number	Amount		
Mentally retarded	52	176	$984,550	129	$464,400	1,483	$144,987	1,788	$1,593,937
Deaf	24	21	117,600	8	28,800	342	39,580	371	185,980
Speech impaired and hard of hearing	46	66	369,150	41	147,600	636	58,375	743	575,125
Visually handicapped	28	25	139,850	5	18,000	233	22,830	263	180,680
Emotionally disturbed	38	64	357,950	8	28,800	516	54,450	588	441,200
Crippled	16	37	207,050	8	28,800	401	42,470	446	278,320
Other health impaired	9					618	90,556	618	90,556
Administration of special education	25	37	207,200			258	34,221	258	241,421
Grand total	54	426	2,383,350	199	716,400	[3] 4,487	487,469	5,112	[4] 3,587,219

[1] Public Law 89-105 of Aug. 4, 1965, extended coverage of the basic legislation by defining "State" to include the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands, as well as the 50 States of the Union. Except for American Samoa, each State education agency participated in 1 or more program areas, with 6 of them participating in all 8 areas.

[2] Fellowships for administrators of special education are awarded at post-master's level; other fellowships may be awarded at any graduate level.

[3] Involved are 87 institutes in program areas as follows: Mentally retarded 25, deaf 9, speech impaired and hard of hearing 12, visually handicapped 6, emotionally disturbed 11, crippled 6, other health impaired 11, and administration of special education 7.

[4] Excludes $491,279 covering grants to 47 State education agencies toward their administrative costs.

Assistance to Federally Affected and to Disaster Areas

Several new provisions were added in fiscal year 1966 to amended Public Laws 81–815 on school construction and 81–874 on school maintenance and operation. Each of these laws originally focused on needs where federally conducted military and civilian activities place financial burdens on local education agencies by increasing school populations while removing real property from local tax rolls.

Public Law 89–77 authorizes construction of school facilities on Federal property in Puerto Rico, Wake Island, Guam, and the Virgin Islands for the benefit of certain children living off the Federal reservation with a parent employed by the U.S. Government. These are the children living in places where English is not the primary language of local schools.

Public Law 89–313 authorizes assistance for repair or restoration of school facilities and for assistance on current expenditures in the event the President declares an area to be a major disaster area. Under these provisions in the 1966 fiscal year, 43 claims were received representing a total estimated entitlement of about $6 million for the 2 programs.

Public Law 89–313 also liberalized eligibility requirements on assistance for school maintenance and operation for large city school districts. It made them the same as for other school districts.

School Construction

From the beginning of the program under Public Law 81–815 in fiscal year 1961 through fiscal year 1966, a total of $1,284,643,000 has been appropriated toward school construction. An additional $780 million from State and local sources was involved in these projects. This total of more than $2 billion has provided school facilities to house more than 1.85 million school children.

During fiscal year 1966, Federal funds were reserved in the amount of $37,696,427 for 158 school districts for 168 construction projects to help provide 1,690 classrooms and related facilities for 49,185 children. Another $10,315,460 was obligated for construction of school facilities on Federal property to provide classrooms to house an estimated 5,486 children.

School Maintenance and Operation

Since the beginning of the program under Public Law 81–874 in fiscal year 1951 through fiscal year 1966, some $2.7 billion has been appropriated to assist local education agencies in the maintenance and

operation of schools. In the 1966 fiscal year, 4,100 school districts were eligible for $362 million in Federal funds. This sum includes an estimated $8.7 million for 13 large cities eligible for the first time under liberalized eligibility provisions.

This assistance amounts to between 5 and 6 percent of the total current operating expenses of eligible school districts. In terms of average daily attendance, it was paid on behalf of 2.16 million of the approximately 14 million children in these school districts.

In addition, $22 million in Federal funds in fiscal year 1966 provided schooling for over 48,000 children living on Federal property. These are children for whom such services otherwise were not available.

Strengthening State Departments of Education

Of the $25 million authorized, $17 million was appropriated for a new program to help States and other eligible parts of the Nation strengthen leadership resources of their education agencies and help identify and meet their education needs. Grants from these funds were made under the various sections of title V of the Elementary and Secondary Education Act of 1965.

Eighty-five percent of the appropriation—$14.45 million—was for distribution by formula under section 503 involving the number of public school pupils in the "States"—the 55 parts of the Nation. More than 900 project applications were processed and approved, including amendments, revisions, and substitutions made in light of experience reflecting difficulty in recruiting qualified personnel.

More than 85 percent of the projects in this group were in five categories. Applications from 51 "States" requested funds to expand services to local school districts to enhance instruction; 50 were concerned with improving general administration; 48 asked for support to study, plan, develop, and evaluate programs and to coordinate State and local research activities; 46 sought to improve data and statistical services; and 37 wanted grants to improve programs for school accreditation and teacher education and certification.

More than 1,800 new positions, including about 1,000 at the professional level, were budgeted by State agencies in roughly these same areas. More than half were for service not previously staffed by State education agencies—primarily in planning and evaluation and in instructional services.

The remaining 15 percent of the appropriation was reserved for experimental projects to develop State leadership or to establish services holding promise of solution to problems common to several or all

States. Most of this sum was granted for 17 multi-State projects and 10 workshops.

Some were on such problems as interstate certification of teachers (nationwide coverage) and improvement of public information and communications systems (seven States covering the Nation by regions). Others related to future design for education (eight Western States), statewide assessment of pupil progress (New England States), and educational opportunities for farm migrant children (six States).

As authorized by section 507 of the law, arrangements were worked out for assignment of State agency personnel to the Office of Education staff and Office staff members to State agencies for periods not exceeding 2 years. Eight such assignments were made in fiscal year 1966—two State agency staff members came to the Office and six from the Office were assigned to education agencies in five States—including Puerto Rico.

Also under the program, young professional employees of State universities were invited to work for a year in the Cooperative Career Development Project of the Office of Education as research, program, or administrative assistants. Thirty-four such education fellows were scheduled to start training in Federal-State-local relationships immediately after the close of fiscal year 1966.

Financial Aid for Students

The Office administers several programs under which students receive financial aid to help them pursue their studies. Some are new and others were in existence prior to fiscal year 1966.

Educational Opportunity Grants

Part A of title IV of the Higher Education Act of 1965 authorizes Federal funds for institutions of higher learning to use in making educational opportunity grants to needy college students who otherwise could not attend college. Grants range from $200 to $800 annually and are available only to undergraduate students. Institutions select the student grantees and make the grants directly to them.

Of the $70 million authorized, $58 million was appropriated for this new program. Applications for funds in the amount of $105,519,806 were filed by 1,440 institutions.

Awards totaling $57,919,229 were made to 1,419 colleges and universities in the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands for use during the 1966–67 academic year in making grants to approximately 134,000 students. The average grant is estimated at $432.

College Work-Study

Part C of title IV of the Higher Education Act of 1965 transferred from the Director of the Office of Economic Opportunity to the Commissioner of Education responsibility for administering work-study programs initially authorized by the Economic Opportunity Act of 1964. In fiscal year 1965, the program had been administered under delegation of authority from the Director of the Office of Economic Opportunity to the Secretary of Health, Education, and Welfare, and redelegation to the Commissioner.

Initially, the program was limited to students from low-income families. The Higher Education Act of 1965 broadened the scope to include other college and university students needing earnings from part-time employment to pursue their studies.

The 1965 legislation also deleted the former requirement that the work be related to the student's educational objectives while retaining the proviso that it be in the public interest and not result in displacement of employed workers or impair existing contracts for services. Employment may be on or off campus by arrangement between the participating institution of higher education and a public or private nonprofit agency.

The program operated in fiscal year 1966 in 50 States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. Part of the $55,710,000 allocation from the Office of Economic Opportunity in fiscal year 1965 was used for spring semester programs that year. The rest—nearly $43 million—was for programs in the summer and fall of 1965 at 1,120 institutions of higher education.

Nearly $32 million of the $99,123,000 available for fiscal year 1966 was obligated for 1,259 institutions to operate programs in the spring of that year for the benefit of about 110,000 students. The rest was obligated for 1,538 institutions to accommodate an estimated 190,000 students in the summer and fall programs in calendar year 1966—that is, in fiscal year 1967.

Guaranteed Loans for Higher Education

Part B of title IV of the Higher Education Act of 1965 authorizes a program to help students obtain low-cost loans from eligible lending institutions. To induce private commercial lenders to make loans to higher education students, loans are guaranteed by a State student loan agency, a private nonprofit student loan guarantee agency, or—where need is not otherwise met—by the Federal insurance program.

Students from homes with adjusted family incomes of less than $15,000 a year are eligible for benefits which offset certain interest costs. The Federal Government may pay up to 6 percent a year to lenders on the balance outstanding on loans while these students are

pursuing their studies and 3 percent when the repayment period begins.

The appropriation for Federal advances for reserve funds of State and nonprofit private programs was $7.5 million for fiscal year 1966. Any of the 55 parts of the Nation entering into an agreement with the Commissioner of Education is eligible to apply for its share of the funds.

Advances range from $25,000 to more than $600,000 with amount being based on number in the population aged 18–22. At the end of fiscal year 1966, student loan guarantee agency programs in 25 States had qualified for payment of Federal interest benefits to lenders on behalf of loans to eligible students.

An appropriation of $2 million was available in fiscal year 1966 for these interest payments. The appropriation for the Federal insurance program was $500,000.

Guaranteed Loans for Vocational Education

The National Vocational Student Loan Insurance Act of 1965 authorizes a program to help vocational education students obtain low-cost loans from eligible lending institutions. Purposes and operational aspects of this program are similar to those under the program for higher education students.

One exception is the provision for direct Federal loans to be made by the Commissioner to vocational education students. As of the close of the fiscal year, no appropriation had been made for such direct loans.

Initial appropriations for the various other parts of the program were made on May 13, 1966. The program is expected to be operational in school year 1966–67.

National Defense Education Loan Funds

Fiscal year 1966 was the eighth in which loan funds have been available under the program authorized by title II of the National Defense Education Act of 1958 and related amendments. About a million students have borrowed approximately $834 million from such funds since they were established at participating colleges and universities.

In fiscal year 1966, approximately $223.8 million was lent to about 400,000 students enrolled in 1,693 institutions. Federal funds amounted to $179.3 million and institutional contributions totaled $19.9 million. The rest represents repayments which were reloaned.

Repayment terms were tightened by amendments made to title II by the Higher Education Act of 1965. The 10-year repayment period begins 9 instead of 12 months after the borrower completes his study. Repayments are to be made monthly, bimonthly, or quarterly as determined by the institutions.

Institutions may require minimum payments of not less than $15 a month. They also may levy charges for late payments.

Another amendment includes a formula for fund-related administrative expenses of participating institutions to be charged against their loan funds. In addition, the provision for partial loan cancellation for teaching service was amended to increase the amount of cancellation beginning in the 1966–67 academic year for teachers in areas where there are high concentrations of low-income families.

Encouraging Utilization of Educational Talent

Section 408 of the Higher Education Act of 1965 authorizes contracts of up to $100,000 a year for State and local education agencies and other public or nonprofit organizations and institutions to:

- Identify qualified youths of exceptional financial need and encourage them to complete secondary school and undertake post-secondary training;
- Publicize existing forms of student financial aid; and
- Encourage secondary school or college dropouts with demonstrated aptitude to re-enter educational programs.

This talent search program received 133 proposals during fiscal year 1966. The 42 contracts negotiated in 31 States account for obligation of the entire appropriation of $2 million.

Higher Education Facilities

Authorization increases for construction grants are among amendments to the Higher Education Facilities Act of 1963 by the Higher Education Act of 1965. Another amendment changed the interest rate on loans for construction to a maximum of 3 percent (instead of one related to the going Federal rate).

Grants and loans for construction were made to 864 higher education institutions (and their branch campuses) in fiscal year 1966 compared with 525 in fiscal year 1965 before the law was amended. As in the previous year, some institutions received funds under more than one title of the legislation. Table 6 provides detail on each of the 55 political subdivisions eligible to participate in the program.

Grants under title I provide up to 40 percent of the development cost for facilities at public community colleges and technical institutes and up to 33⅓ percent for facilities at other higher education institutions. The 241 Federal grants to public community colleges and technical institutes at a total outlay of $104,971,841 for fiscal year 1966 compare with 103 totaling $47,361,808 the previous year.

The 822 grants to other higher education institutions amount to $362,067,676. These figures compare with 413 grants totaling $177,000,867 the previous year.

Construction grants under title II provide up to 33⅓ percent of the development cost for facilities at graduate schools or at cooperative graduate centers. The 95 grants under this title in fiscal year 1966 compare with 85 the previous year while the amount of Federal funds involved is the same as last year—$60 million.

Loans for construction under title III require that at least a fourth of the development cost be financed from non-Federal sources. The 144 loans totaling $99,789,000 in the fiscal year 1966 compare with 133 amounting to $106,937,000 the year before.

Table 6.—*Grants and loans by geographic area to 864 higher education institutions (and branch campuses) in fiscal year 1966 for construction of academic facilities under the amended Higher Education Facilities Act of 1963*

States [1]	Grants for undergraduate facilities (title I)						Grants for graduate facilities (title II)		Loans for academic facilities (title III)	
	Sec. 103 [2]		Sec. 104 [3]		Total					
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Alabama	7	$2,197,582	11	$5,532,271	18	$7,729,853	4	$378,616	2	$1,059,000
Alaska			1	75,530	1	75,530	1	1,263,094	1	95,000
Arizona	3	821,000	8	3,476,258	11	4,297,258	3	1,237,216		
Arkansas	3	827,970	13	4,275,762	16	5,103,732			5	3,349,000
California	20	7,762,896	61	40,025,238	81	47,788,134	6	7,477,603	11	5,609,000
Colorado	4	1,010,748	7	4,393,683	11	5,404,431			1	700,000
Connecticut	4	1,060,185	13	4,847,442	17	5,907,627	1	465,666		
Delaware			3	1,080,531	3	1,080,531	2	905,965		
Florida	8	2,820,958	26	8,840,070	34	11,661,028	2	1,054,055	5	1,957,000
Georgia	8	3,387,715	16	5,750,263	24	9,137,978	2	937,967		
Hawaii	1	436,809	2	1,248,851	3	1,685,660				
Idaho	3	495,504	5	1,858,259	8	2,353,763				
Illinois	6	4,213,488	40	18,704,652	46	22,918,140	4	7,500,000	6	4,128,000
Indiana	6	4,544,136	20	7,326,292	26	11,870,428	2	909,954	3	5,095,000
Iowa	4	1,593,661	24	5,987,281	28	7,580,942	1	439,235	9	3,639,000
Kansas	8	2,777,465	11	3,485,760	19	6,263,225	1	644,864	4	992,000
Kentucky	4	2,020,221	10	5,226,254	14	7,246,475	3	1,700,532	11	9,640,000
Louisiana	5	2,141,225	15	6,517,308	20	8,658,533			1	1,088,000
Maine			13	2,583,193	13	2,583,193	3	590,884	3	2,895,000
Maryland	3	3,596,375	10	3,736,563	13	7,332,938			1	955,000
Massachusetts	1	2,531,150	21	11,329,688	22	13,860,838	2	2,379,666	1	4,860,000
Michigan	8	4,977,689	26	16,203,315	34	21,181,004	3	2,069,492	3	1,965,000
Minnesota	6	2,401,181	14	7,608,916	20	10,010,097	1	300,000		
Mississippi	12	1,623,204	18	4,216,698	30	5,839,902	2	191,186		
Missouri	3	2,152,425	16	8,708,455	19	10,860,880	3	1,665,483	1	638,000

Montana	4	517,669	10	2,008,059	14	2,525,728			1	480,000
Nebraska			6	4,059,805	6	4,059,805			2	2,507,000
Nevada			2	999,901	2	999,901				
New Hampshire	1	265,926	4	1,408,696	5	1,674,622				
New Jersey	3	2,827,247	19	9,491,591	22	12,318,838	2	813,497	5	1,501,000
New Mexico	2	915,370	7	1,946,991	9	2,862,361	1	241,921	1	283,000
New York	8	6,958,281	41	31,464,137	49	38,422,418	6	7,500,000	8	13,750,000
North Carolina	10	3,013,290	30	8,554,052	40	11,567,342			13	3,653,000
North Dakota	2	521,322	2	853,860	4	1,375,182			1	596,000
Ohio	3	5,282,494	38	18,437,109	41	23,719,603	12	6,467,939	3	1,389,000
Oklahoma	6	1,413,489	14	6,034,874	20	7,448,363				
Oregon	4	1,154,461	16	4,237,738	20	5,392,199	1	186,953	1	150,000
Pennsylvania	12	7,874,982	48	18,812,218	60	26,687,200	4	3,033,355	9	7,768,000
Rhode Island	2	464,497	9	1,680,683	11	2,145,180	1	730,675		
South Carolina	10	1,665,306	14	4,498,460	24	6,163,766	1	198,835	4	2,396,000
South Dakota			8	2,246,438	8	2,246,438				
Tennessee	3	2,626,696	19	6,369,038	22	8,995,734	3	1,127,117	2	1,397,000
Texas	20	5,155,703	37	18,445,973	57	23,601,676	6	2,785,461	9	4,627,000
Utah	4	623,697	2	3,017,799	6	3,641,496	3	1,420,300		
Vermont	3	259,762	6	919,206	9	1,178,968	1	294,741	3	932,000
Virginia	4	2,107,136	23	7,279,718	27	9,386,854			1	23,000
Washington	2	1,788,215	16	6,565,172	18	8,353,387	1	437,653	2	1,030,000
West Virginia	1	1,141,458	14	3,516,162	15	4,657,620	2	829,806	1	295,000
Wisconsin	7	2,551,588	15	8,367,962	22	10,919,550	3	1,340,503	7	4,762,000
Wyoming	1	174,951	1	1,030,649	2	1,205,600				
American Samoa										
District of Columbia			7	2,598,771	7	2,598,771	1	78,166	3	3,605,000
Guam			1	150,000	1	150,000				
Puerto Rico	1	207,943	9	4,034,081	10	4,242,024	1	400,600		
Virgin Islands	1	66,771			1	66,771				
Grand total	241	104,971,841	822	362,067,676	1,063	[4] 467,039,517	95	60,000,000	144	99,789,000

[1] Title IV, sec. 401(m) of Public Law 88-204 (Higher Education Facilities Act of 1963) 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] Public community colleges and technical institutes.

[3] Higher education institutions other than public community colleges and technical institutes.

[4] Includes $10,568,050 which was reallotted during fiscal year 1966 from fiscal year 1965 funds. Some of this amount was made available by reductions in previously approved grants.

Payments to Land-Grant Institutions

The Office of Education made payments totaling $14.5 million in fiscal year 1966 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 $11.95 million appropriated by Public Law 89–156 of August 31, 1965, for carrying out the provisions of section 22 of the Bankhead-Jones Act of June 29, 1936, as amended. Part of this latter sum—$7.65 million—covers payments in equal shares to the States and Puerto Rico. The remaining $4.3 million covers allotments on the basis of population.

Aid for Developing Institutions

The program under title III of the Higher Education Act of 1965 is designed to help certain colleges and universities raise their academic quality. These are the ones which have the desire and potential to make substantial contributions to higher education but, for financial or other reasons, are struggling for survival and are isolated from the main currents of academic life.

Federal funds are authorized for national teaching fellowships to augment teaching resources of developing institutions. Partial support is authorized for cooperative arrangements enabling developing institutions to draw on capabilities and experience of established higher education institutions and on educational resources of business and industry.

Of the $55 million authorized for the 1966 fiscal year, $5 million was appropriated. Approximately $32 million was sought in support of 310 proposals submitted by 262 institutions of higher education in 46 States, the District of Columbia, Puerto Rico, and Guam.

Developing institutions requested almost a thousand national teaching fellowships. Proposals for cooperative arrangements focused on student and faculty exchanges, faculty improvement programs, curriculum improvement, student services, visiting scholars, and administration.

The first year's grants were to 127 institutions in 38 States and the District of Columbia for 84 cooperative arrangements and 43 programs involving national teaching fellowships only. Some of the 263 fellowships were part of cooperative arrangements and the rest were separate. The 84 cooperative arrangements involve 115 developing institutions, 66 cooperating institutions, and 9 business concerns.

National Defense Fellowships

During the 1965–66 academic year, 6,270 graduate students were on fellowships authorized by title IV of the National Defense Education Act of 1958, as amended. They were working toward their doctorates in preparation for careers in college teaching. These fellowships were financed from $31.4 million obligated in fiscal year 1965.

Most of the fellowships are for 3 years. Grantees continuing studies under awards made in the 2 previous years totaled 3,270.

Sixty percent of the 3,000 new fellowships were in the social sciences, humanities, and education and the rest were in the physical and biological sciences and engineering. Numbers and percent by specific academic area were:

Academic area	*Number of fellowships*	*Percent of total*
Social sciences	862	29
Humanities	730	24
Physical sciences	548	18
Biological sciences	381	13
Engineering	269	9
Education	210	7
Total	3,000	100

Support for 10,494 fellows to study under the program in academic year 1966–67 was obligated against the $55,961,000 available for this purpose in fiscal year 1966 funds. Under this expanded program, 6,000 will be starting their fellowships and the others will be in their second or third year.

The 6,000 new fellowships bring to 17,500 the grand total of awards made over the 8-year period of the program. Total Federal support for these fellowships amounts to about $188,335,150.

College and Research Library Resources

The first Federal grants—totaling $8,413,574—were awarded in fiscal year 1966 under part A of title II of the Higher Education Act of 1965. These grants, to help colleges and universities strengthen their library resources, were awarded to 1,830 institutions in the 50 States, the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands.

Under the legislation, colleges and universities may receive basic grants of up to $5,000 for the purchase of library books, periodicals, magnetic tapes, phonograph records, audiovisual aids, and other

library materials. No funds were available in fiscal year 1966 for supplemental and special purpose grants also authorized by the law.

An appropriation of $300,000 was made for strengthening research library resources. These funds were transferred to the Librarian of Congress in keeping with part C of title II.

Librarianship Training

One million dollars was appropriated for librarianship training for fiscal year 1966 under part B of title II of the Higher Education Act of 1965. Grants from this sum totaled $898,941 and were made to 24 institutions of higher education.

Grants were for 139 graduate fellowships in library and information science (with 52 at the doctoral, 25 at the post-master's, and 62 at the master's level) and included $2,000 per fellow to help institutions meet instructional costs. First priority at the post-master's level was training to help meet the critical shortage of instructors in the schools of library and information service.

Community Service and Continuing Education

Forty-six State plans and those of the District of Columbia, Guam, and the Virgin Islands became operational under a new program aimed at solving community problems with the help of college and university talent. These plans call for the use of $9,239,258 in fiscal year 1966 funds under title I of the Higher Education Act of 1965.

This program, with at least 25 percent of the funds provided from non-Federal sources, supports community services, continuing education, and extension activities to tackle urban, suburban, and rural community problems. Plans from the States and the other political subdivisions include 550 projects involving approximately 310 institutions of higher education.

The legislation authorizes latitude in developing programs. Among the plans are those for seminars for community leaders, courses for citizens concerned with such community problems as youth employment opportunities, training for and consultative services to local government officials, and refresher courses for persons in public administration, public health, social work, and urban and regional planning.

Adult Basic Education

Through education agencies of the States and other eligible subdivisions of the Nation, the Office administers an adult basic education program. It emphasizes instruction in communication and computational skills at elementary level for those attaining age 18 whose inability to read or write in English lessens their potential for gainful employment.

Classes under this program, authorized by part B of title II of the amended Economic Opportunity Act of 1964, were held in 48 States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands in fiscal year 1966. Contracts also were negotiated for nine regional institutes to train a thousand teachers of adult basic education in the summer of 1966.

The Office of Economic Opportunity made available a $16 million allocation in fiscal year 1966 and then added $5.065 million later in the year. With the Federal share limited to 90 percent, Federal obligations totaled $34,122,227 including a carryover of $14,443,164 from the preceding year.

Since the program began in the 1965 fiscal year, 373,338 adults have participated. Federal obligations total $38,291,063, exclusive of a special teacher training award of $1.055 million in fiscal year 1966 and administrative costs of $331,000 the first year and $320,937 the second.

Civil Defense Adult Education

In the 1966 fiscal year, 49 States, the District of Columbia, and Puerto Rico participated in 12-hour training courses in personal and family survival. All but seven of these political subdivisions also offered 16-hour courses on radiological monitoring (RAMONT).

The Office of Education administers the program with funds from the Office of Civil Defense in the Department of Defense and under the Federal Civil Defense Act of 1950, as amended. Contracts are made with the departments of education in the States and the other political subdivisions for conduct of the program.

The personal and family survival course focuses on basic principles of civil defense and on actions to save lives in event of nuclear attack. The RAMONT course is on monitoring the radiological hazard from fallout following nuclear attack.

A total of 347,718 adults completed the personal and family survival course (including 6,360 certified as teachers) and 25,902 completed the RAMONT course in fiscal year 1966. Federal allocations for the two programs amounted to $3,648,500.

Vocational and Technical Education

The Office of Education administers programs in the field of vocational and technical education under five basic laws. Programs in the first group are under the Smith-Hughes Act of 1917 and the George-Barden Act of 1946 as each is amended, and under the Vocational Education Act of 1963.

The first two of these laws authorize Federal funds for programs in particular occupational categories. Without such limitation, the broader act of 1963 aims at the maintenance, extension, and improvement of the earlier programs. "States" eligible to participate include the 55 parts of the Nation.

With certain exceptions under the 1963 legislation, Federal funds for programs under these laws must be matched with non-Federal funds. Exceptions through fiscal year 1966 are the work-study programs and the not yet federally funded residential vocational education school program.

Programs in the second group are under certain provisions of the Manpower Development and Training Act of 1962 as amended. Finally, the Appalachian Regional Development Act of 1965 includes provision for a program of construction of vocational education facilities in Appalachia.

Programs Under Matched Funds

Reports from States show continued overmatching of Federal funds. Difficulty in obtaining sufficient State and local funds has been experienced only under the vocational education programs for adults under the 1963 legislation.

Ratios for fiscal year 1965—the last year for which figures are available from the States—averaged $2.90 in local and State funds for each Federal dollar. The range extended as high as $5.46.

Enrollment in the programs for fiscal year 1965 reached 5,430,611, compared with 4,566,390 in fiscal year 1964. Expenditures totaled $604,645,727, representing $260,974,879 in local funds, $186,734,833 in State funds and $156,936,015 in Federal funds, with the latter being from a total appropriation for these programs of $163,607,455.

The estimated enrollment figure for fiscal year 1966 is 5,789,500. Estimated local, State, and Federal expenditures are $867,207,000. Federal appropriations available for fiscal year 1966 totaled $216,902,455 for these matched fund programs.

This sum includes $7,161,455 as the permanent annual appropriation for Smith-Hughes programs in agriculture, home economics, and trade and industry. It includes another $29,991,000 for expansion of these programs and for other programs in distributive occupations, $5 mil-

lion for practical nurse training, and $15 million for area vocational education under titles I, II, and III of the George-Barden legislation.

The remainder of $159,750,000 is for training, area vocational facilities construction, and ancillary services and activities under sections 4 (a) and (b) of the 1963 act. Not included is the $17,750,000 in Federal funds for part of the cost of vocational education research and training under section 4(c).

PROGRAMS FOR THOSE IN HIGH SCHOOL

High school students enrolled in some kind of federally aided vocational program in fiscal year 1965 totaled some 2,819,250 or 24.9 percent of all secondary school students. The estimate for fiscal year 1966 was some 3,250,000 or 27 percent. Office of Education projections indicate at least 35 percent will be so enrolled by 1970.

A striking change in the secondary school program emerged as many States took advantage of the provision under section 4(a) (5) of the 1963 act and developed area schools to serve a number of constituent high schools. Students alternate between the area school and the high school while retaining identity in and working toward graduation from the latter.

PROGRAMS FOR THOSE OUT OF HIGH SCHOOL PREPARING FOR EMPLOYMENT

Post-high-school programs are offered in a variety of institutions, including area vocational-technical schools, technical institutes, community and junior colleges, and colleges and universities. Many States are designating community and junior colleges as area vocational education facilities.

Enrollment in grades 13 and 14 in fiscal year 1965 reached 207,201. An estimated 700 institutions were offering these programs in fiscal year 1966.

Full-time technical preparatory programs, usually 2 years in length, enrolled 71,845 in fiscal year 1965. Some 190 junior or community colleges offered these courses. Forty-five full 4-year colleges also provided technical preparatory instruction.

This program continues to train primarily for highly skilled engineering-related technologies. As a result of the 1963 legislation, a number of courses have been started or are planned in research activities, in medical and biological technologies, and in other fields such as electronics, mechanical design, metallurgy, instrumentation, and nuclear and plastic technology.

PROGRAMS FOR EMPLOYED ADULTS

The 1963 legislation greatly expanded potential for vocational education for adults and, indeed, emphasizes need for such training. Number of teachers for adults' programs increased from 47,700 in fiscal

year 1964 to 50,620 in fiscal year 1965. Of the latter, 4,592 are full-time teachers.

Enrollment in vocational education programs for adults reached 2,378,522 in fiscal year 1965 under the matched fund programs and is expected to exceed 2.4 million for fiscal year 1966. Most of these programs were of a supplementary or upgrading nature. Represented are several hundred occupations.

PROGRAMS FOR THOSE WITH HANDICAPS

Some of the programs are for persons who have academic, socioeconomic, or other handicaps preventing them from succeeding in the regular programs. Enrollment in programs for persons with special needs was 25,638 in fiscal year 1965.

Program development in this area started on a limited basis pending results of surveys, selection and training of teachers, and the like. Indications are that the fiscal year 1966 figure has jumped to more than 380,000.

CONSTRUCTION OF AREA VOCATIONAL SCHOOLS

Availability of funds for construction of area vocational education schools has been a stimulus to States in overcoming problems caused by lack of adequate physical plants and equipment for vocational education. A total of $107,726,463 was reported as expended for construction of 208 area vocational school facilities in fiscal year 1965.

Of this amount, $42,729,943 was in Federal funds. The Federal share is expected to top $60 million toward construction of 200 more schools during fiscal year 1966.

At the present rate of construction, a nationwide system of 1,333 area schools is expected to be available by 1970. It is expected that this number will contribute substantially toward the goal of accessible vocational education opportunities for the people throughout the country.

ANCILLARY SERVICES AND ACTIVITIES

At least 3 percent of each allotment under section 3 of the 1963 act must be used for ancillary services to insure vocational education of high quality. An average of 5 percent was reported for fiscal year 1965. Preliminary reports indicate as much as 7 percent may have been used for this purpose in fiscal year 1966.

Types of programs vary. Funds have been used for supervising instruction, training and upgrading of teachers, strengthening State administration and leadership, evaluating programs (including those in relation to projected manpower needs and job opportunities), and developing instructional materials such as curriculum guides.

Work-Study

The $25 million appropriated for fiscal year 1966 under the work-study program was to enable about 85,000 full-time students to earn income needed to pursue vocational training. During the summer, nearly 7,400 other young people were given opportunity to earn income to help them follow vocational education during the school year. Part-time employment is with the local education agency or another public agency or institution.

Construction of Facilities in Appalachia

Grants for construction of vocational education facilities in Appalachia are for use in the counties of West Virginia and specified counties in the other 10 States in the region. The $8 million appropriated for this program on April 30, 1965, "is to remain available until expended."

Funds were being used in the 1966 fiscal year for construction of 19 schools in 4 States at an estimated total cost of $11,182,558 of which $6,016,026 is estimated to be from Federal funds. These facilities are scheduled to have a minimum enrollment of 22,800 day and evening students.

Manpower Development and Training

The Manpower Development and Training Act of 1962 as amended through 1965, authorizes federally supported occupational training for individuals facing particular needs including those in areas of persistent unemployment and in areas undergoing redevelopment. Programs are for those who lose their jobs as a result of automation or technical change, for those who stand to lose their jobs unless they can bring their skills up to date, for unemployed professionals in need of refresher courses, and for those needing training for work in newly redeveloping areas.

The Office of Education is concerned with that part of the total program carried out as a result of arrangements agreed upon by the Secretary of Labor and the Secretary of Health, Education, and Welfare. Under ensuing delegation of appropriate authority and responsibility to the Commissioner of Education, the Office contracts with public or private education or training institutions to establish classroom programs when States are unable to provide necessary institutional training.

Full Federal financing was applicable to the programs in fiscal year 1966. Local or State employment offices, which determine eligibility for training, approved 148,494 persons for classroom training in the programs other than in redevelopment areas.

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Counting those already in training when the year began, approximately 162,000 were in the classes during the fiscal year. When it closed, some of this group still were enrolled and about 91,000 had completed their programs.

Represented in all were 8,574 projects with 2,690 of this number being in fiscal year 1966. Related Federal funds committed for training under section 231 of the law were $365,972,596, with $130,090,512 being the figure for fiscal year 1966. Federal obligations for State direction and supervision amounted to an additional $15,618,542, with $7,414,335 being the amount in fiscal year 1966.

Similar programs started under the Area Redevelopment Act in November 1962, were brought under the amended Manpower Development and Training Act of 1962 by addition of section 241 which took effect on July 1, 1965. One result for programs under section 231 and 241 is conformity as to length of training, daily transportation expenses, and eligibility for increased training allowances.

In fiscal year 1966, there were 12,998 persons approved for training in 205 area redevelopment projects at a Federal obligation of $7,957,593 out of $7,977,072 transferred from the Department of Labor. These figures compare with 10,217 enrolled in 290 projects at a Federal obligation of $3,088,389 out of the $3,105,000 available in fiscal year 1965.

In fiscal year 1966, projects under section 241 were located in 36 States and Puerto Rico. New Jersey, Ohio, Mississippi, Puerto Rico, and Pennsylvania accounted for the largest numbers approved for training.

Library Services and Construction

The Library Services and Construction Act authorizes grants to extend public library services in rural and urban areas and for construction of public libraries in places determined to be without facilities for developing library services. "States" covered by the legislation include the 55 parts of the Nation.

Basic allotments are made to the States along with additional allotments in proportion to population. State plans for improvement of library services were received from all parts of the Nation except American Samoa and became operative in fiscal year 1966. The 364 construction projects receiving Federal funding during the year represented 1 more than the number initiated the previous year.

Local, State, and Federal obligations for library services under title I of the act totaled $135 million in fiscal year 1966 compared with $105.2 million the previous year. The Federal share was $25 million for each year

Local, State, and Federal obligations for construction under title II of the act amounted to $92.2 million in fiscal year 1966 compared with $99.6 the previous year. The Federal share in fiscal year 1966 was $29.8 million out of the $30 million maximum available compared with $20 million available the previous year.

Educational Television Facilities

There were 114 educational television stations on the air at the end of fiscal year 1966 compared with 102 the previous year. Another 25 were under construction compared with 14 in fiscal year 1965.

Accepted for filing under part IV of the Communications Act of 1934, as amended, were 144 applications requesting nearly $30 million in grants for educational television broadcasting facilities in 46 States, the District of Columbia, and Puerto Rico. This number compares with 33 requesting $9,083,129 in matching Federal funds for facilities in 18 States and the other 2 political subdivisions during the previous year.

Approved were 112 grants for a total of $23.3 million for facilities in 41 States, the District of Columbia, and Puerto Rico. The 58 for channel activations and 54 for improvement of existing facilities compare with 14 for activation of new stations and 15 for improvement of existing facilities amounting to a total of $5,941,527 the year before.

Approximately 134 million persons were being served by educational television by the end of fiscal year 1966. Schools utilizing various programs of educational television stations enrolled approximately 36 million students.

Assistance for Cuban Refugees

The Office administers three programs in behalf of Cuban nationals receiving political asylum in the United States. These programs, with support from funds channeled through the Welfare Administration, are carried out under regularized procedures for emergency actions established by the Migration and Refugee Assistance Act of 1962 as amended.

U.S Loan Program for Cuban Refugee Students

More than 5,500 Cuban refugee students enrolled at 435 colleges and universities in the United States have borrowed over $9 million since the first loans were made in 1961 under the emergency program approved by the President on February 3 that year. Over 3,500 received Federal loans totaling more than $3 million in fiscal year 1966.

Repayments to the funds established in the participating colleges and universities amounted to $158,869 during the year and $307,795

since the program began. The 231 starting their repayments in fiscal year 1966 brought the total to 807 who have started repayments since the program began.

Projects for Professional Personnel

Seven professional programs for a total of 661 Cuban refugees were supported at a Federal cost of $220,142 in fiscal year 1966. Four were for the professional preparation of teachers of Spanish, one was to train librarians, another provided refresher training for physicians, and the other was a new postgraduate program on basic medical sciences for dentists, pharmacists, and veterinarians.

The programs for teachers were at the University of Miami in Florida, the College of Great Falls in Montana, Mount St. Mary's College in Los Angeles, and Fairleigh Dickinson University in New Jersey. Librarianship training was at Kansas State Teachers College. Programs for health care personnel were at the University of Miami in Florida.

Aid to Dade County Public Schools

Grants for the elementary and secondary school program were made in fiscal year 1966 to the Dade County Board of Public Instruction for 45 percent of the per pupil cost for Cuban refugee children not receiving public assistance, 60 percent for those receiving such assistance, 50 percent of the annual salary of 90 Cuban teacher aides, the full cost of special instructional materials, and—for construction of school facilities—$600 per child in excess of the number in average daily attendance prior to the latest influx of refugees which began on October 3, 1965. Total cost for about 15,000 refugee children in average daily attendance in fiscal year 1966 was about $6 million, including $1 million for construction of facilities for 1,500 children.

In the adult English language and vocational training programs, a total of 1.6 million hours of training was provided for some 20,000 participants at a cost of about $1 million. A summer program was operated at a Federal cost of $100,000. It was for 8,000 children and involved support for salaries of 100 certified teachers and 75 Cuban aides plus support for various instructional materials.

Science Clubs

As authorized under Public Law 85–875, the Office encourages the development and strengthening of State and local leadership in fostering scientific activities among youths—especially through clubs to supplement and enrich classroom studies. State departments of education, colleges, universities, and State academies of science conduct the programs under contract.

Federal contributions are $5,000 the first year and $2,500 the next with financial responsibility thereafter being assumed below Federal level. In the 1966 fiscal year, programs were assisted in Arizona, Arkansas, Georgia, Kentucky, Minnesota, Ohio, Oregon, Pennsylvania, Texas, Virginia, and West Virginia at an estimated total Federal obligation of $47,740.

International Organizations and Conferences

Office activities related to some 30 intergovernmental organizations focused in fiscal year 1966 primarily on the programs of UNESCO, the International Bureau of Education (IBE), the United Nations, the Organization of American States, and the Organisation for Economic-Co-operation and Development (OECD). In all, 124 staff members were involved in the preparation of policy papers, information, and reports and in review and evaluation activities in connection with these agencies alone.

Activities vary widely. Under working arrangements with the Department of State, the Office gradually has been assuming additional responsibility for helping UNESCO with its recruitment for its field program. Full responsibility for this Federal assistance was assumed in fiscal year 1966 in keeping with Government policy to involve a larger number of nationals in the work of international organizations.

The Office reviewed the revised text of the proposed *Recommendation on the Status of Teachers* which UNESCO and the International Labour Organisation have been working on for several years. This draft was prepared for consideration in a special intergovernmental meeting in the fall of 1966 and for ultimate adoption by the governing bodies of the two sponsoring organizations.

A UNESCO request to its member States resulted in Office preparation of the report on implementation in the United States of the *Recommendation Against Discrimination in Education.* It had been adopted on December 14, 1960, at UNESCO's 11th General Conference.

The report on *Progress of Public Education in the United States of America: 1965–66* was prepared in English, French, Russian, and Spanish editions for the 28th International Conference on Public Education sponsored jointly by UNESCO and IBE. In this report one of a continuing series, a special presentation on "Mathematics Education in the U.S.A." was included.

Office of Education responsibility for appropriate coordination and for preparation of replies to the two major IBE questionnaires in fiscal year 1966 resulted in reports on *Organization of Educational Research* and *Teachers Abroad* in English and French editions. Staff members on the U.S. Delegation to the Conference in Geneva participated in international formulation of *Recommendation No. 58* on "Literacy

and Adult Education" and *Recommendation No. 59* on "Teaching of Modern Foreign Languages in Secondary Schools" which the Conference addressed to Ministries of Education.

Emphasis on education brought the Office more deeply than ever into U.S. activities in OECD as reflected in part in table 7 which identifies international conferences and meetings in fiscal year 1966 in which Office staff members participated. There were four at the 28th International Conference on Public Education, two at the 31st Council Meeting of IBE, and one at each of the others.

Table 7.—*International conferences and meetings attended by Office of Ed cation staff members in fiscal year 1966*

Date	Conference or meeting [1]	Place
July 5–9, 1965	*Meeting of Experts on Educational Abstracting Services, United Nations Educational, Scientific and Cultural Organization (UNESCO).	Paris.
July 12–23, 1965	*28th International Conference on Public Education, UNESCO and International Bureau of Education (I.B.E.).	Geneva.
July 17, 1965	*31st Council Meeting, I.B.E.	Geneva.
July 20–24, 1965	13th Triennial General Assembly, International Institute of Administrative Sciences.	Paris.
July 21–24, 1965	*7th Meeting, Educational Investment Planning Group, Committee for Scientific and Technical Personnel, Organisation for Economic Co-operation and Development (O.E.C.D.).	Oslo.
July 28–31, 1965	8th Annual Congress, International Council on Health, Physical Education, and Recreation, World Confederation of Organizations of the Teaching Profession (W.C.O.T.P.).	Addis Ababa.
Aug. 1–7, 1965	14th Assembly of Delegates, W.C.O.T.P.	Addis Ababa.
Aug. 2–5, 1965	17th International Congress, International Society for Education Through Art.	Tokyo.
Aug. 16–20, 1965	9th Congress, International Federation of Modern Language Teachers.	Uppsala.
Aug. 16–22, 1965	31st Council Meeting, International Federation of Library Associations.	Helsinki.
Aug. 30–Sept. 10, 1965	*2d World Population Conference, United Nations.	Belgrade.
Sept. 6–12, 1965	*Seminar on Curriculum Reform, Committee for Scientific and Technical Personnel, O.E.C.D.	Frascati.
Sept. 8–19, 1965	*World Congress of Ministers of Education on the Eradication of Illiteracy, UNESCO.	Tehran.
Sept. 14–20, 1965	35th Session, International Statistical Institute.	Belgrade.
Sept. 27–30, 1965	11th Assembly, Atlantic Treaty Association.	Rome.
Oct. 4–8, 1965	*Working Group on Statistics of Education. Economic Commission for Europe and the International Labour Organisation and UNESCO.	Geneva.
Oct. 18–22, 1965	*3d Working Conference of Representatives of Higher Agricultural Education, O.E.C.D.	Paris.
Nov. 8–10, 1965	*13th Session, Committee on Scientific and Technical Personnel, O.E.C.D.	Paris.
Nov. 29–Dec. 5, 1965	*International Committee of Experts on Literacy, UNESCO.	Paris.
Dec. 1–3, 1965	*8th Meeting, Educational Investment Planning Group, Committee for Scientific and Technical Personnel, O.E.C.D.	Paris.
Jan. 18–25, 1966	*4th Meeting, Inter-American Cultural Council, Organization of American States.	Washington.
Feb. 7–15, 1966	*Expert Meeting on National Planning for Library Services, UNESCO.	Quito.
Feb. 21–25, 1966	*Expert Meeting on Statistics for Educational Investment Planning, Committee for Scientific and Technical Personnel, O.E.C.D.	Bandol. Ile de Bendor.
Feb. 23–24, 1966	*43d Session, Executive Committee, I.B.E.	Geneva.
Mar. 2–4, 1966	*14th Session, Committee on Scientific and Technical Personnel, O.E.C.D.	Paris.
Mar. 22–24, 1966	*Working Group on Vocational Training Policies, Manpower and Social Affairs Committee, O.E.C.D.	Paris.
Mar. 23–25, 1966	*Expert Meeting on Art of Building Educational Models, Committee on Scientific and Technical Personnel, O.E.C.D.	Paris.
May 2–7, 1966	International Meeting on Standardization of Terminology for Library Statistics, Statistics Committees, International Federation of Library Associations and International Organization for Standardization.	The Hague.
May 9–10, 1966	*Meeting of the Steering Group for the Proposed Center for Educational Innovation, O.E.C.D.	Paris.
June 15–17, 1966	*15th Session, Committee for Scientific and Technical Personnel, O.E.C.D.	Paris.

[1] Asterisk denotes intergovernmental conference or meeting.

Foreign Credentials Interpretation

Like the many previous reviews of the foreign education credentials interpretation service since the Office began it in 1919, the review in fiscal year 1966 resulted in strong recommendations from across the country to maintain the service despite issuance of self-help educational data guides in the last decade. The reason is the difficulty institutions and agencies have in interpreting credentials from countless and frequently changing different foreign school systems for purposes of certification, licensure, student placement, and the like within the Nation.

Except for the period during World War II hostilities, the number of requests for help has risen steadily—from 19 in 1919 to 2,828 a decade ago in fiscal year 1956, and 8,709 in fiscal year 1965, to 9,039 in fiscal year 1966. Contributing to the increase are the steadily rising numbers of foreign places from which more and more foreign students come and to which U.S. nationals go for study, increases in governmental and nongovernmental grant and other foreign study programs, unsettled conditions in many foreign countries, and the more recent amendments to the Immigration and Nationality Act of 1952.

Language and Area Centers and Studies

The Office administers foreign language and area studies programs which are carried out at home or abroad or partly on home soil and partly abroad. Designed to strengthen academic instruction in the United States, to promote mutual understanding among peoples of the world, or for dual purposes, each has a different legal basis.

National Defense Education Language and Area Centers

Critical need within the Nation is the criterion underlying the program under certain provisions of title VI of the National Defense Education Act as amended. There were 98 centers on a total of 61 campuses in academic year 1965–66 as a result of the Commissioner's continued authority to contract with higher education institutions to establish and operate centers to teach certain modern foreign languages and studies related to understanding of the areas where the languages are used.

Institutions received $4.94 million in fiscal year 1965 funds for support of up to 50 percent of the cost of their new and expanded center activities during 1965–66. The amount increased to $5.08 million in fiscal year 1966 funds for such activities in academic year

1966–67, and brought the 8-year total to more than $21 million from lump-sum appropriations for centers and related fellowships and research and studies.

Fiscal year 1966 funds are for programs in more than 70 of the nearly 100 languages offered at centers receiving Federal funds. Fifty-five percent of the support is for language instruction and 45 for area studies.

First priority languages are Arabic, Portuguese, Chinese, Hindi-Urdu, Japanese, Latin American Spanish, and Russian. Geographic areas represented are Asia, East Asia, South and Southeast Asia, the Asian-Slavic region, the Uralic-Altaic region, Slavic and Eastern Europe, Northwest Europe, the Middle East, Africa, and Latin America.

National Defense Education Modern Foreign Language Awards

Another provision in title VI of the amended National Defense Education Act of 1958 authorizes Federal funds for stipends for advanced training in a qualifying modern foreign language and related area study. These awards are granted only on "reasonable assurance" that recipients will be available to teach the language at higher education level or render other service of a public nature involving use of the training.

Some are for liberal arts college faculty members to study at post-doctorate level at National Defense Education Language and Area Centers in rarely taught non-Western language and area studies as an aid in developing programs in their home institutions. Others are fellowships for graduate study in the summer and the academic year. The rest are awards for intensive summer study at undergraduate level.

More than $27 million has been obligated for more than 8,200 recipients over the 8-year period of the program. Awards from fiscal year 1966 funds for use in the summer of 1966 and academic year 1966–67, amount to $6,120,000; namely:

17 at postdoctorate level	$172,973
1,507 at graduate level	5,543,217
427 at undergraduate level (for summer study only)	403,810

Language and Area Training for Mutual Understanding

By Executive Order 11034 and subject to primary responsibility of the Secretary of State for Government-wide leadership and policy guidance, the President delegated his authority for cooperation for educational and cultural advancement and mutual understanding

under provisions in section 102(b)(6) of the Mutual Educational and Cultural Exchange Act of 1961 (popularly known as the Fulbright-Hays Act). This delegation to the Secretary of Health, Education, and Welfare, in turn was redelegated to the Commissioner of Education.

Section 102(b)(6) approaches the overall goals of the law through authorization of Federal promotion of modern foreign language and area studies in schools, colleges, and universities. Part of the support is for visits to other countries to help teachers and prospective teachers improve their foreign language skills and increase their knowledge of cultures where the languages are spoken. The rest is for visits by specialists from abroad to help strengthen language and area studies in school systems and State departments of education in the United States.

Covering appropriation increased from $1.5 million for fiscal year 1965 to $2 million for fiscal year 1966. Initial obligations against this sum were subject to adjustment as specific awards were worked out.

SUMMER SEMINARS AND TRAVEL ABROAD

Seven 6-week seminars plus 2 weeks of related cultural travel had been planned by June 30, 1966, for a total of 171 persons at an estimated cost of $308,400. The seminar at the University of Strasbourg is for 25 elementary and junior high school teachers of French. The other 6 are for a total of 146 teachers at secondary or higher level.

Cultural focus and location are: Chile—University of Chile; East Africa—Haile Selassie I University; Japan—Sophia University; Lebanon—American University of Beirut; Mexico—University of the Americas; and the Philippines—Ateneo de Manila University. Gradual implementation of policy to involve domestic institutions more fully in cooperative efforts resulted in the Office of Education plan with Sophia University in Japan being made in conjunction with Georgetown University in Washington, D.C.

INDIVIDUAL STUDY AND RESEARCH ABROAD

Awards totaling $773,382 had been made by June 30, 1966, for 110 prospective college-level teachers of non-Western language and area studies. Most previously had National Defense Education fellowships.

Other awards totaling $562,160 were for 48 National Defense Education Language and Area Center faculty members. Most are for linguistic research or materials development for non-Western language teaching and for related area studies.

In addition, 21 awards totaling $177,148 were made for 10-month programs in Austria, Brazil, England, France, Italy, Japan, Lebanon, or Spain. This group includes secondary school teachers and supervisors and college instructors in social studies or languages.

LANGUAGE AND CURRICULUM SPECIALISTS FROM ABROAD

Fifteen specialists from abroad were recruited under fiscal year 1966 funds to assist in strengthening language and area programs in the United States in school year 1966–67. Their home countries are Bolivia, Colombia, the Federal Republic of Germany, France, India, Mexico, Nigeria, and Peru.

Nine State departments of education are to benefit (Delaware, Michigan, Montana, Nebraska, New York, Oklahoma, Texas, Virginia, and Wisconsin). County school systems to benefit are those of Jefferson County, Ky., and Beaver County, Pa. City systems include Salem, Oreg.; Alexandria, Va.; Seattle, Wash.; and Milwaukee, Wis.

FOREIGN STUDIES EXTENSION

Projects to improve quality of language and area studies instruction also are among those financed in part from foreign currencies derived from the sale of surplus agricultural commodities abroad. Most of them are in the Foreign Studies Extension Program of the Office of Education.

Authority stems from the Agricultural Trade Development and Assistance Act of 1954 after certain amendments were made in 1958 and 1959. These are the ones adding subsection (k) to section 104 of Public Law 83–480 and authorizing purchase of certain foreign currencies for the conduct of research and for programs and projects for the promotion of cultural and educational development.

Equivalent dollar cost for 21 grants to domestic institutions of higher learning and to professional organizations in fiscal year 1966 stood at $486,372 on June 30, 1966. Grants were for projects involving 259 individuals in fiscal year 1967.

Eight were for summer seminars in 1966 in Egypt, India, Israel, and Yugoslavia. Another eight for 2½ to 13 months were for teams of college professors and administrators to survey curriculum practices in the same countries and in Pakistan and Poland.

One was to the State University of New York for a center in India to develop curriculum materials. The others were supplementary or small grants.

Teacher Development and Exchange

The Office of Education is concerned with administration of certain programs under provisions of the amended Mutual Educational and Cultural Exchange Act of 1961 as a whole. These are the ones con-

cerned with exchanges and interchanges of working teachers and with exchanges of other educators for training purposes. Some of the participants are in language and area studies; most are not.

The President, by Executive Order 11034, delegated his authority for these programs to the Secretary of State. Office of Education responsibility stems from an ensuing interdepartmental agreement approved by the Secretaries of State and Health, Education, and Welfare, and related delegation of authority to the Commissioner of Education.

Grants in fiscal year 1966 for projects operative in fiscal year 1967 amount to approximately $1.29 million. Funds are transferred from the Department of State as needed.

Teacher Development

A total of 632 educators came from 63 countries and dependencies for training and school visitation under the teacher development program in fiscal year 1966. Teachers and administrators numbering 276 from 49 countries participated in the regular 6-month program under which facilities of 10 college-level centers were used.

Another 202 educators were involved in a total of 18 short-term projects. The seminar portion of these projects was conducted in 12 training centers. In addition, 3 workshops were held at the University of Puerto Rico for a total of 154 elementary, secondary, and vocational teachers and administrators.

Funds were obligated in fiscal year 1966 for the programs in fiscal year 1967. About 600 educators were scheduled for inclusion with 250 in the regular 6-month program, 200 in the special projects category, and 150 in workshops in Puerto Rico.

Teacher Exchange

Supervisory and administrative services were provided during the summer of 1965 and the 1965–66 school year for a total of 582 teachers under the Teacher Exchange Program. Included were those from foreign lands who were teaching in the United States and those from the United States who either were attending summer seminars or were teaching abroad.

Publicity and recruitment during the year resulted in the issuance of 604 awards prior to June 30, 1966, to be effective during the summer of 1966 and the 1966–67 academic year. Interchanges of teaching positions were arranged for 120 pairs of teachers from a total of 10 countries.

On a noninterchange basis, 83 teachers from the United States received awards for assignments in a total of 26 countries while 76 foreign teachers from a total of 15 countries received assignments to schools in the United States. Renewals of grants for another year were made for 24 teachers from the United States and for 22 foreign teachers.

One hundred foreign language teachers from the United States received awards for summer seminars in 1966 in the Federal Republic of Germany, in Italy, or in Spain. In addition, 39 social science teachers received awards to attend a seminar in India.

A fall seminar in India (at the center receiving support under the foreign studies extension grant to the State University of New York) was planned under the Teacher Exchange Program. Financing is under amended Public Law 83–480 at an estimated equivalent of $50,000 from fiscal year 1966 funds.

This seminar is for 20 social science supervisors and curriculum directors from State departments of education and large city school systems. It concerns Indian and South Asian history and culture with emphasis on collection, preparation, and use of education materials.

Bilateral Technical Cooperation

The Office plans and implements an educational training program under foreign assistance legislation and a contract with the Agency for International Development (AID). Plans were made in fiscal year 1966 for 734 participants in fiscal year 1967.

Approximately 500 are candidates for degrees with the majority at graduate level. Forty-six countries are represented in the total group with the largest numbers coming from Africa and Latin America. Objectives of these technical assistance projects are to be carried out under arrangements made with 160 centers in the Nation.

Other services responded to requests from AID and 13 countries in which their Missions are located. Included were help on recruitment and on transfer and reassignment of AID education advisers, preparation of *A Survey of AID Educational Cooperation With Developing Countries*, and consultative and support services.

Officials of schools and colleges, State departments of education, book publishers, and other groups were brought into the services of consultative nature. Support services included periodic selection and shipment to AID Missions and supply to AID visitors of current education materials on innovations and trends in the United States and on educational philosophy, problems, and developments.

Secondary and Nongrant Visitor Program

A significant and less well-known technical service program is the Secondary and Nongrant Visitor Program. It operates as part of the day-by-day work of the Office without a specifically earmarked appropriation and involves a wide range of services including arrangement of observation and study programs and related itineraries.

Approximately 2,000 foreign visitors received these services in fiscal year 1966. Some were "secondary visitors"—those on grants from other agencies of Government who also have interests in the field of education. Othere were referred by Ministries of Education, or by universities, educational research organizations, or other bodies at home or abroad.

Research and Related Activities

The Office of Education administers a variety of programs concerned with research and allied activities. Most of them are cooperative in nature and conducted outside the Office.

Cooperative Research Program

The Cooperative Research Program is the oldest, largest, and most flexible of the programs receiving support from the Office for research and related activities which are conducted outside the Office. This program, authorized on July 26, 1954, and activated in fiscal year 1957, underwent considerable expansion during fiscal year 1966 in line with amendments to Public Law 83–531 which were included as title IV of the Elementary and Secondary Education Act of 1965.

Some of the support under the legislation now known as the Cooperative Research Act, is for research and development centers, regionally based educational laboratories, and information clearinghouses. Some is for constructing and equipping facilities for educational research and related activities. Some is for training in educational research. The rest is for research projects.

RESEARCH AND DEVELOPMENT CENTERS

At the close of the 1966 fiscal year, 11 research and development centers—including 5 new ones—were receiving Federal funds through the Office of Education. Nine were receiving funds under the Cooperative Research Act.

The other two, though similar in nature, received support under the Vocational Education Act of 1963. Still another, established during fiscal year 1966 as the Center for Urban Education in New York City,

had evolved into a regional educational laboratory before the year was over.

Each center concentrates on producing research knowledge to help resolve a particular problem in education. Each center is operated at a university which has demonstrated its competence by bringing interdisciplinary resources to bear on the problem. Each center is building on experience to produce early and long-range results.

A center's name reflects its area of concern. Name, location, and fiscal year in which each began to receive Federal support are as follows:

- Learning Research and Development Center, University of Pittsburgh, Pittsburgh, Pa. (1964).
- Center for the Advanced Study of Educational Administration, University of Oregon, Eugene (1964).
- Center for Research and Development for Learning and Re-Education, University of Wisconsin, Madison (1965).
- Center for Research and Development on Educational Differences, Harvard University, Cambridge, Mass. (1965).
- Center for Research and Leadership Development in Vocational and Technical Education, Ohio State University, Columbus (1965).
- Center for Research, Development, and Training in Occupational Education, North Carolina State University at Raleigh (1965).
- Research and Development Center in Educational Stimulation, University of Georgia, Athens (1966).
- Research and Development Center in Teacher Education, University of Texas, Austin (1966).
- Stanford Center for Research and Development in Teaching, Stanford University, Palo Alto, Calif. (1966).
- Center for Research and Development in Higher Education, University of California, Los Angeles (1966).
- Center for the Study of the Evaluation of Instructional Programs, University of California, Los Angeles (1966).

REGIONAL EDUCATIONAL LABORATORIES

Twelve regional educational laboratories, with support under the Cooperative Research Act, were in operation at the end of fiscal year 1966. Seven others were being developed under contracts which anticipate that they will be operational in fiscal year 1967.

These 19 will represent all but 2 regions in the country. The District of Columbia-Maryland-Northern Virginia area was working toward negotiation of a contract for development of a laboratory. A feasibility contract was being negotiated to study needs and resources for a laboratory for Hawaii and the Pacific Basin area.

The regional educational laboratories are all new institutions. They draw upon colleges, universities, State education agencies, local schools, industry, and other interests for their membership and affiliations and for their planning, operation, and management.

In fiscal year 1966, about $8.6 million was used for formation and operation of the laboratories. About $1.3 million for construction and equipment was used from the initial $20 million appropriated under the $100 million authorized over a five-year period for these purposes. (The heavy demand for funds for construction and equipment is expected in fiscal years 1967 and 1968.)

Differing from research and development centers with their focus on a problem area, laboratories concentrate on helping to bring about and implement beneficial changes in education in a region. Those established in fiscal year 1966, together with regions decided upon by the interests which united to form the new institutional frameworks are:

- Southwestern Cooperative Educational Laboratory, Albuquerque (New Mexico, Arizona, Oklahoma, Texas).
- Research for Better Schools, Inc., Philadelphia (Pennsylvania, Delaware, New Jersey).
- Far West Laboratory for Educational Research and Development, San Francisco (northern California and northern Nevada).
- Central Midwestern Regional Educational Laboratory, Inc., St. Louis (Missouri, Illinois, Kentucky, Tennessee).
- Midcontinent Regional Educational Laboratory, Kansas City (Missouri, Kansas, Nebraska, and Oklahoma).
- Northwest Regional Educational Laboratory, Portland (Oregon, Alaska, Idaho, Montana, Washington).
- Rocky Mountain Educational Laboratory, Inc., Greeley (Colorado, Arizona, Idaho, Kansas, Montana, Nebraska, Utah, Wyoming).
- Appalachia Educational Laboratory, Charleston (West Virginia, Kentucky, Ohio, Pennsylvania, Tennessee, Virginia).
- Southeastern Educational Laboratory, Tallahassee (Florida, Alabama, Georgia).
- Upper Midwest Regional Educational Laboratory, St. Paul (Minnesota, Iowa, North Dakota, South Dakota, Wisconsin).
- Center for Urban Education, New York (Metropolitan New York City area)—started as a research and development center and evolved during fiscal year 1966 into a laboratory.
- Southwest Regional Laboratory for Educational Research and Development, Santa Monica (California, Arizona, Nevada).

Those in process of development in fiscal year 1966 are:

- Institute for Educational Innovation, Newton, Mass. (New England).
- Eastern Regional Institute for Education, Syracuse (New York exclusive of New York City, Pennsylvania).
- Regional Educational Laboratory for the Carolina and Virginia, Rougemont (North Carolina, South Carolina, Virginia).
- South Central Regional Educational Laboratory Corp., Little Rock (Arkansas, Kansas, Louisiana, Mississippi, Missouri, Oklahoma).
- Michigan-Ohio Regional Educational Laboratory, Detroit (Michigan and Ohio).
- Southwest Educational Development Corp., Austin (Texas and Louisiana).
- Cooperative Educational Research Laboratory, Inc., Urbana (Illinois, Indiana, Michigan, Wisconsin).

EDUCATIONAL RESEARCH INFORMATION CENTER (ERIC)

The Educational Research Information Center was established in the Office of Education under another 1965 amendment to Public Law 83–531. The Center coordinates the work of a decentralized network of information clearinghouses or research documentation centers.

ERIC acquires, abstracts, indexes, stores, retrieves, and nationally disseminates educational research and research-related information. Specifically, it seeks to provide reliable, current educational information promptly and inexpensively to a wide variety of audiences.

The first 12 information clearinghouses in the decentralized network were established in fiscal year 1966. Eight were funded under the Cooperative Research Act and four under other laws. At the specified institutions, each has a different specialty area; namely:

- University of California, Los Angeles (junior colleges).
- Center for Applied Linguistics, Washington, D.C. (linguistics).
- Council for Exceptional Children, Washington, D.C. (exceptional children).
- Indiana University (reading).
- University of Michigan (counseling and guidance).
- Modern Language Association of America, New York City (foreign languages).
- New Mexico State University (small schools and rural compensatory education).
- City University of New York (school personnel).
- Ohio State University (science education).
- Ohio State University (vocational-technical education).
- University of Oregon (educational administration).
- Yeshiva University (disadvantaged).

EDUCATIONAL RESEARCH TRAINING

Another amendment to Public Law 83–531, in title IV of the Elementary and Secondary Education Act of 1965, authorized funds for training of educational researchers and for strengthening staff and curricular capability for such training. Out of the $50 million in Cooperative Research Program funds for purposes other than constructing and equipping regional facilities, grants totaling $7.2 million were awarded in fiscal year 1966 to 92 institutions in support of 178 training programs in educational research.

This support includes stipends and institutional allowances for trainees and funds for staff and curriculum development. Most of the funded projects were scheduled to begin in the summer or fall of 1966.

PROJECT RESEARCH

Approximately $26 million in Cooperative Research Program funds was used in fiscal year 1966 for project research and related activities. The 710 new and continuing projects receiving support vary widely in size and complexity. Major interest research areas include curricu-

lum development, administration, teacher training, individualized instruction, and education of disadvantaged, urban, and minority groups.

There were 327 small projects involving $7,500 or less in direct support. They were designed to carry out pilot studies and other small-scale research and to attract new researchers from each geographic area. For the most part, Cooperative Research Program support was reserved for projects of types not appropriate under other educational research programs.

Vocational Education Research and Training

The fiscal year 1966 appropriation for the Vocational Education Research and Training Program was $17.75 million. Approximately 200 new research, demonstration, and training proposals were funded and 48 projects started in fiscal year 1965 received continued support in fiscal year 1966 under this program.

Research is in such areas as curriculum development, the personal and social significance of work, personnel recruitment and development, program evaluation, and occupational information and career choice. The 60 summer institutes and workshops which were funded were for training some 2,400 vocational education personnel. The 11 seminars of 1- to 2-week duration were for improving the research competencies of more than 400 individuals concerned with vocational education research and development.

Grants to 20 States aided them in establishing State research coordinating units for vocational education. By the end of fiscal year 1966, all except Alaska, Maine, Maryland, South Dakota, Vermont, and Virginia had such units. The Center for Research and Leadership Development in Vocational and Technical Education at Ohio State University was designated as an ERIC clearinghouse specializing in vocational-technical education materials.

Approximately $1.5 million was used for new or continued support of 20 adult education research projects relating to adult learning theory and experience, teacher and student roles and problems in adult education, adult literacy programs, and the like. Depending on purpose, some were funded under the Cooperative Research Act and some under the Vocational Education Act of 1963.

Media for Educational Purposes

Four million dollars was appropriated for fiscal year 1966 for grants and contracts for research and dissemination of information concerning educational uses of media such as radio, motion pictures, other audiovisual equipment and materials, and printed and published

materials. This support is authorized by parts A and B of title VII of the National Defense Education Act of 1958, as amended.

Obligations for 41 research and experimentation projects amounted to $1.3 million. Another $1.8 million was earmarked for 40 dissemination projects. Seven activities combining research, experimentation, and dissemination were funded with $800,000 of the grand total of $3.9 million obligated.

Language Development Research and Studies

The Language Development Research and Studies Program became operational in fiscal year 1959 under title VI of the National Defense Education Act of 1958. Since then, 416 contracts have been awarded for surveys and studies, for methods research, and for development of instructional materials (in more than 125 modern foreign languages).

The $2.8 million appropriated for fiscal year 1966 was obligated for 55 new and 8 continuing projects. Two of the new contracts were for ERIC establishments at the Modern Language Association of America in New York City and the Center for Applied Linguistics in Washington, D.C.

Foreign Currency Financed Projects

A portion of the foreign currencies purchased by the Office under amended Public Law 83–480 and related appropriation legislation financed a range of research and related activities in the field of education. Included are studies of foreign education and educational bibliography and translation projects.

In fiscal year 1966, there were 9 continuation projects in India and 15 continuation and 5 new ones in Israel. Discussions were held with the United Arab Republic to stimulate projects. In addition, projects for translating educational materials were underway in Israel, Poland, and Yugoslavia under an arrangement with the National Science Foundation.

The Arts and the Humanities

The Office's research program in the arts and the humanities exemplified joint staff leadership and interagency cooperation to channel to these areas some of the research support of several different programs. A total of $2.4 million was obligated from funds under the Cooperative Research Program and the program on media for educational purposes and from appropriated funds for the purchase of foreign currency.

The 84 projects newly funded in fiscal year 1966—more than double the number in the previous year—were concerned with music, art,

theater and dance, museums, and humanities. Another 14 projects received continuing support.

Education of the Handicapped

The $6 million authorized by section 302 of Public Law 88–164, as amended, was appropriated for fiscal year 1966 for research and demonstration projects in the education of handicapped children and youth. Of this amount, $5,992,316 was obligated to support 92 new and 41 continuing projects to improve learning situations, classroom procedures, and materials.

Eight Instructional Materials Centers To Aid Education of the Handicapped account for $1.1 million in fiscal year 1966 funds. These and the two pilot centers set up the previous year, engage in research and development activities to improve teaching materials. They also collect instructional materials and aids (such as Braille books, test kits, tapes, and recording devices), evaluate their effectiveness, and make them available to local schools.

Centers are located at the American Printing House for the Blind in Louisville, Colorado State College, Illinois State Department of Public Instruction, Michigan State University, and the Universities of Kentucky, Oregon, Southern California, South Florida, Texas, and Wisconsin.

Captioned Films for the Deaf

For the 1966 fiscal year, $3 million was appropriated for the program concerned with captioned films for the deaf. Of this sum, $400,000 was obligated for training, $500,000 for research and related activities, and $1.9 million for film production and services.

Funds for training were for special summer institutes in educational media for teaching the deaf and summer workshops on captioning films, preparing study guides, and developing curriculums for the deaf in consumer education, health, and social relationships. Funds also were provided for teachers of adult education programs in the Los Angeles area to aid them in making more effective use of new media in teaching the deaf.

Supported research and related activities included projects on new media development in programed instruction, study of visual perception among deaf children, and field testing of multisensory visual materials for classroom instruction. In addition, projects covered 21 films on vocational guidance and attitudes.

Production of weekly filmstrips was extended to cover second- and third-grade reading. These filmstrips reached 485 classes over a 32-week span. Condensed versions of 10 selected productions, along with

My Weekly Reader, were mailed to the homes of 11,000 deaf children during the summer.

Acquisitions of new films included 48 general interest titles, 79 educational titles, and 51 free or sponsored subjects having both educational and recreational uses. These loan service acquisitions raised the total of available films over the 200,000 mark. Some 2,000 projectors and screens also were purchased for loans to schools for the deaf.

By the end of the 1966 fiscal year, 1,400 groups were registered to use the loan service. The total audience reached was estimated at more than 900,000. Number of distribution centers for educational materials for the deaf increased from 48 to 60, while recreational films continued to be distributed from 3 depositories—in Colorado, Indiana, and New York.

Educational Materials Center

The Educational Materials Center contributes to dissemination activities of the Office with particular emphasis on new Office programs, developing activities in regional and local communities, and liaison with educational publishing interests in the Nation. The Center's collection has grown to 15,000 volumes, representing the latest texts for students and teachers and children's literature (trade books) used in schools and in public libraries.

This nonlending collection is used by domestic and foreign educators interested in comparison study and research into newly published instructional materials. At the suggestion of the American Textbook Publishers Institute, a number of the regional educational laboratories established under the Cooperative Research Act are working with the Educational Materials Center to develop similar centers throughout the Nation.

The Center in the Office of Education continued its bibliographic services in fiscal year 1966. It collaborated with ERIC in documentation of programs for the disadvantaged. It prepared a major bibliography for the National Conference on the Disadvantaged in Washington, D.C., July 18–20, 1966. In addition, the Center collaborated with the Library of Congress in compiling its yearly publication on children's books.

Demonstration Center

The Demonstration Center in the Office of Education is staffed to service seminars, workshops, exhibits, and presentations of equipment and materials adopted for use in education. The Center also maintains and assists in project evaluations where media components are integral aspects of an activity.

During fiscal year 1966, the Demonstration Center was host to some 295 presentations, conferences, and demonstrations in support of

Office program activities. Audiences totaling 14,750 persons were accommodated.

The Center held inservice workshops on audiovisual materials and their use. It also reviewed and evaluated films for 32 projects and proposals in the area of dissemination.

American Education

American Education was a year and a half old on June 30, 1966. Published 10 times a year, this magazine is designed as a link between the Office and the public—both general and professional.

It provides the lay reader with background on the kaleidoscopic world of education and furnishes the professional educator with fresh ideas on Government programs relating to education. *American Education* looks like what it is intended to be—a popular magazine.

It covers the span of learning—from preschool to postdoctoral, from educational research and development to desegregation, from schools on the Canadian border to universities in the Southwest. It recognizes that education is complex, interrelated with other facets of contemporary life, and of proper concern to the entire citizenry.

National Center for Educational Statistics

The survey of educational opportunities called for by section 402 of the Civil Rights Act of 1964 was completed and published at the end of fiscal year 1966 so that the Commissioner could meet the July 2, 1966, deadline established by the law for reporting to the President and the Congress. More than 4,000 elementary and secondary schools, 60,000 teachers, and 645,000 pupils and students were involved in the survey carried out under the direction of the National Center for Educational Statistics with the assistance of outside consultants.

Entitled *Equality of Educational Opportunity*, the survey examined in depth the variations in educational opportunities available to minority and majority groups throughout the Nation. It focused on the relationship between student achievement and kinds of schools attended in metropolitan and nonmetropolitan areas of various parts of the country. Never before were data on student achievement, instructional staff, physical facilities, and other variables for the major ethnic and racial groups gathered on so large a scale.

The Center also developed the Higher Educational General Information Survey. It combines in one form the content of the previous survey forms in a way that standardizes definitions, reduces duplication of requests for data, and provides respondents in institutions of higher learning with advance instructions as to kind of information needed. This survey is the first of seven general information

packages for gathering data on a more timely basis while reducing the burden on respondents.

A beginning was made in the development of analytic models of educational operations in the Nation. They give promise for evaluating existing programs and providing information on probable effects of program changes.

A manual on *Principles of School Accounting* was prepared. It provides an operational guide to financial accounting for school districts. Also completed was a dictionary of terms used in the manual and in five other publications comprising the handbook series on "State Educational Records and Reports."

An information retrieval language was designed for use with the interim automatic data-processing system to provide rapid access to major data bases through remote stations. Eventually, the data base is to encompass all Office programs, including grants and research projects as well as financial, program, student, personnel, and facilities information for educational institutions and systems in the country.

The 18 statistical publications prepared and issued during fiscal year 1966 contain data on such subjects as residence and migration of college students, earned degrees conferred, engineering degrees and enrollments, and land-grant college statistics. Most popular are the annual *Digest of Educational Statistics* and its companion *Projections of Educational Statistics.*

State Education Agency Statistical Services

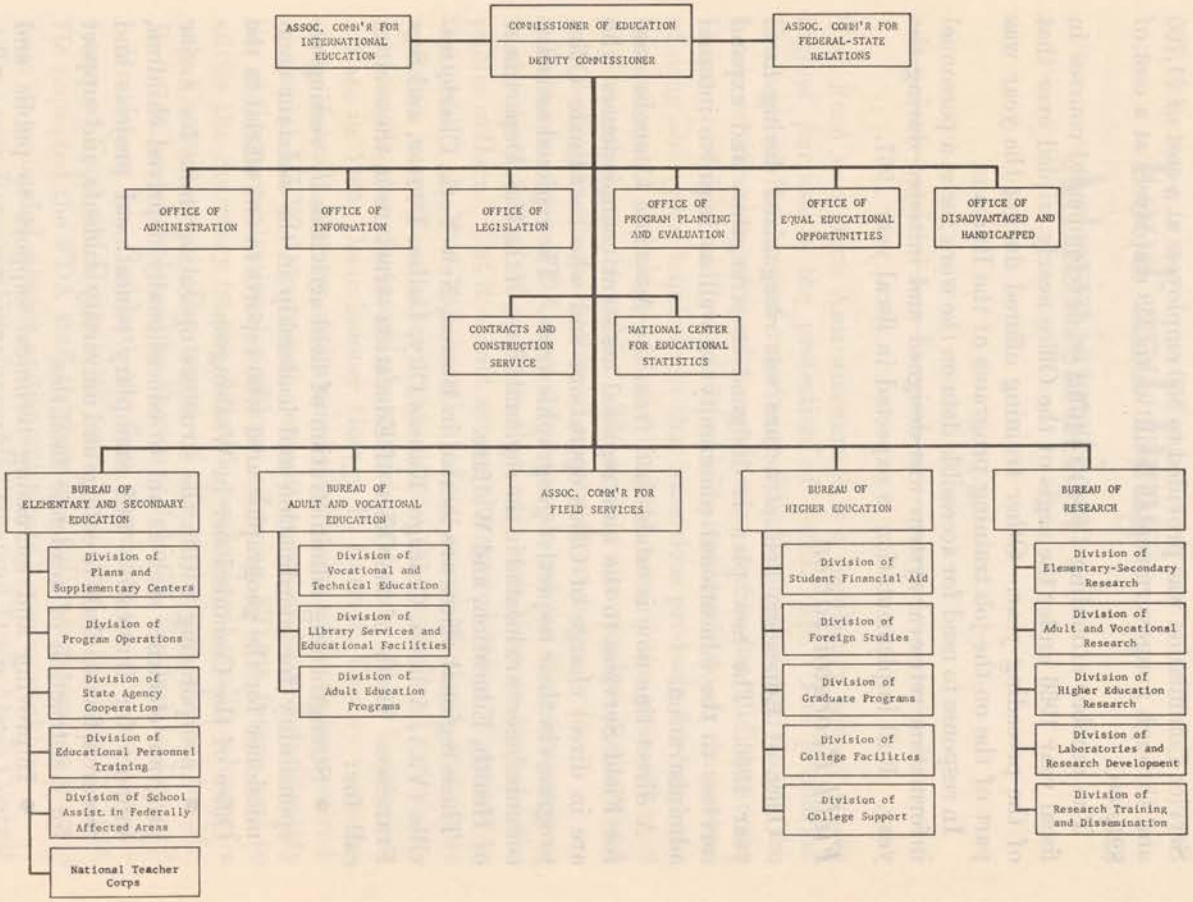
Grants to help State education agencies strengthen their statistical services are authorized under section 1009 of the National Defense Education Act of 1958, as amended. During fiscal year 1966, Center staff members provided direct consultation and assistance in modernizing data-handling procedures at the various levels of education and in State education agencies.

All but 2 percent of the $2.5 million appropriated for grants under the program was allocated in fiscal year 1966. Thirty States received the maximum of $50,000. Of these, 17 States overmatched the Federal funds provided.

Administration of the Office

The organizational pattern of the Office of Education was restructured effective July 1, 1965, in preparation for new and expanded responsibilities as a result of extensive new legislation in the field of education. Operating programs were grouped by level of education served or specific function performed such as research, equal educational opportunities, and administration. The chart which follows, depicts the general pattern in fiscal year 1966.

CHART 1.—OFFICE OF EDUCATION ORGANIZATION



There were 3,198 employees on Office of Education rolls by June 30, 1966, compared with 2,113 a year earlier. Training through Government facilities such as the General Service Institute and the Civil Service Commission was provided to 350 employees at a cost of $1,760 and through nongovernmental facilities to 258 employees at a cost of $21,000.

The number attending these training or developmental courses in fiscal year 1966 under the aegis of the Office nearly tripled over that of the preceding year. Other training offered during the year was part of the on-the-job training programs of the Bureaus.

In response to need for accessible data on the work force, a personnel information retrieval system was designed and initiated during the year. Full implementation is expected in fiscal year 1967.

Field Reorganization

Office of Education field structure was reorganized during fiscal year 1966. The new plan is designed to strengthen and expand services to the educational community as well as improve internal administration.

A direct line now is established from the Associate Commissioner for Field Services to the nine regional assistant commissioners who are in direct charge of Office operations and who coordinate Office programs in their respective geographic areas. The regional assistant commissioners are located in the regional offices of the U.S. Department of Health, Education, and Welfare.

These regional offices are located in Boston, New York, Charlottesville (Va.), Atlanta, Chicago, Kansas City, Dallas, Denver, and San Francisco. Goals of the Office of Education structure in these cities call for:

- Strengthening administration of field activities by vesting responsibility for coordination and leadership in the assistant commissioner for the geographic area who reports to one official in the Office of the Commissioner in Washington.
- Incorporating within the structure operating units for major program elements such as aid to educationally deprived children, support for innovative and exemplary educational projects and research, financial aid to college and university students, and support for construction of academic facilities.
- Improving and increasing technical support to public and private education agencies through use of staff services in the field.
- Effecting efficiency and economy in field operations by integrating and systematizing methods and procedures for administrative management.

Food and Drug Administration

THE FOOD AND DRUG ADMINISTRATION is a regulatory agency whose highest purpose is the protection of human life. The premarket clearance of human and veterinary drugs and medicated feeds; the batch certification of insulin, antibiotics, and color additives; the clearance of food additives and pesticide residues in food; the control of drug abuse; the requirement that hazardous products for home use bear adequate warnings—all are directed toward the prevention of physical injury to the public. The agency also requires honesty and fair dealing in the marketing of regulated products.

In these services FDA cannot ignore risk, nor can it hinder progress in the development of products that may save lives or improve the public welfare. But it cannot assume the entire burden of protecting the public. A vast collaborative effort among Federal and State agencies, scientists of other organizations, the medical and veterinary professions, manufacturers, pharmacists, and many others is essential.

Late in 1965, Commissioner George P. Larrick, Deputy Commissioner John L. Harvey, and a number of senior staff members retired. A special HEW Department committee was appointed to identify the major organizational problems affecting FDA's future and to advise the Secretary on the desirable professional qualifications of a new Commissioner. The report of this committee, chaired by Mr. Rufus Miles, was released by Secretary John W. Gardner in January.

Dr. James Lee Goddard, the first physician to serve as Commissioner of Food and Drugs in 45 years, took office on January 17, 1966. He requested the FDA staff to prepare a full reorganization plan to meet its expanded mission and an anticipated greater workload.

Two new Bureaus, Veterinary Medicine and Drug Abuse Control, were established immediately. The two former scientific bureaus were combined into the Bureau of Science. The Bureau of Medicine was reorganized so that a specific drug is followed by the same medical

specialty unit from investigational trials through approval for marketing to surveillance in actual clinical practice.

The Office of the Commissioner was reorganized to strengthen executive direction and improve line and field operations. The positions of Associate Commissioner for Compliance and Associate Commissioner for Science were established to provide top-level administrative direction and coordination of those two basic agency functions. An Office of Assistant Commissioner for Education and Information was proposed to build more effective communications between the agency, regulated industries, and the public.

A new Office of International Affairs was proposed in recognition of FDA's growing involvement in international affairs. (FDA is now represented on 26 committees of international scientific and medical organizations working to protect human life.) The Science Information Facility began organization of an information retrieval system that will serve FDA and provide a link with similar programs in and out of Government.

The budget estimate approved by Congress for fiscal year 1967 was $60,000,000, and provides for a permanent staff of 5,080. (The appropriation for 1966 was $53,079,000, with 4,710 positions authorized.) An additional $3,130,000 was allotted to add to the buildings and facilities fund.

Despite nearly complete occupancy of the new Washington headquarters building during the year, satisfactory housing of the agency's scientific staff is not yet in sight. Space was leased in two buildings in Arlington, Va., for many agency offices. Funds were requested in the 1967 budget for planning a second research laboratory in Beltsville, Md.

Food, Drug, and Cosmetic Act

FOOD ACTIVITIES

Natural Disasters

Hurricane Betsy, with winds up to 140 miles an hour, struck the gulf coast on September 9, 1965. Serious flooding followed in Betsy's wake.

The total value of all unfit merchandise that had to be destroyed because of Hurricane Betsy was estimated at $4 million. Damage to personal, public, and industrial property exceeded $1 billion. Almost all the 32 wharves in New Orleans were seriously damaged by wind and water. Over 381,000 pounds of flour had to be converted to animal feed, and almost 500,000 pounds of other foodstuffs on the docks had to be destroyed. In addition, after the examination of 9,700,000 pounds of coffee, 2,800,000 pounds valued at more than $1 million were

destroyed. A number of grain barges were blown aground or sunk, and an estimated 3,840,000 bushels required examination. More than 2,440,000 bushels of grain were so damaged that diversion to animal food use was required. Federal inspectors from three FDA districts (New Orleans, Dallas, and Kansas City), veterinarians from the U.S. Department of Agriculture Meat Inspection Division, and State and parish inspectors visited almost 2,000 food and drug establishments in wind- and flood-damaged areas following the disaster.

Chemicals in Foods

The coordination of Federal, State, and local inspectional, analytical, and enforcement resources has alleviated many problems raised by pesticide residues on farm crops. States are acquiring better laboratory equipment to detect the minute amount of permissible residues and are using better lab methods developed by FDA. State officials also use embargo powers not available to FDA to keep high-residue lots from being shipped.

After a review of the recommendations of a committee appointed by the National Academy of Sciences-National Research Council, the Secretaries of Agriculture and HEW issued a joint statement calling for replacement of the "zero tolerance" requirement with finite tolerances low enough to leave negligible and harmless residues. The "zero tolerance" concept had become a subject of concern as more sensitive methods for detecting trace amounts of residues were developed. These new methods have shown that the use of many pesticides produces some small residues in some foods. The new procedure provides a means to establish minute tolerances judged to be safe for these pesticide residues. Where a safe, low-level tolerance cannot be established, no residues will be permitted; that is, a "zero tolerance" will prevail.

Most "no-residue" pesticides registered by the U.S. Department of Agriculture will be discontinued for food use by December 31, 1967, unless FDA has set a new low tolerance or enough progress has been made to determine safety.

Food products seized because of excessive or nonpermitted pesticide residues during fiscal year 1966 included carrots, peanuts, celery, beet pulp, milk, and Boston lettuce.

FDA forbade the use of mercury-treated "pink wheat" for food, and advised the grain trade that conventional washing and scouring processes are not adequate to recondition mercury-treated seed wheat for food use. Shipments of mercury-treated barley, wheat, and oats were seized.

FDA published a food additives manual containing analytical methods for many additives used in foods and feeds regulated by the

agency. Most of these methods were submitted by petitioners to support requests for regulations and were proved to be satisfactory when tried out in FDA laboratories.

Food Poisoning

Salmonella contamination occurred in a number of commodities, including dry milk, eggs, smoked fish, and poultry. FDA and the Atlanta Communicable Disease Center of the Public Health Service worked together on these outbreaks.

Smoked fish contaminated by Salmonella poisoned at least 186 people in 5 separate outbreaks on the east coast. Through FDA-CDC-New York State cooperation, all the smoked fish were traced to a single producer. The firm told its customers not to sell the suspect fish, cleaned up its plant, screened its employees to see who were carriers, and voluntarily destroyed 3¼ tons of the fish.

When FDA learned that 29 occurrences of salmonellosis had been traced to instant nonfat dry milk, it obtained samples from each producer. The agency collected 636 samples from 281 firms. A Minnesota firm recalled more than 1 million pounds of dry milk connected with salmonellosis; another recalled more than 350,000 pounds.

Salmonella also was implicated in 2 outbreaks affecting 185 persons who ate improperly handled poultry. Coconut pie caused an outbreak involving 30 people.

Staphylococcus food poisoning was responsible for outbreaks involving at least 404 persons. Poultry, meat, and fish products and potato salad were implicated in staphylococcus poisoning of 137 people. Insanitation and mishandling appeared to be responsible. A followup of products in interstate shipment did not show contamination of the parent lots.

Two Midwest cheese producers recalled 4 million pounds of cheese from across the Nation. FDA enjoined the producers from selling the cheese, which was contaminated with staphylococcus organisms. The recalled cheese was examined, using FDA methods; all but 60,000 pounds was released to the producers as nontoxic.

Clostridium botulinum caused 3 outbreaks, involving 10 persons. Home-canned mushrooms affected one person and home-canned beans six others. FDA suspected that precooked meats shipped in interstate commerce caused the third outbreak, involving three people, but was not able to prove this.

Clostridium perfringens in hamburger and chicken sauces caused 2 outbreaks affecting 425 persons.

More than 5,000 college students became ill with gastroenteritis after eating frozen orange juice cups at a football game in Berkeley, Calif. A Tracy, Calif., firm supplied the cups. Widespread investi-

gation, with FDA help, traced the contamination to Tracy's water supply.

To Keep Food Clean

Food sanitation is an important concern of both the food industries and FDA. The agency constantly surveys food plant sanitation as part of its enforcement program. At the same time, industry management, through voluntary compliance with the law, spends large sums of money to improve sanitation facilities and practices. Firms reported 376 plant improvements, costing more than $44.6 million, to FDA inspectors in 1966.

During the year, the food industry voluntarily destroyed, or diverted to nonfood use, more than 8,100 tons of food in 1,554 actions, when FDA inspectors determined that the foods were unfit for human consumption.

Forty-one criminal actions terminated during the year involved unfit foods or insanitary operations that might result in food becoming unfit. In 36 cases, fines were levied ranging from $25 to $8,000. Six injunctions were granted to prevent the shipment of unfit foods.

A Louisiana rice grower was fined $4,500 for preparing rice under insanitary conditions. A Louisiana wholesale grocer was fined $7,000 for holding flour, cornmeal, and biscuit mix under insanitary conditions. A Texas candy company partner and his firm each were fined $1,000 for preparing, packing, and holding peanut candy under insanitary conditions. Convicted on a third offense, a Maryland pickle and pepper processing firm and its president were fined a total of $8,000 for shipping filthy products.

Fifty-two new criminal filth and decomposition cases were forwarded to the courts; 33 of them involved commercial storage houses. Four new injunctions were requested.

Traffic in unfit egg products—made from incubator rejects, decomposed or low-grade eggs, or eggs with broken shells—is still a regulatory problem. Most of the producers have small clandestine operations which are difficult to control. Insect- and rodent-infested grains are also a continuing problem.

Seizures were made because of insect or rodent infestation of such products as nuts, rice, pickles, catsup, and canned tomatoes, and because of bacteriological contamination of such products as eggs, breaded shrimp and other seafood, frozen onion rings, and cheese.

During the year, FDA sponsored 12 courses in food inspection techniques which were attended by 354 State and local officials. The agency also is sponsoring a research study to learn if the odor-causing elements in spoiled foods are lost in freeze-drying, a process coming into wider use. The Association of Food and Drug Officials of the

United States has had a major program of study of bacterial contamination of frozen precooked foods.

Economic Protection

The agency initiated the seizure of 857,694 pounds of food in 81 separate actions to protect consumers from substandard, short-weight, or mislabeled products. Among the products seized because they failed to meet established standards were canned tomatoes, beans, cherries, peaches, cheddar cheese, butter, nonfat dried skim milk, breaded shrimp, preserves, and orange juice. Other violative products included "ready-to-eat" chicken that was not adequately dressed, frozen beans labeled with a misleading vignette, lemon juice in which citric acid was substituted, and foods containing color or preservatives not declared on the label as required. A firm and two of its officers were fined $4,000 for shipping adulterated and misbranded "pure vanilla extract."

Diet Foods and Supplements

FDA ordered a major overhaul of requirements for special diet foods and diet supplements in June. Regulations were promulgated affecting both labeling and content of these products to give the public greater protection against misleading nutritional or calorie claims.

The regulations substitute "recommended dietary allowances" of recognized vitamins and minerals for "minimum daily requirements"; clarify labeling on foods promoted on the basis of lower than normal calorie values; establish classes of foods that may be fortified with vitamins and minerals; and limit the kinds and amounts of vitamins and minerals permitted in diet supplements. At the end of the fiscal year, FDA was reviewing objections and requests for a public hearing on the regulations, which were to become effective in December 1966, unless stayed to permit a hearing.

FDA denied a proposal to label edible fats, oils, and fatty foods to show the percentages of polyunsaturated, monounsaturated, and saturated fatty acid content. Experts differed on whether information concerning the composition of fatty foods in terms of fatty acid content serves any purpose to laymen.

At the end of the fiscal year, FDA was considering comments on a proposal which would reduce the amount of vitamin D that may be added to food products to prevent possible injury to infants.

FDA won several court decisions in fiscal year 1966 in its continuing battle against nutritional quackery.

In January, a landmark decision in Michigan climaxed a 5-year enforcement action against Detroit Vital Foods, Inc. The firm and two

of its officers were convicted of misbranding drugs that were sold as health foods. The products were promoted as effective treatments for liver and kidney trouble, serious circulatory and gall bladder diseases, and many other conditions. Lelord Kordel, president of the firm, was sentenced to two years in prison and fined $10,000. Company treasurer Alfred J. Feldton was required to serve 30 days and was fined $2,000. The corporation was fined $5,000 and court costs.

The Government seized quantities of foodstuffs used in Zen Macrobiotic diets because of false and misleading claims. The diets—promoted as cure-alls for conditions ranging from cancer to schizophrenia—had caused malnutrition and even death by starvation.

Five promoters of "CDC Capsules"—a worthless weight-reducing product tied to theories advanced in the best-selling book *Calories Don't Count*—were fined a total of $8,000 on a misbranding conviction. (The author of the book, Herman Taller, M.D., was under indictment and awaiting trial at the end of the fiscal year.) The promoters claimed their "CDC Capsules," which contained safflower oil, would take off weight and keep the user slender "without regard to total caloric intake." Labeling also claimed the capsules would control several chronic diseases, promote health, and increase sexual drive.

DRUGS AND DEVICES

The Kefauver-Harris Drug Amendments of 1962 provided that new drugs must be demonstrated to be effective, as well as safe, before they are approved for general use. Efficacy data has been required in new drug applications (NDA's) submitted since enactment of the amendments.

As an essential step in extending the efficacy requirement to new drugs marketed earlier, as authorized by the 1962 amendments, FDA contracted with the National Academy of Sciences-National Research Council in 1966 to evaluate the effectiveness of 3,000 to 4,000 new drugs which were approved on the basis of safety alone between 1938 and 1962. About four-fifths of them are prescription drugs.

The agency also moved forward in other areas, through both educational and enforcement activities, to achieve improved compliance with the Kefauver-Harris amendments and other provisions of the Food, Drug, and Cosmetic Act. Seminars were held on good manufacturing procedures, and the drug industry was urged to take the necessary steps to reduce the frequency of product recalls. The need for excellence in the testing, production, and advertising of drugs was the basic theme as broader channels of communication were opened with industry and industry groups.

The first criminal case under advertising provisions of the Kefauver-Harris amendments was concluded in August 1965. The firm in-

volved was fined $2,000 for omitting warnings which were part of the labeling from advertisments of a prescription drug. In February 1966, the first seizure action under the advertising provisions was taken against the drug Peritrate SA (pentaerythritol tetranitrate) because of therapeutic claims the Government charged were false and misleading. A seizure action was initiated in May against Serax (oxazepam) on similar grounds.

In another court action, a drug firm was fined $40,000 for submitting false information with a supplemental new drug application for a tranquilizer. Reports of three deaths were received by the firm but not submitted to FDA, while promotional literature distributed to physicians emphasized the "remarkable" safety of the drug.

FDA reaffirmed its decision to bar Krebiozen, an alleged cancer treatment, from interstate commerce. Promoters of Krebiozen were acquitted of criminal charges after a lengthy trial in Chicago, but this did not change the status of the drug itself, which on the basis of scientific evidence was found to be worthless long before the trial.

Dr. Ernest T. Krebs, Sr., was given a 1-year suspended sentence for failing to register as a producer of drugs—specifically the so-called cancer cure Laetrile. A Florida physician was fined for bringing Laetrile into the country from Mexico.

FDA also began a nationwide seizure campaign to remove Allergimist from the market. Promoted by a Florida firm as a cure for hay fever, bronchial asthma, migraine headaches, and dermatitis, Allergimist was distributed in interstate commerce without clearance as a new drug.

New Drugs

NDA approvals.—One hundred and forty-seven original applications for approval of new drugs for human use were received during the year and 239 applications were resubmitted. There also were 1,430 amendments and other submissions related to pending applications. Forty new drug applications were approved.

Significant new drugs approved included an antileukemia agent (thioguanine), an antimalarial compound (amopyroquin), an oral contraceptive (ethynodiol diacetate with mestranol), a diagnostic radiopharmaceutical agent for determining rupture in pregnancy (quinalcline blue), a sedative-hypnotic for oral use (methaqualone), and a potent oral diuretic (furosemide).

Investigational new drug.—A total of 714 notices of claimed investigational exemption for a new drug were submitted during the year, along with 9,900 amendments and progress reports on the approximately 3,400 notices received during the previous 3 years. Sponsors voluntarily discontinued investigations on 572 notices and 187 were

terminated by the FDA. Among the notices withdrawn by the agency were 27 for DMSO (5 were later reinstated for limited application) and 146 for the mineral oil adjuvant preparation Daroil (28 studies subsequently were allowed to proceed on a limited basis).

New drug surveillance.—Evaluation of medical experience with approved new drugs led to the addition of significant warnings in the labeling of long-acting sulfonamides, oral contraceptives, meclizine, cyclizine, and hydroxyzine. Warning letters were sent to physicians concerning several of these drugs. Approval of eight NDA's was withdrawn.

Among the drugs withdrawn was Madricidin (sulfadimethoxine, phenindamine tartrate, acetaminophen, and caffeine), which was marketed as a palliative treatment of the common cold and for the prevention of secondary bacterial infections. Approval was withdrawn because of reported adverse effects and the lack of effectiveness for the labeled claims.

Elipten (aminoglutethimide), distributed as an anticonvulsant for the control of epilepsy, was withdrawn from the market on the basis of reports that the drug caused sexual precocity in some children and masculinization of some young females. Rat studies showing toxic effects had not been included in data submitted with the NDA in 1959. There was also a question of the effectiveness of the drug in treating convulsions.

Librax (chlordiazepoxide hydrochloride and clidinium bromide), an antianxiety and anticholingeric medication, was withdrawn from the market (and outstanding lots recalled) pending changes in manufacturing procedures to eliminate impurities.

Approval of five new drug applications for coated potassium chloride preparations was withdrawn on the basis of evidence associating the use of such drugs with nonspecific small bowel lesions.

An investigation of clinical reports by Cass Research Associates, Cambridge, Mass., led to a proposal to withdraw the new drug application for Norgesic Tablets (orphenadrine citrate, aspirin, phenacetin, and caffeine). Clinical investigations of the drug by Cass Associates, accepted originally as evidence of efficacy, contained false data. Drug sponsors were notified that this firm was ineligible as an investigator. A hearing on Norgesic was pending at the close of the year.

FDA also acted to remove from the market nonprescription antibiotic lozenges promoted for the treatment of sore throats and throat pains associated with coughs and colds. There was no substantial medical evidence of effectiveness despite up to 15 years of experience with the preparations.

Recalls.—There were 558 drug recalls during the year, a substantial increase over the previous record high of 340 recalls in 1965. Re-

calls are undertaken to retrieve from the market drug lots that fail to meet regulatory requirements. The manufacturer is responsible for carrying out a recall and FDA monitors its effectiveness. Of the recalls during 1966, 90 involved nonsterility, 74 adulteration, 73 subpotency, 67 cross-contamination with penicillin, and 54 misbranding. Others were ordered because of terminated investigations of new drugs, certification revocations, disintegration or decomposition, label mixups, substandard quality, excess potency, and distribution without effective new drug applications.

Veterinary Drugs and Medicated Feeds

Creation of the Bureau of Veterinary Medicine in November reflected the growing significance of veterinary products and medicated feeds. The Bureau's functions formerly were carried out by a division within the Bureau of Medicine.

Many potent drugs are used in animal feeds to promote growth, improve feed efficiency, and to prevent, control, or treat disease. Properly used, such feeds prevent livestock and poultry losses and contribute to the efficient production of high-quality food, thus benefiting both producer and consumer.

During the fiscal year, 1,413 new drug applications for medicated feeds were received and 1,170 approved. The agency also received 1,123 supplements and approved 822. There were 72 applications for veterinary drug dosage forms submitted (31 were approved) and 222 supplements (95 were approved).

The use of potent drugs by feed mills that formerly handled straight feeds on a protein content basis presented new problems, since mills were required to develop procedures for mixing grams of the additives with tons of feed. FDA and industry associations have cooperated in providing guidance in good manufacturing practices and techniques.

More than 1,500 representatives of medicated feed-mixing firms attended 20 workshops conducted by feed trade associations to promote compliance with Federal law and FDA regulations. The programs were planned by industry leaders who attended a national FDA workshop in June 1965. FDA's color slide series, "FDA Regulations and Inspections in the Feed Industry," has been widely used as an effective educational tool.

Although many feed mixers employing potent drugs operate only on a local scale, Federal law requires inspection of each mill every 2 years. Since mill operators need guidance as to good manufacturing practices, a plan was developed to utilize both Federal and State resources. A joint program of inspection and analysis of finished products was intensified in 1966. States participating were Indiana, Kansas, Maine, Massachusetts, Michigan, and Oklahoma.

FDA sponsored seven training courses in this field in 1966. The courses were attended by 150 State and 2 Canadian feed control officials. Inspection techniques, the collection of samples, and the application of good manufacturing practices were stressed.

The agency also conducted 2 workshops—attended by 191 industrial veterinarians—to discuss requirements of veterinary investigational drug regulations, new drugs for investigational use in animals, and regulations on the marketing of edible products of animals treated with investigational drugs.

FDA has made arrangements to obtain adverse reaction reports on veterinary drugs through 18 veterinary schools, the American Veterinary Medical Association, the Industrial Veterinarians Association, and the Extension Service of the U.S. Department of Agriculture.

Illegal Sales of Prescription Drugs

The Drug Abuse Control Amendments to the Food, Drug, and Cosmetic Act were signed into law on July 15, 1965, and became effective on February 1, 1966. The amendments impose tighter controls on the production and distribution of stimulant, depressant, and hallucinogenic drugs and give FDA broader authority to curb illicit sales. Steps were taken shortly after enactment to establish the Bureau of Drug Abuse Control (BDAC) and to promulgate interpretative regulations.

BDAC field offices were established in Atlanta, Chicago, Kansas City, Los Angeles, and New York soon after the new legislation became effective. Four additional offices—in Baltimore, Boston, Dallas, and Denver—were to be opened early in the next fiscal year

FDA contracted with the University of California at Berkeley to train BDAC agents. By the end of the fiscal year, 90 agents had completed a special 8-week course at the university's school of criminology and an additional 60 were in training. The course covered sociological aspects of the drug problem as well as law enforcement techniques.

The Bureau began an educational program with a general conference in Washington in March for representatives of all groups engaged in the distribution of controlled drugs. Specialized programs were planned for manufacturers and distributors of controlled drugs, practicing pharmacists, teachers of pharmacy law, leaders of pharmaceutical associations, school administrators, and law enforcement officers.

Enforcement activities of the Bureau are directed toward the discovery and apprehension of those involved in the illicit diversion and distribution of controlled and counterfeit drugs through records

accountability and undercover investigations. Although the Bureau was in operation for only 5 months in fiscal year 1966, BDAC agents made eight arrests and seized more than 1.4 million amphetamine and barbiturate pills.

In cooperation with FDA's Office of Federal-State Relations, BDAC established a pilot plan under which State enforcement agencies accepted major responsibility for checking compliance by retail drug outlets. Information concerning illicit distribution of controlled drugs will be referred to FDA. Florida, Georgia, Indiana, New York, Texas, and Washington are participating in the pilot program. An FDA training school was conducted on retail drugstore investigational techniques, drug stock audits, and courtroom procedures.

The first Federal seizure of drugs under the 1965 Drug Abuse Control Amendments was made in Salt Lake City, Utah, climaxing a 2½-month investigation during which an osteopath sold more than 11,000 amphetamine tablets to an FDA undercover agent.

Eighteen months of undercover work by FDA and the Philadelphia Police Narcotic Squad resulted in the arrest of 6 members of an illegal drug ring and the confiscation of more than 160,000 amphetamine tablets. The ring illegally obtained drugs from a Philadelphia drug firm through one member who was employed as a maintenance man by the company.

In California, a peddler was sentenced to 3 years in prison on charges of selling amphetamine tablets on the streets of Los Angeles. His wife was given a 2-year sentence. They had sold the "pep pills" in lots of 1,000 to an FDA inspector.

In New York, a peddler who sold the hallucinogenic drug LSD on sugar cubes at $250 for 100-cube lots was sentenced to a 9-month prison term. The cubes were intended for resale at $10 each. A part-time bellboy at a Laguna Beach, Calif., hotel was sentenced to 3 months in jail and placed on probation for 3 years for illegal sales of LSD.

During fiscal year 1966, 193 drug-prosecution cases were initiated by FDA against 319 firms and individuals charged with illegal sales of prescription drugs. Unlicensed dispensers—including employees of truckstops and drive-in restaurants and other peddlers—were involved in 107 cases. Sixty-seven cases were brought against drugstores, their pharmacists, or both, for dispensing drugs without prescriptions or refilling prescriptions without authorization. The 19 other prosecutions were brought against physicians selling prescription drugs without a physician-patient relationship and against supply houses. FDA initiated an additional 32 drug-prosecution cases for violations including transporting, counterfeiting, and possessing prescription drugs—making a total of 225 such cases initiated during the year.

Devices

FDA initiated 70 seizures of medical devices during the year. Some were seized because of false and misleading claims, some were substandard, and some were inadequately labeled.

Forty-six recalls of medical devices were undertaken during the fiscal year. All but seven involved nonsterile products. Two nationwide warnings to hospitals and doctors followed FDA seizure of nonsterile "Jintan" disposable hypodermic needles imported from Japan. Plastic teethers for babies were seized because of high bacteria counts in the water used for filling. Some 66,000 packages of "radiation sterilized" surgeons' gloves were seized in Riverside, N.J., on charges that they were contaminated by microscopic mold.

Insulin syringes discovered to have faulty calibrations were recalled as FDA warned diabetics and physicians that users might receive a double dose and suffer insulin shock.

An "Ionic charger" was seized because of promotional literature which suggested that drinking water charged with "Radon" gas from the device was effective in treating gout, rheumatism, insomnia, neuralgia, chronic joint swelling, chronic diarrhea, functional disease of the liver, and chronic skin diseases.

A massage device manufactured by the Niagara Therapy Manufacturing Corp. was seized in Denver on grounds that it carried "inadequate directions for use" in treating arthritis, diabetes, sinusitis, hearing trouble, and other conditions for which it was promoted by oral claims. Other Niagara devices—including vibration chairs, electrical vibrating hand units, and various thermopads—were seized because of claims that they were effective for arthritis, bursitis, falling hair, tired eyes, shot muscles, and misplaced kidneys.

COSMETICS

Approximately 25 detentions of misbranded cosmetics were ordered during the year. The products bore label claims for growing hair, bust development, or skin regeneration.

Two manufacturers recalled nail hardeners from the market after FDA received complaints of injuries from the products. Distribution of both products was terminated.

U.S. marshals seized 41 bottles of counterfeit perfume after the authentic manufacturer informed FDA that the fake perfume was being sold to dealers in Baltimore, Md., and elsewhere in the Nation.

CERTIFICATION OF COLORS AND DRUGS

Color additives.—Only those color additives listed in FDA regulations can legally be used in foods, drugs, and cosmetics. Unless

exempted by regulation, each batch of colors manufactured must be tested and certified by FDA. In 1966, 1,736 batches representing 1,761 tons were certified; 23 batches representing 13 tons were rejected.

Insulin.—Three hundred and twenty-eight batches of insulin were tested and 325 were certified. Rejected lots contained excessive nitrogen or gave unsatisfactory pH results.

Antibiotics.—Samples of 25,194 batches of antibiotics and preparations containing antibiotics were submitted by industry for certification. Of those, 278 failed to meet standards for potency, sterility, or moisture, or were otherwise defective.

Hazardous Substances Labeling Act

The Federal Hazardous Substances Labeling Act of 1960 requires informative labeling of household products that may cause illness, injury, or death if improperly used.

The first criminal case under the act was terminated in fiscal 1966 with the defendant paying a $600 fine. The case was filed following the death of an elderly man who drank antifreeze believing it was port wine. The defendant had packaged the antifreeze in a used wine bottle. The act prohibits packaging a hazardous substance in an identifiable food, drug, or cosmetic container.

A fireworks distributor agreed to an injunction prohibiting future sales of crackerballs. Federal authorities had made more than 120 seizures of the small fireworks. Imported from Japan and Formosa, the crackerballs generally were sold in small plastic bags and closely resembled candies similarly packaged. The bags carried no warning statement, and several children were injured when crackerballs exploded in their mouths.

FDA's campaign to remove from the market the highly flammable water repellent X–33 was concluded, and a criminal case was filed against the distributing corporation and its president.

Toy trains carried a new type of violation to FDA attention during the year—a petroleum distillate used to produce smoke from the locomotives. The product, sold with electric train sets and separately, carried no warning label. Train sets and 8,496 bottles of the "smoke" were seized.

A number of colors for glazing ceramics was seized because required warnings were omitted. Unlabeled methyl alcohol packed for use in cigarette lighters was seized and the firm recalled the fluid.

Enforcement of Other Acts

A total of 134,621,342 pounds of tea was examined under the Tea Importation Act. Imports for the year exceeded those in the previous year by approximately 3 million pounds. Eight rejections were

appealed to the U.S. Board of Tea Appeals, but the FDA examiner's decision was upheld in each case. No actions were taken under the Filled Milk Act. Two new permits were issued in fiscal 1966 for milk shipments under the Import Milk Act.

Court Interpretations

The Toilet Goods Association won a decision on appeal holding that it had the right to sue for a declaratory judgment challenging FDA's position that certain color-bearing cosmetics should be considered "color additives," and therefore subject to premarket clearance. The Court of Appeals for the Second Circuit ruled that three of the issues were properly subject to review in a suit for a declaratory judgment. The Solicitor General has requested that the Supreme Court review the decision.

Also pending before the Supreme Court as the fiscal year ended was an appeal by the Pharmaceutical Manufacturers Association in the "generic name every time" case. The association is contesting FDA's authority to require that the established name for a drug must appear each time a proprietary name is used on the label, in labeling, or in advertising for a prescription drug.

A vitamin firm lost a claim before the Court of Appeals for the Third Circuit for a number of its products seized for failing to bear "adequate directions for use." In previous action, the trial court had found that the seized articles were drugs and the directions, which appeared in the claimant's catalog, were suggestive of therapeutic value but contained nothing to indicate for what diseases the various preparations were to be used. The evidence of intended use consisted mainly of transcripts of a series of radio programs on nutrition, with emphasis on the therapeutic value of vitamins and foods fortified with vitamins. Neither the firm nor the trade name of any of its products was mentioned in the program, but vitamin commercials were broadcast, some of which immediately followed the program. Listeners who responded to invitations to write for nutritional literature would receive the claimant's catalog.

An important principle was laid down by the Court of Appeals for the Tenth Circuit in a case involving an acne remedy. The court ruled that the product was no longer exempt as an "old drug" from meeting the efficacy requirement of the Kefauver-Harris amendments after it was condemned by a trial court for false and misleading claims. The product—and others in like circumstances—thus are subject to new drug approval procedures and regulations.

The Court of Appeals for the Eighth Circuit upheld the conviction of a firm for shipping adulterated prophylactics in a decision that upheld the FDA's right to change tolerances permitted as a matter

of administrative grace under a statute prohibiting shipment of defective products.

A Federal judge in Arkansas dismissed a libel under which an ultrasound device was seized from a chiropractor. Government experts testified that ultrasound had a legitimate use in medical practice, but only after careful medical examination and diagnosis to make certain that there were no conditions for which the use of ultrasound was contraindicated. The judge held that the chiropractor's right to use the device in the practice of his profession would have to be determined in a State court because the practice of the healing arts is regulated by the States. An appeal to a higher court has been authorized.

Legislation and Regulation-making Activities

Section 402(d) of the Food, Drug, and Cosmetic Act was amended by Public Law 89–477 to remove a number of restrictions against nonnutritive substances in candy, if such substances are used for some practical purpose in its manufacture, packaging, or storage, and if they do not promote deception. The Secretary may issue regulations allowing or prohibiting the use of particular nonnutritive substances.

REGULATIONS

Drugs.—Thirteen drugs in addition to amphetamines and barbiturates were brought under the Drug Abuse Control Amendments. Controlled drugs are identified by a large *C* encircling the prescription drug symbol ℞ set against a contrasting background. The 13 drugs were covered because of their potential for abuse because of their stimulant, depressant, or hallucinogenic effects. The addition to the controlled list of three other drugs—the tranquilizers meprobamate, diazepam (Valium), and chlordiazepoxide and its salts (Librium)—was stayed to permit public hearings.

Labeling of over-the-counter drugs containing chlorcyclizine, cyclizine, or meclizine or their salts was required to be revised to include a warning against use in pregnancy, as the drugs possibly may injure the unborn child. This requirement was adopted following FDA investigation and a recommendation from an advisory committee.

A policy statement was published limiting claims permitted for nitrates and nitrites used as coronary vasodilators in the management of angina pectoris. If represented for other uses, the drugs are misbranded unless such use is covered by an approved new drug application prior to marketing.

Following reports of eye injuries associated with use of belladonna and related preparations, FDA ordered revision of the warning statement on those nonprescription medications. Labels must warn against

use by persons having glaucoma or excessive pressure within the eye; by elderly persons where these conditions may be present and undiagnosed, and by children under six, unless directed by a physician. Labels also must warn that if eye pain occurs use should be discontinued and a physician consulted immediately because the pain may indicate undiagnosed glaucoma.

The procedure for the investigational use of new drugs was revised to permit the Commissioner to terminate an investigation without delay when it is concluded that continuation would present an imminent hazard to public health.

In recognition of the value of ipecac sirup in emergency treatment of accidental poisonings, FDA approved sale of the drug without a prescription, provided the quantity is limited to 1 fluid ounce and the label bears specific information as to use, dosage, and warnings.

Food additives.—During the fiscal year, 243 food additive petitions were received and 25 orders were published establishing new food additive regulations, in addition to the publication of 90 amendments to existing regulations. As of June 30, 1966, approximately 2,430 food additives were subject to regulations, 575 had been declared generally recognized as safe for certain uses, and prior sanctions had been listed for 115.

FDA received two petitions to permit the marketing of fish protein concentrate as a food additive. One was submitted by the Bureau of Commercial Fisheries of the U.S. Department of the Interior; the other by a private firm. Both petitions proposed a solvent extraction of hake or hake-like fish. The petitions were under study at the end of the fiscal year.

On February 17, 1966, responsibility for the promulgation of food additive regulations covering veterinary matters and feed additives was assigned to the new Bureau of Veterinary Medicine in order to coordinate these activities with veterinary drug controls.

A proposal published June 30, 1966, to revoke the tolerance for cobaltous salts in malt beverages was the first such action taken under the food additives amendments. Questions raised concerning the safety of the compounds and the discontinuance of their use by the brewing industry prompted the revocation, although no direct evidence was available linking the additive to harmful effects.

An advisory committee completed a review of the use of antibiotics to preserve food and to promote growth and feed efficiency in food-producing animals. Its report included a recommendation that antibiotics used in human or veterinary medicine not be used in food preservation unless justified in solving serious problems. At the close of the year, steps were being taken to implement the committee's recommendations.

Pesticides.—During fiscal 1966, 56 pesticide petitions were received and 59 tolerances were established involving 14 pesticide chemicals. These included tolerances for herbicides, fungicides, insecticides, nematocides, plant regulators, and desiccants and defoliants. Thirty-one temporary tolerances were issued involving 13 pesticide chemicals. These temporary tolerances were established to permit the marketing of crops experimentally treated with the pesticide chemicals under permits granted by the U.S. Department of Agriculture. Since enactment of the Pesticide Chemicals Amendment in 1954, 2,730 pesticide tolerances or exemptions have been established involving 145 pesticide chemicals.

An advisory committee was requested by members of the pesticide industry to review a petition by the State of California requesting tolerances for DDT in milk and dairy products.

Food standards.—The Food Standards Branch processed 18 orders, 19 proposals, 3 withdrawals, 14 confirmations of effective date, and 4 temporary permits relating to establishment of food standards.

FDA issued a revised food standard on July 8, 1965, stipulating that peanut butter must contain at least 90 percent peanuts, but the effective date was stayed to permit a public hearing. The revised standard allows 10 percent for optional ingredients, including seasonings and hydrogenated peanut and cottonseed oils to reduce oil separation and counteract the tendency of peanut butter to stick to the roof of the mouth. Optional ingredients must be declared on the label. The peanut content of peanut butter has ranged to as low as 78 percent. The public hearing lasted intermittently for about 6 months. At the end of the fiscal year, a decision was still pending.

A standard of identity was established for soda water stipulating that "cola" or "pepper" drinks shall contain not more than 0.02 percent caffeine by weight. "Cola" drinks are made with a kola nut extract which naturally contains caffeine. Therefore, it is a mandatory ingredient in those products and does not have to be shown on the label. Other soda waters containing caffeine as an optional ingredient must carry a label stating "with caffeine added." Caffeine in these drinks must not exceed the level allowed in "cola" drinks.

Amendments to standards for whole-egg and egg-yolk products were adopted and standards were established for egg-white products requiring pasteurization or other treatment to assure that the finished egg products are free of Salmonella.

A standard of identity for liquid margarine was established and the standard for margarine was amended to permit more latitude in the use of flavors that make the product taste more like butter.

After a court appeal on certain provisions of the orange juice regulations, hearings were held on pasteurized and canned orange juice and

orange juice concentrate. The standards set for these products were stayed pending consideration of briefs.

Hazardous substances.—Exemptions from statutory labeling requirements and regulations were granted for fireworks assortments, ethylene glycol impregnated pads, butane-type cigarette lighters, and porous tip marking devices containing ethylene glycol.

Four requests for exemption were denied because the petitioners could not demonstrate that the exemptions would be in the public interest. Two had requested permission to put "front panel" portions of the caution statement on the rear panel, another petitioner wanted to use type size smaller than that specified in FDA regulations, and the fourth sought approval of an abbreviated warning.

Scientific Investigations

Although FDA's life-protection mission has not changed, the means of providing this protection must evolve constantly as developments occur in medicine, food technology, and consumer products. The research scientists of FDA not only devise newer and more sophisticated methods for detecting violations of the law but also investigate the effects on man of the many chemicals now in use in food additives, drugs, cosmetics, colors, pesticides, and as part of manufacturing processes.

New analytical methods were developed during the year for pharmaceuticals, including mestranol combined with other progestational agents in contraceptive tablets, phenobarbital-theophylline combinations, testosterone propionate oil injections, phenylephrine combined with a variety of drugs, and contaminants of commercial forms of adrenal cortical steroid hormones. Two types of field tests were developed for LSD, and similar tests are under study for other psychedelic drugs such as DMT, psilocybin, psilocyn, and mescaline. A chromatographic method proved successful for the quantitative analysis of thyroid constituents.

Tests of six veterinary iron preparations showed they were safe and effective, but also demonstrated that localized iron residues tended to remain near the injection site more than 30 days. A drastic cathartic tested in several animals was found to have a narrow margin of safety for equine species. Tests of an antibiotic preparation used to treat mastitis in cows revealed that neomycin entered the milk and persisted beyond the specified 96-hour withdrawal limit. A similar study is being made of phenothiazine, which is used to control internal parasites.

Antibiotic-containing drugs are being checked by improved methods for contamination by traces of penicillin. Studies are underway to improve the precision, accuracy, specificity, and speed of official microbiological assays. The rates of release and absorption of antibiotics

in man, toxicity of antibiotics stored for long periods, and new ways of maintaining sterile test conditions are under investigation. The official bioassay for insulin potency is being compared with an immunoassay which is faster and eliminates the use of many experimental animals. The stability of insulin potency during long periods of storage is being studied.

The Bureau of Medicine awarded contracts to State health departments, several hospitals, schools of medicine, and similar institutions for clinical studies. Subjects include the possible teratogenic response of the primate embryo to commonly used drugs; the effect of nitroglycerin on effort-induced angina and the efficacy of vasodilators in affecting the blood flow of patients suffering from arterial disease; the accuracy and precision of commonly performed clinical laboratory tests, beginning with cholesterol-measuring "kits"; the usefulness of deoxyribonucleic acid analysis of bone marrow to detect cell proliferation and predict successful therapeutic agents for its depression and the possibility that toxic encephalopathy in patients is caused by ingestion of phenothiazine derivatives.

Methods have been developed to analyze components of cosmetics, including fatty compounds in lipsticks, water, and alcohol in various cosmetics, dye intermediates in hair dyes, and sunscreen compounds in suntan preparations.

Tests were continued on the effects of pesticides, drugs, dyes, and flavors on animals. When rats were fed the pesticide 2,4–D at 1,500 parts per million in the diet, the offspring of the third generation weighed less at weaning and more of them died or were killed by the mother. The pesticide Sevin impaired the reproductive capacity of dogs, reducing the number of conceptions, of offspring born alive, and of pups living until weaned. Teratogenic effects also were observed. A number of household detergents, hand cleaners, deodorants, and metal and furniture polishes were checked for their tendency to irritate eyes and skin. Improved methods of testing irritation were being developed.

Because pesticides sprayed on crops may change to related compounds, studies are underway to identify these compounds (metabolites) and to trace the course of metabolism in crops and animals. Amounts of pesticide residues that enter the edible tissue and the eggs of chickens after ingestion of feeds containing the pesticides were being measured to provide information for setting limits on permissible levels of pesticides in poultry feeds. Several types of herbicides in crops, carbamate pesticides in crops, and mixtures of pesticide residues can now be determined by new and efficient methods. Established methods for various pesticide residues have been successfully applied to different crops, and older methods for extraction of chlori-

nated hydrocarbon pesticides from crops and subsequent analysis are being improved.

New methods were developed to detect chlorohydrins (toxic compounds sometimes formed in foods fumigated with ethylene and propylene oxides) and to determine the presence in lard of certain antioxidants permitted for use in foods to retard rancidity. The long-established custom of detecting food spoilage by odor is becoming more precise through chemical analysis of the compounds that cause the odor. In codfish, 22 compounds have been identified. The official method for detecting decomposition in foods by separately measuring the lactic and succinic acids present was shortened by development of a technique for combining the two measurements. New methods were being developed to detect animal fats in vegetable oils and older methods were being adapted to prove adulteration of olive oil with peanut oil.

To detect adulteration of food, the normal composition of the food must first be known. For this purpose FDA scientists supervised the preparation and analysis of authentic packs of berries, orange juice, cocoa butter oils, and confectionery oils. Weight loss during storage of frozen glazed shrimp and of tea also was studied. Slight differences in naturally occurring flavonoids in apples and pears were determined as the basis of a method to distinguish the two fruits in canned and processed products. Similarly, a method was developed to measure *l*-malic acid, the natural form of malic acid, in fruit products as a means of detecting adulteration.

Aflatoxins, highly toxic substances formed by molds that infest growing crops, remain a source of concern. Studies continued on their nature, effects, formation, and natural occurrence. Detection methods that proved successful for peanut and cottonseed products, corn, and other grains are being improved and extended to other mold toxins. The possibility that antibiotics, also derived from molds, might be infested with aflatoxins during production was checked, but tests on 11 batches of antibiotics proved negative. Pigs fed aflatoxins to determine toxic effects on blood and organs showed an increased tendency to bleed; capability of the blood to coagulate decreased. Long-range studies of carcinogenic effects of aflatoxins are being made on ducklings.

Studies continued on the physiology and growth of *Escherichia coli*, the organism most commonly measured in food spoilage, and on faster and more efficient methods for its detection. Investigations of *Clostridium botulinum* type E, the organism responsible for botulism outbreaks several years ago, were extended to a bacteriocin produced by nontoxigenic organisms identical to type E. Other studies included methods for isolating viruses from foods, detection of filth

in foods, and the relationship between bacterial content of frozen foods and the sanitary conditions maintained during their production.

The microfluorometric assay for vitamin C was perfected and the assay procedure for vitamin E was adapted to pharmaceuticals. A purified amino acid diet was in development to promote maximum growth of rats for studies of amino acid requirements. Studies of animal diets supplemented with different forms and sources of phosphorus showed that the nutritional value of phosphorus is affected by vitamin D and calcium in the diet. Similarly, certain nutrients, such as vitamin E, change the response of animals to toxic substances.

The 18 FDA district laboratories developed and tested methods of analysis for various products, chiefly drugs, foods, and pesticide residues. Eminent scientists from nearby universities agreed to serve as research advisers to FDA scientists at eight district laboratories. The advisory program is to be extended to other districts.

Education and Communication

New programs in consumer education were planned with special emphasis on the needs of senior citizens, low-income families, and youth. Conferences, seminars, and workshops are to be held throughout the country for professional groups and organization leaders. The safe and effective use of drugs, wise selection of health services, and basic consumer education for life protection will be stressed.

A unique consumer service was initiated in May 1966 for the 7 million Americans of Cuban, Mexican, Puerto Rican, and other Spanish-speaking descent. Informational and educational materials are now published in Spanish to serve those citizens. Distribution reaches throughout the hemisphere.

FDA's program for promoting voluntary compliance in industry gave priority to fields in which new regulations affected manufacturing and distribution procedures. The workshop and seminar program initiated in 1965 was expanded in 1966 to reach a broader range of industries and a larger number of industry representatives.

Enforcement Statistics

Major workloads are summarized in the tabulation below:

	Inspections made	*Samples collected*
Total	46,287	81,810
Foods	30,075	40,163
Drugs	13,487	40,117
Cosmetics	809	451
Hazardous substances	1,751	1,007
All other	165	72

In the 232 criminal actions terminated (or terminated for some defendants) in the Federal courts during fiscal year 1966, fines assessed totaled $195,878. Seventy-three individuals were required to serve jail sentences ranging from 10 days to 8 years. Records of actions terminated in courts were published in 840 notices of judgment.

Table 1.—*Number of samples on which criminal prosecutions and seizures were based and number of court actions instituted during fiscal year 1966*

Item	Total		Criminal prosecutions instituted		Seizures		Injunctions requested
	Violative samples, fiscal year 1966	Actions, fiscal year 1966	Violative samples, fiscal year 1966	Actions, fiscal year 1966	Violative samples, fiscal year 1966	Actions, fiscal year 1966	
Total	2,758	1,362	985	291	1,773	1,065	6
Foods	1,050	629	142	59	908	566	4
Drugs and devices	1,537	630	840	231	697	397	2
Cosmetics (colors)	25	14	0	0	25	14	0
Hazardous household substances	146	89	3	1	143	88	0

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 1 count of action.

Table 2.—*Import samples collected, examinations made, and lots detained during fiscal year 1966*

Item	Samples collected	Examinations made	Lots detained
Total	20,919	34,051	8,072
Foods	14,127	28,236	2,981
Drugs and devices	6,166	5,238	4,824
Cosmetics, colors, miscellaneous	626	577	267

Vocational Rehabilitation Administration

THE VOCATIONAL REHABILITATION ADMINISTRATION administers a wide variety of programs with the objective of advancing the vocational rehabilitation of disabled persons and their utilization in suitable gainful employment.

During fiscal year 1966, there were 154,279 handicapped persons rehabilitated into employment, an increase of 14 percent over the previous year.

Of this total, about 33 percent were disabled by loss of limbs, paralysis, or skeletal-muscular troubles. Approximately 23 percent had the primary disability of mental illness or retardation. Nearly 10 percent were blind or had visual impairments, 7 percent were deaf or had difficulties in speech and hearing defects, and 5 percent had cardiac troubles. The remainder had a wide variety of handicaps to employment.

They were rehabilitated into many kinds of employment. In broad categories, 8 percent went into professional or management jobs, and 24 percent found skilled or semiskilled work. About 22 percent went into service occupations, and 16 percent resumed family duties. About 15 percent went into clerical or sales work, 5 percent entered agriculture, 3 percent were placed in sheltered workshops, and 7 percent in jobs as unskilled workers.

New Legislation

Amendments to the Vocational Rehabilitation Act, enacted during the year, are having broad effects on the rehabilitation program. A revision of the fiscal relationships between the Federal and State governments provides a much greater flow of Federal money into the program. New programs have been established and older ones strengthened. A series of grant programs provides the means for orderly progress in building new workshops and facilities and strengthening those in operation. New and more comprehensive serv-

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ices are provided for the severely disabled. Federal support is made available to States for projecting their rehabilitation plans into the future and for expanding their services to reach more disabled people.

NEW FISCAL ARRANGEMENTS

The new legislation raises the limits of authorization for Federal appropriations for supporting the States' basic programs of service to $300 million for 1966, $350 million for 1967, and $400 million for 1968. Allotments to States from these funds continue to be made on the basis of population and per capita income, but the rate for Federal matching of State funds for basic rehabilitation services was increased to 75 percent of each State's expenditures. This matching ratio has the effect of giving State rehabilitation agencies about twice as much in State-Federal funds as they had under the sliding scale of participation authorized by the previous law. It also provides wide latitude to State agencies for expansion or improvement of their services to disabled people.

INNOVATION PROJECTS

Under authority of the previous legislation, grants could be made for extension and improvement of programs.

Until the signing of the new law, 43 States had used the grants for 103 projects, many of them for the introduction of specialized staff and expansion of facilities.

Under the new law, the purposes of these grants are changed. They are available to States for the introduction and development of methods or techniques new to the States, especially for the provision of services to groups having severe or catastrophic disabilities. The Federal Government bears 90 percent of the cost of these projects.

The first project approved under this provision was to Our Lady of Fatima Hospital in Providence, R.I., to provide rehabilitation services for heart disease and stroke patients under a comprehensive team approach. Eleven projects followed during the year, bringing within the range of the program the imagination and talents of many organizations and people in rehabilitation.

MATCHING LOCAL CONTRIBUTIONS

A section of the new law authorizes Federal matching of local contributions made for a community rehabilitation endeavor by adding the funds to the State's appropriation. The consequent amounts are made available to the community for the specified purpose.

In 1966, a little more than $2.5 million in these contributions was used to match almost $5 million in State funds. These funds were used

by 92 public and private groups in 30 States to improve, expand, or renovate existing buildings, to purchase equipment, or to provide staff.

EXPANSION GRANTS

Expansion grants under the new law encourage programs which will result in the rehabilitating of greater numbers of handicapped persons. The $3 million appropriated for this purpose in 1966 was obligated for 50 projects in 25 States, the District of Columbia, and Puerto Rico. Half of the grants were made to States and half to other public and private nonprofit voluntary agencies.

Priorities established by VRA in this grant program are for the initiation of special programs that give promise of substantially increasing the number of persons rehabilitated from such groups as welfare recipients, public offenders, alcoholics, epileptics, deaf persons, and those with spinal cord injuries.

In keeping with these priorities, five grants provide services for young disabled public offenders, two for alcoholics, one for epileptics, six for blind persons, four for deaf persons, and two are alined with the war on poverty. The remaining projects are focused on improving cooperation with other public and private agencies to reach more handicapped persons.

STATEWIDE PLANNING GRANTS

A 2-year program of grants to the States, authorized by the 1965 amendments to pay the costs of planning comprehensive rehabilitation activities over the next few years, met with an active response.

This statewide planning involves review of all current and potential resources for vocational rehabilitation in both public and private organizations. The goal is to make rehabilitation services available to all who need them by 1975.

By the end of the fiscal year, 27 applications had been received for these grants, 15 had been approved, and 5 had been funded for a total of almost $500,000.

CREATING WORKSHOPS AND FACILITIES

The sweeping provisions in the 1965 amendments that provide assistance to States and communities for creating or improving workshops and facilities for the disabled were well received.

Grants totaling $1,332,227 in Federal funds were awarded to 44 State rehabilitation agencies to plan workshops and facilities.

Grants totaling $1,305,571 were awarded to 54 workshops to enable them to improve their capabilities for providing employment and services to handicapped people. Twenty-one grants, amounting to

$176,570, were made to various organizations for the purpose of discovering program needs for specific facilities and workshops.

A National Policy and Performance Council was established, as provided in the new amendments. The function of the 12-member Council is to advise on policies and criteria for determining eligibility for grants for workshop training services, and to make recommendations relating to workshop improvement projects.

Evaluation of the Severely Disabled

One of the deficiencies of the earlier program was the brief time allowed for State agencies to evaluate the rehabilitation potential of severely disabled persons.

Special provision is made in the new law to help States to meet the cost of services for these persons for a sufficient period to determine more accurately whether they can become engaged in remunerative employment. Services may now be provided for up to 6 months (or 18 months in special cases), during which a client's reaction may be observed and a determination made as to whether the services should be continued.

Architectural Barriers

For many years, there has been a growing awareness of the difficulties that handicapped people have in entering public and other large buildings and using their facilities.

Awareness of these problems was crystallized in the new law, which provided for the establishment of a National Commission on Architectural Barriers to Rehabilitation of the Handicapped. The Commission was appointed and began its study of ways to encourage and assist architects and builders throughout the country to design entrances, drinking fountains, telephone booths, and other facilities that are convenient for handicapped persons.

Correctional Rehabilitation

The Correctional Rehabilitation Study Act of 1965 gave recognition to the significance of vocational rehabilitation in combating crime and delinquency. The new law amended the Vocational Rehabilitation Act to provide project grants for a 3-year nationwide study of the need for rehabilitation personnel and activities in correctional institutions and agencies.

The first year of the study is in progress, supported by a grant to a Joint Commission on Correctional Manpower and Training.

The new purposes of the expansion grant program have also been brought to bear on correctional rehabilitation. In New Jersey, North

Carolina, South Carolina, and Virginia expansion grants are being used to establish vocational rehabilitation units in State correctional institutions. Similar efforts are underway in Federal institutions.

Research and Training Centers

In 1962, the Vocational Rehabilitation Administration instituted a series of grants to universities with medical schools and other facilities where rehabilitation research and training can be conducted under the favorable conditions that are available in such settings.

The research and training centers are in four categories:

- Several provide training in virtually every phase of rehabilitation for the disabled, with special emphasis on rehabilitation research in medicine. These centers are at Baylor, Emory, George Washington, New York, Temple, and Tufts Universities and at the Universities of Alabama, Colorado, Minnesota, Southern California, and Washington.
- Three are mental retardation centers—at the Universities of Oregon, Texas, and Wisconsin—and include courses in the behavioral and social sciences as well as biomedical research.
- Three—at the Universities of Arkansas, Pittsburgh, and West Virginia—are concerned with problems of work adjustment, motivation, and development of training methods for more effective rehabilitation.
- The fourth category—established during 1966 by a grant to New York University—is for work in the field of deafness.

Research and Demonstration

Through 1966, rehabilitation research and demonstration projects increased to a total of 1,096 since the program was established in 1954. One hundred and fifty-three of these were added in 1966. Obligations for the year were $20.6 million. Of this sum, $7.7 million was for new projects and $12.9 million was for continuation of uncompleted projects.

Among projects dealing with specific disabilities, a great many were concerned with mental retardation, mental and personality disorders, and visual handicaps. In addition, there were increases in the number of projects dealing with deafness and with the rehabilitation aspects of persons with heart disease, cancer, and stroke.

There was special emphasis on prosthetics and orthotics. A project at the University of California Medical Center has produced a below-the-knee artificial limb which is becoming a standard instrument. Projects at Case Institute and Temple University have produced methods for controlling paralyzed arms through electronic activation.

In the area of mental and personality disorders, more research emphasis is being placed on alcoholism, drug addiction, and rehabilitation of the disabled in correctional institutions. New halfway houses for alcoholics and drug addicts have been established. Eight projects, involving collaborative effort between State agencies and prison administrators, are devoted to the vocational rehabilitation of parolees and probationers in prison systems.

The Training Program

The VRA training program, instituted under a provision of the 1954 amendments to the Vocational Rehabilitation Act, was expanded to considerably greater proportions in 1966. Funds for the training program began with $900,000 in 1954. The appropriation for training for 1966 was $24.8 million—25 percent greater than the previous year—for support of 451 teaching projects in 152 schools and institutions.

Grants were made also for 4,546 traineeships in the several disciplines allied with rehabilitation. These included medicine, dentistry, nursing, occupational therapy, physical therapy, prosthetic-orthotic education, counseling, recreation, psychology, social work, sociology, speech pathology and audiology, and facility administration. Grants also were made for specialized training programs in rehabilitation of the deaf, blind, mentally ill, and mentally retarded persons, public offenders, and for interdisciplinary training.

By the end of 1966, 3,250 persons had graduated from VRA-supported long-term training programs. During the year there were 41 programs in operation for postgraduate studies, with 16 more in the planning stage. In addition, training programs for counselors in psychiatric rehabilitation were established in four universities.

Short-term projects conducted during the year provided training for 8,500 people.

Social Security Disability Applicants

State rehabilitation agencies may now be reimbursed from the social security trust funds for their costs in providing rehabilitation services for social security disability beneficiaries.

An amendment to the Social Security Act in 1965 which made this possible has stimulated activity by the State agencies in this regard. Approximately 13,000 of the people rehabilitated in 1966 were from this source. Some State agencies have appointed special coordinators to supervise those activities and have assigned counselors to work exclusively with these disabled people.

Rehabilitating Armed Forces Rejectees

In joint responsibility with the Public Health Service, VRA is administering a program of screening young men rejected by the Armed Forces for medical reasons. During the year, approximately 40,000 rejectees who had disabilities that might be benefited by medical treatment or other rehabilitation services accepted referral to private physicians or to their State rehabilitation agencies. The number is expected to reach about 70,000 in the next year.

Heart Disease, Cancer, and Stroke

The national focus on heart disease, cancer, and stroke engendered by the report of the President's Commission on these killing diseases led to increased activities in the public rehabilitation program.

VRA sponsored conferences of specialists and leaders in each of the three fields—a cardiac group at Tufts University, a cancer group at the New York University Medical Center, and a stroke group at Baylor University.

The conferences were designed to stimulate specialists and researchers to sponsor research in their fields. The result has been a notable increase in project applications, presaging acquisition of new knowledge and techniques for serving people disabled by these handicaps.

Services for the Blind

The year was notable for the largest increase in the number of blind persons rehabilitated into employment in the past decade. More important was the wide range of occupations they entered, such as education, law, engineering, and social work.

Two graduate training programs in mobility of the blind produced 31 instructors during the year who were employed by public and private agencies to extend their mobility training programs.

The vending stand program, administered under the Randolph-Sheppard Act, and under the general supervision of State rehabilitation agencies, continued its growth. In 1966, 2,661 vending stands provided employment for 2,915 operators. The total gross income of these stands was $65,309,084, which provided annual earnings of $4,932 per operator.

The Mentally Ill

In 1966, there was a notable increase in the proportion of mentally ill persons rehabilitated through the public program. The proportion rose to 15 percent of the total number rehabilitated, as compared to 13 percent the previous year.

Several factors are responsible for this increase. Many States have emphasized their work with the mentally ill and are employing more

trained staff. Practically every State assigns full-time rehabilitation counselors to its mental hospitals, who serve as an integral part of the total therapeutic community. A growing trend is the establishment of rehabilitation units within hospitals which offer vocational and prevocational training by highly qualified personnel representative of several disciplines. More and more States are operating halfway houses, many of which have been initiated under VRA research and demonstration grants.

Alcoholism

During the last half of the year, State rehabilitation agencies were preparing programs to combat alcoholism with grant support provided by the 1965 amendments. Iowa's Division of Vocational Rehabilitation was awarded an expansion grant to help establish halfway houses for alcoholics, and had set aside $75,000 of its basic support funds to provide direct services to alcoholics and to encourage them to participate in rehabilitation programs.

Another collaborative project, supported by an extension and improvement grant, is active at Danville State Hospital in Pennsylvania, where the State Bureau of Vocational Rehabilitation is providing comprehensive rehabilitation services in the hospital's alcoholics rehabilitation unit. Other States have similar programs in the planning stage.

International Research

The international rehabilitation research carried on in other countries, with the support of VRA, continued to produce tangible results.

More than 100 projects have been approved since Congress authorized VRA to use local currencies owned by the United States in eight foreign countries for support of rehabilitation research. The currencies accumulate from purchases of U.S. commodities—in Burma, India, Israel, Pakistan, Poland, Syria, the United Arab Republic, and Yugoslavia. Researchers in these countries are seeking methods of coping with a variety of disabilities. Many of their projects parallel those in the United States, and researchers from these countries and from the United States exchange visits under provisions of the International Health Act. About 85 foreign scientists and research experts in the field of rehabilitation have visited the United States since 1960. More than 100 U.S. experts have been sent abroad to work in the VRA-supported projects.

Since 1947, VRA has planned and supervised itineraries and programs for some 1,800 foreign visitors to observe or be trained in U.S. rehabilitation methods and practices.

Table 1.—*Number of referrals and active cases, by agency, fiscal year 1966*

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	670,290	236,925	243,243	190,122	499,283	154,279	21,726	27,208	296,070
Alabama	15,428	6,463	4,205	4,760	13,317	3,988	436	760	8,133
Alaska [7]	416	142	170	104	368	82	28	62	196
Arizona:									
General	3,348	1,250	1,225	873	2,450	804	135	53	1,458
Blind	180	34	65	81	161	37	16	6	102
Arkansas:									
General	11,615	5,419	3,804	2,392	9,581	3,563	430	208	5,380
Blind	488	269	57	162	269	100	4	1	164
California	53,549	12,906	27,529	13,114	26,520	4,522	1,801	3,540	16,657
Colorado	7,091	3,167	2,017	1,907	6,064	1,955	468	304	3,337
Connecticut:									
General	5,121	2,782	1,144	1,195	5,073	1,250	275	339	3,209
Blind	243	89	56	98	244	75	24	2	143
Delaware:									
General	1,650	938	510	202	1,818	640	51	103	1,024
Blind	45	35	9	1	92	28	6	0	58
District of Columbia	7,624	3,010	3,356	1,258	5,301	1,742	410	457	2,692
Florida:									
General	38,756	11,694	16,226	10,836	21,341	6,742	1,685	1,177	11,737
Blind	3,148	485	1,047	1,616	1,333	325	62	41	905
Georgia	34,052	10,811	10,383	12,858	20,107	8,009	575	653	10,870
Guam	114	38	25	51	92	27	7	3	55
Hawaii:									
General [7]	1,854	654	550	650	1,586	395	130	50	1,011
Blind	245	152	71	22	152	25	6	13	108
Idaho:									
General	2,022	693	835	494	1,457	515	42	7	893
Blind	38	15	18	5	45	10	1	1	33
Illinois	26,127	11,897	9,190	5,040	24,476	8,302	509	2,258	13,407
Indiana:									
General	6,391	3,002	2,093	1,296	6,814	1,830	97	243	4,644
Blind	204	73	47	84	210	44	7	14	145
Iowa:									
General	8,101	2,483	2,498	3,120	5,403	1,462	138	206	3,597
Blind	273	121	30	122	332	68	6	7	251
Kansas:									
General	3,339	1,527	1,228	584	2,873	991	182	158	1,542
Blind	446	116	174	156	302	72	15	5	210
Kentucky	16,581	5,569	7,320	3,692	10,176	4,365	496	301	5,014
Louisiana:									
General	7,445	4,163	1,650	1,632	10,530	2,656	427	372	7,075
Blind	679	138	281	260	776	108	18	18	632
Maine:									
General	2,007	480	452	1,075	1,195	382	48	59	706
Blind	394	148	120	126	328	80	20	8	220
Maryland	11,655	5,513	3,374	2,768	9,640	3,361	382	680	5,217
Massachusetts:									
General	12,487	4,031	5,478	2,978	8,631	2,903	241	595	4,892
Blind	307	156	43	108	534	109	32	17	376
Michigan:									
General	18,698	7,551	4,222	6,925	15,350	4,967	468	278	9,637
Blind	526	291	85	150	653	142	29	28	454
Minnesota:									
General	10,779	3,499	2,781	4,499	7,042	2,054	274	208	4,506
Blind	1,088	233	543	312	781	156	31	48	546
Mississippi:									
General	6,464	2,031	2,077	2,356	4,383	1,529	153	178	2,523
Blind	1,415	438	605	372	1,027	332	34	15	646
Missouri:									
General	15,386	5,138	6,116	4,132	9,062	3,653	368	112	4,929
Blind	667	189	232	246	491	167	15	15	294
Montana:									
General	2,088	820	793	475	2,404	538	60	242	1,564
Blind	107	47	20	40	93	26	2	1	64
Nebraska:									
General	2,503	1,334	384	785	3,283	822	107	95	2,259
Blind	603	180	226	197	341	97	16	6	222

See footnotes at end of table.

Table 1.—*Number of referrals and active cases, by agency, fiscal year 1966*—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	1,253	412	592	249	655	176	106	44	329
Blind	168	30	51	87	73	20	2	0	51
New Hampshire:									
General	907	249	253	405	664	193	33	43	395
Blind	120	48	18	54	139	27	3	2	107
New Jersey:									
General	14,396	5,368	4,054	4,974	11,121	3,915	327	502	6,377
Blind	990	265	338	387	637	195	20	34	388
New Mexico:									
General	2,321	657	1,168	496	1,299	434	86	56	723
Blind	190	59	61	70	151	42	12	6	91
New York:									
General [7]	33,897	13,016	10,305	10,576	29,902	8,881	1,256	1,764	18,001
Blind	2,990	819	728	1,443	2,196	631	70	109	1,386
North Carolina:									
General	18,893	9,563	6,594	2,736	19,997	8,728	832	731	9,706
Blind	1,625	615	701	309	1,419	456	37	115	811
North Dakota	3,013	698	988	1,327	1,861	376	53	135	1,297
Ohio:									
General	11,965	4,839	3,879	3,247	9,742	3,172	314	495	5,761
Blind	935	357	246	332	1,121	263	43	68	747
Oklahoma	10,246	4,347	2,932	2,967	11,946	2,700	480	542	8,224
Oregon:									
General	7,140	2,127	2,878	2,135	4,368	1,039	323	291	2,715
Blind	202	51	56	95	198	56	6	3	133
Pennsylvania:									
General	51,517	17,680	17,579	16,258	41,334	11,679	2,819	1,927	24,909
Blind	4,447	866	1,635	1,946	2,073	659	82	104	1,228
Puerto Rico	14,704	3,953	4,572	6,179	9,409	2,136	201	652	6,420
Rhode Island:									
General	5,662	2,320	980	2,362	5,123	1,472	174	77	3,400
Blind	156	101	21	34	263	73	0	18	172
South Carolina:									
General	19,522	6,974	7,530	5,018	14,294	4,155	515	894	8,730
Blind	326	112	111	103	420	130	10	23	257
South Dakota:									
General	1,980	543	700	737	1,317	341	40	21	915
Blind	723	80	272	371	192	48	5	3	136
Tennessee:									
General	12,218	4,944	3,808	3,466	10,309	3,652	341	411	5,905
Blind	1,213	431	528	254	825	318	23	37	447
Texas:									
General	24,717	8,657	11,803	4,257	17,774	5,652	931	658	10,533
Blind	2,344	860	535	949	1,434	452	18	24	940
Utah	2,370	1,213	574	583	3,194	822	105	41	2,226
Vermont:									
General	1,641	423	559	659	1,044	240	65	84	655
Blind	71	18	14	39	55	15	4	2	34
Virginia:									
General	18,473	5,559	9,390	3,524	11,922	4,572	487	1,021	5,842
Blind	1,046	281	310	455	581	234	23	9	315
Virgin Islands [7]	258	76	15	167	161	58	0	0	103
Washington:									
General	8,135	1,928	3,366	2,841	4,640	1,209	267	191	2,973
Blind	476	164	152	160	416	121	18	18	259
West Virginia	20,709	6,614	7,271	6,824	15,606	4,029	214	1,641	9,722
Wisconsin:									
General	20,982	6,822	9,792	4,368	13,577	4,550	505	397	8,125
Blind	244	103	87	54	263	58	24	6	175
Wyoming	1,318	469	433	416	1,067	250	85	62	670

[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, 1966.

[7] Partially estimated.

Table 2.—*Vocational rehabilitation grants, fiscal year 1966, to State divisions of vocational rehabilitation*

State or territory	Support grants	Extension, improvement, and innovation grants	Total
Total	$141,120,041	$1,842,848	$142,962,889
Alabama	5,472,415	50,773	5,523,188
Alaska	257,293		257,293
Arizona	1,904,888	18,865	1,923,753
Arkansas	4,567,114	28,807	4,595,921
California	9,780,232	269,500	10,049,732
Colorado	2,295,182		2,295,182
Connecticut	1,357,390	32,977	1,390,367
Delaware	270,686		270,686
District of Columbia	538,688	15,000	553,688
Florida	5,084,999	41,068	5,126,067
Georgia	9,142,077	63,992	9,206,069
Guam	125,326		125,326
Hawaii	784,638		784,638
Idaho	380,000		380,000
Illinois	5,772,710	148,411	5,921,121
Indiana	1,242,219		1,242,219
Iowa	1,485,208		1,485,208
Kansas	912,577		912,577
Kentucky	2,162,734	47,078	2,209,812
Louisiana	4,073,996	34,650	4,108,646
Maine	412,165	6,714	418,582
Maryland	2,419,952	19,251	2,439,203
Massachusetts	2,363,252	28,286	2,391,538
Michigan	3,574,047		3,574,047
Minnesota	1,732,021	17,212	1,749,233
Mississippi	1,682,735	8,580	1,691,315
Missouri	2,420,348	46,671	2,467,019
Montana	477,498	15,000	492,498
Nebraska	625,937	14,704	640,641
Nevada	230,403	15,000	245,403
New Hampshire	186,145	9,563	195,708
New Jersey	2,806,911	73,154	2,880,065
New Mexico	442,275	7,582	449,857
New York	9,022,186	242,815	9,265,001
North Carolina	5,009,816		5,009,816
North Dakota	707,448	7,125	714,573
Ohio	2,967,101	119,285	3,086,386
Oklahoma	2,676,990	36,735	2,713,725
Oregon	1,524,180		1,524,180
Pennsylvania	12,593,374	63,559	12,656,933
Puerto Rico	2,488,021	27,750	2,515,771
Rhode Island	907,000	15,000	922,000
South Carolina	3,272,207	35,095	3,307,302
South Dakota	651,894	12,000	663,894
Tennessee	3,058,045	45,280	3,103,325
Texas	4,709,480	116,207	4,825,687
Utah	647,327		647,327
Vermont	429,058		429,058
Virginia	3,510,669		3,510,669
Virgin Islands	82,903	1,500	84,403
Washington	1,806,578	29,587	1,836,165
West Virginia	4,025,429	26,780	4,052,209
Wisconsin	3,640,094	41,239	3,681,333
Wyoming	406,180	10,350	416,530

Table 3.—*Vocational rehabilitation grants, fiscal year 1966, to State commissions or agencies for the blind*

State or territory	Support grants	Extension, improvement, and innovation grants	Total
Total	$12,445,985	$155,320	$12,601,305
Arizona	169,167	4,696	173,863
Arkansas	339,000		339,000
Connecticut	170,500	8,244	178,744
Delaware	55,172	12,038	67,210
Florida	858,624		858,624
Hawaii	96,109		96,109
Idaho	35,320		35,320
Indiana	84,550	9,123	93,673
Iowa	559,815		559,815
Kansas	197,000		197,000
Louisiana	305,599		305,599
Maine	153,648		153,648
Massachusetts	372,448		372,448
Michigan	229,399	13,189	242,588
Minnesota	410,531	11,032	421,563
Mississippi	633,766	4,965	638,731
Missouri	335,900	8,430	344,330
Montana	77,907		77,907
Nebraska	134,710	7,352	142,062
Nevada	57,601		57,601
New Hampshire	61,060		61,060
New Jersey	390,000	3,900	393,900
New Mexico	110,111		110,111
New York	995,354		995,354
North Carolina	809,050		809,050
Ohio	893,296	14,235	907,531
Oregon	139,060		139,060
Pennsylvania	937,315	31,064	968,379
Rhode Island	113,040		113,040
South Carolina	108,166		108,166
South Dakota	136,511	3,000	139,511
Tennessee	972,444		972,444
Texas	715,455	7,744	723,199
Vermont	63,079		63,079
Virginia	286,000		286,000
Washington	237,331	7,562	244,893
Wisconsin	201,947	8,746	210,693

Administration on Aging

Introduction

THE CREATION of the new Administration on Aging, under the provisions of the Older Americans Act of 1965, marks a major step forward in the Nation's awareness of the need for the full participation of older citizens in our social and economic life. At the signing ceremonies on July 14, 1965, President Johnson stated, "The Older Americans Act clearly affirms our Nation's high sense of responsibility toward the wel-being of older citizens. . . . Under this program, every State and every community can move toward a coordinated program of both services and opportunities for older citizens."

The Act established the Administration on Aging as one of the major operating agencies within the Department. The Administration became operational on October 1, 1965. It is headed by a Commissioner on Aging, appointed by the President and directly responsible to the Secretary. William D. Bechill of California was sworn in as the first Commissioner on November 2, 1965.

The Administration on Aging serves as the central focus within the Federal Government in all matters of concern to older people, including adequate income, housing, health, job opportunities, and the need for meaningful participation in the life of the community. It is the traffic center of ideas for older Americans, and the central clearinghouse for information pertaining to aging.

It has the responsibility for stimulating the effective use of existing resources and programs in developing services and opportunities for older people.

Much of the activity during fiscal year 1966 was devoted to setting up, organizing, and staffing the new Administration, and to defining goals and objectives on behalf of older Americans. To carry out its responsibility, the new Administration was organized into five offices:

the Office of the Commissioner; the Office of State and Community Services; the Office of Program Policy and Information; the Office of Research, Demonstration, and Training; and the Office of Administration. State operations are facilitated through regional representatives in the nine regions of the Department.

In addition to authorizing the establishment of the Administration on Aging, the Older Americans Act also provides for increased services to the aged by authorizing three grant programs.

Grants for Community Planning, Services, and Training

Title III of the act authorizes a program of grants to the States to help them establish and strengthen State and local agencies on aging and to assist in the development of services and opportunities for the elderly in their home communities. To receive these funds, the State must designate a single agency which has primary responsibility for developing and coordinating programs in aging and has legal authority to conduct a project grant program. This agency, in turn, submits a plan for administering the program. When the plan is approved, the agency becomes eligible to receive title III funds.

During fiscal 1966, 51 of the 55 jurisdictions designated an agency to administer the program in their State. By the end of the year, the plans of 35 States had been approved, representing approximately $3.5 million of the $5 million appropriated for allotment to the States. At the end of the year, approval was pending on three additional State plans.

Each State plan was developed in accord with State needs.

The plans contain a wide variety of interests and services to carry out the four basic purposes of these grants:

- Community planning and coordination of services for the elderly.
- Training people to work in the field of aging.
- Demonstration of new techniques to serve older people and to use their skills.
- Establishment of new services and expansion of proven programs.

The State agencies approved during this period some 83 grants for community projects in aging, and a number of projects were in the final stages of development prior to funding. The approved projects included homemaker and handyman services; transportation, shopping, and library services; foster home care; meals-on-wheels delivered to the homebound; employment guidance; friendly visiting; retirement preparation; financial and legal assistance and counseling; consumer advisory service; health services; and one-stop guidance and referral centers. New multipurpose centers were established and serv-

ices in existing ones were expanded. Community planning projects involved housing, nursing home services, social services for the homebound, and recreational and educational opportunities for older people. Developing employment opportunities and combating age discrimination in employment were also part of some projects. Others called for volunteer community-service work by older people as well as programs to facilitate independent living at home.

Grants for Research and Demonstration

Research and demonstration grants, authorized by title IV of the Act, hold great promise in helping to discover new techniques and methods for meeting present and future needs of older people. These grants are made directly to, or through contract with, a public or nonprofit private agency, organization, or institution, or an individual. Projects to develop new and more effective services to help older people share more fully in the opportunities available to others in their community are encouraged.

Twenty-seven projects were funded during the year. They involve development of a pilot multipurpose senior center, reduction of social isolation, improvement of nutrition, meaningful and rewarding use of free time, rehabilitation of retired persons, training and redevelopment of skills, part-time and special employment, and education for retirement. Among the grants for studies of the personal and social adjustment of older persons were:

- A study of how a community center can serve as an institution for developing services and opportunities for the elderly.
- A program to test whether home teaching is a feasible way to meet the needs of newly blind older people.
- Demonstration institutes to offer retired people and those about to retire opportunity to continue or begin to pursue educational and cultural interests.

Emphasis was placed on the support of research that is not being carried out by other agencies. It is hoped that the results of these research and demonstration projects will encourage leaders in organizations throughout the country to apply their energies more knowledgeably and imaginatively in solving the problems of older people.

Grants for Training

The interest shown during the year in the training grant program, authorized by title V of the Act, reflected the great need for trained personnel in every kind of service for older people. The aim of the program is to provide the trained professional and subprofessional

people that are needed in senior centers, in housing for the elderly, in nursing homes, and in colleges and universities. The new grant money is helping to stimulate university interest in education and training related to the aged. It provides support for the education of persons who will make a career of service to older people and for short-term training of personnel of housing projects, senior centers, and community service organizations. The program is also encouraging the training of older adults themselves and community leaders for participation in programs for older persons.

The 12 projects funded during the year were addressed to providing: Knowledge and skills in the field of aging for trained administrators and program planners; university faculty with competencies in the field of aging; housing managers, senior center directors, and adult education leaders with increased knowledge and skills in the field of aging; curriculum materials for short-term and long-term training; lay leaders (older people where possible) for community projects and services; and university graduates with an exposure to older people and their special needs.

Activities With Voluntary and Religious Organizations

Since the Older Americans Act made Federal assistance available for the expansion and coordination of services for the elderly in local communities, the interest and support of national voluntary organizations and their State and local affiliates have greatly increased. The Administration has given assistance and consultation to many organizations during the year and has taken part in national meetings of the American Psychiatric Association, the National Council on the Aging, the National Council of Senior Citizens, and the National Association of State Units on Aging. It has worked with the American Association of Retired Persons, the National Farmers Union, the National Association of Housing and Redevelopment Officials, the American Red Cross, the American Optometric Association, the American Library Association, the National Recreation and Park Association, the National Association of Counties, the National Council of Jewish Women, B'nai B'rith Women, various service clubs, and major labor unions.

The conception of the role of the church in the field of aging has moved, during the past few years, beyond the traditional homes for the aged and nursing homes to broader programs related to the basic needs of all the elderly. A publication called *Brighter Vistas* was issued by the Administration on Aging to describe four pioneer church programs for older adults.

A series of meetings was held with State agencies on the application of the Civil Rights Act of 1964 to grants under the Older Americans

Act. In addition, the Administration on Aging sponsored a meeting of national voluntary organizations to solicit cooperation in developing a climate for voluntary hospital compliance with the Civil Rights Act in advance of medicare.

The Foster Grandparent Program

One of the most vital and promising programs advanced by the Administration on Aging is the foster grandparent program. Under this program, low-income persons over age 60 are employed to provide a meaningful personal relationship to deprived, institutionalized children. Each foster grandparent gives special, individual attention to a dependent, neglected, sick or otherwise handicapped child living in an institution. Thirty-three projects were authorized to employ 2,000 foster grandparents to serve approximately 4,000 children. The Administration on Aging, under contract from the Office of Economic Opportunity, is responsible for the management of the program.

The response to this program throughout the country has been excellent. Numerous reports were received indicating great improvement in the health, behavior, and abilities of the children, and a new meaning to life for the foster grandparents. Ways to expand the program to its full potential are now being examined.

Senior Citizens Month

The President proclaimed May as Senior Citizens Month, with the theme "A New Day for the Older American," and called upon every State and community to move toward a coordinated program of services and opportunities for all older citizens.

The Administration on Aging spearheaded observance of the month in cooperation with 15 other departments and agencies of the Federal Government. State and local units on aging and voluntary and religious organizations throughout the country participated.

Relationship With Other Federal Agencies and Clearinghouse for Information

To stimulate cooperation among Federal agencies for the most effective use of existing programs, and to carry out the role of clearinghouse for information on aging, the Commissioner on Aging has been designated chairman of the executive committee of the President's Council on Aging. This interdepartmental council, created by an Executive Order of the President, serves as a means for keeping Federal departments and agencies mutually informed about developments in the field of aging, for discussing proposed program operations, and

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for focusing particularly on identification of specific areas of joint agency concern and action. The HEW Departmental Committee on Aging serves a similar purpose within the Department. Some cooperative activities during the year were:

- The Surgeon General and the Commissioner on Aging signed an agreement under which the Administration on Aging will provide technical services to the Public Health Service for its home health aide program under a contract with the Office of Economic Opportunity. Similarly, the possibility of some type of joint program in the development of home health services was explored with the Public Health Service. This would involve joint Federal planning to bring together State commissions on aging and State public health agencies and others in a working relationship to help communities organize and develop home health services.
- Extensive coordination was undertaken, not only with the Department of Housing and Urban Development but with national organizations and individuals interested in housing for the aged.
- The Administration on Aging and six other Government agencies jointly financed a survey on susceptibility to health fallacies and misrepresentation, which will identify reasons why the elderly accept the blandishments of the quack.

New publications ranged from basic fact sheets on the organization to general interest booklets on a variety of subjects important to older people. One publication was *Are You Planning on Living the Rest of Your Life?*, a booklet on retirement preparation. The first *National Directory of Senior Centers* was published. *Aging*, the monthly news magazine, reached a record high in distribution.

The Advisory Committee on Older Americans

As provided by the Older Americans Act, 15 prominent citizens and leaders in the field of aging were appointed to the Advisory Committee on Older Americans, created by the Act. The committee, charged with advising the Secretary of Health, Education, and Welfare on "matters relating to his responsibilities under the Act and related activities of his Department," held two meetings to review the objectives set forth in the Act and to develop recommendations for the Secretary. The committee has agreed upon the following overall goals as basic to planning present and future programs for the aged:

- Provision of a favorable social, economic, and political environment to enable the older American to participate fully in American life and society.
- Development of realistic programs for older people in health, housing, recreation, community services, employment, income maintenance, education, and rehabilitation.

- Creation of opportunities for older people to live more meaningful lives in retirement: to express themselves, to serve others, to travel, and to maintain their independence.

The Nature of the Challenge

In this century, the U.S. population aged 65 and over has increased sixfold, to about 19 million people. Persons 65 and over now constitute 9.4 percent of the Nation's population, as compared with 4.1 percent at the beginning of the century. During the next 20 years, the older population is expected to reach 25 million.

Older people have special needs. These needs multiply as the number of persons in the older age group increases, and as industrialization and urbanization make for greater anonymity and interdependence of people. Recent Government action has created the machinery to plan and provide more vital opportunities for older people than ever before possible in our history. The legislation recognizes, however, that the ultimate success of the programs will depend as much upon the informed leadership and initiative of local communities as on the support of the Federal Government.

Saint Elizabeths Hospital

SAINT ELIZABETHS HOSPITAL, the largest federally operated hospital for the mentally ill, fulfills its statutory mission by means of three major activities:

- Treatment—therapeutic, rehabilitative, and protective programs for patients.
- Training and Education—multidisciplinary clinical training programs for professional and other personnel engaged or interested in mental health activities.
- Research—coordinated research programs and projects to obtain a better understanding of the causes of mental disorders, and of the factors bearing upon their development, treatment, and possible prevention.

Patient Population Trends

In spite of the new postwar high in the number of admissions (2,162), the average number of patients in the hospital continued to decline in 1966, reaching a new postwar low of 5,929 compared with 6,131 in 1965. The average number of patients on the rolls (7,569), however, remained fairly constant (7,585 in the preceding fiscal year). About 20 percent (1,432 patients) of the on-rolls population was on convalescent leave at the end of the fiscal year. Discharges increased to 1,685, a new postwar high. The figures indicate more frequent use of the hospital and more successful treatment. Especially effective has been treatment which has moved patients to an outpatient setting.

The following table reflects a continuing generally favorable trend:

	June 30, 1965	June 30, 1966	Changes since June 1965
Patients on rolls	7,549	7,516	−33
Resident patients	6,131	5,924	−207
On limited leave	71	82	+11
On convalescent leave	1,271	1,432	+151
On unauthorized leave	76	78	+2

Accreditation and Medicare

The hospital's accreditation was renewed for a 3-year period by the Joint Commission on Accreditation of Hospitals. The Commission, in granting accreditation, made a number of recommendations. It also stated that "the plan to replace many old buildings now housing patients with entirely new construction is highly commended." This statement undoubtedly was based largely on the assumption that the proposed 450-bed Psychiatric Rehabilitation Center, for which funds were and are available, would be constructed in the near future. Detailed plans and specifications for this structure were completed in 1964, but approval has not been forthcoming to proceed with construction. The hundreds of patients affected are thus forced to continue living in what can only be termed primitive facilities.

Accreditation by the Joint Commission and the development of an accepted utilization review plan resulted in the approval of the hospital as a "provider of service" under medicare. Approximately 2,400 patients were enrolled for basic benefits and, of these, about 25 percent were enrolled for supplemental benefits.

Treatment Program

With shorter average hospitalization and the staff's success in moving out long-term patients there is renewed enthusiasm and vigor. The previously cited increase in admissions included an expansion in the number of more treatable cases who voluntarily sought hospitalization early in their illness. Emergency admissions also increased. Some progress was made in decentralization. A new unit, established to receive and treat women under criminal charges, helped improve continuity of patient treatment.

Outplacement of more patients resulted from many factors in addition to successful treatment. Some of these include better organization of industrial therapy, more counselors in vocational rehabilitation, intensification of foster care placement (a special boon to the elderly and long-hospitalized) and followup; camping trips for patients; and emphasis on outpatient clinics and day hospital facilities.

Improved public interest in the mentally ill has been furthered at the hospital through employer seminars, hospital tours (3,228 visitors were conducted through the hospital during the year), ceremonies to recognize the contributions of volunteers, and television and radio productions. Increased public interest has helped in turn to bring earlier, more treatable, admissions to the hospital.

The Youth Center

Although the adolescent and younger patients constitute only a small percentage of the total patient population, they present unusual challenges. They demand more effort and more work than a similar number of adult patients, but, by and large, because of their age, they present a greater prospect of favorable response to treatment than a similar group of adult patients. These patients are an extremely heterogeneous group. They include a wide range of IQ's—from those of mentally retarded level to above average intelligence—and a wide range of family backgrounds from foundlings to middle-class children from intact homes.

The establishment of the Youth Center in fiscal year 1964 was a significant step in developing programs oriented toward children. The Center has not only greatly helped its young patients to establish more appropriate values and aided them in securing some education but, almost as important, the training of the teachers of the Youth Center staff has produced an important cadre of people expert in working with emotionally disturbed children. Many other steps necessary in establishing a long-range youth treatment program for the hospital remain to be accomplished.

Devising ways to house the children in one building has made it possible to provide a more consistent total treatment and living program for the children. Also, liaison has been established with the District of Columbia General Hospital, a major source of referrals, so that children transferred to Saint Elizabeths have a program and plan ready for them when they are admitted.

The progress made does not lessen the hospital's great need for a separate residential treatment center for adolescents. The necessarily specialized nature of the facility required can be met only by new construction.

Professional Training and Education

Fiscal year 1966 was marked by further consolidation and modest expansion of training programs in which a total of more than 700 trainees were enrolled. Most training programs showed further healthy development and quality improvement. Of special importance has been the marked increase in medical student teaching, which places a growing demand on teaching staff time. A closer relationship was developed with the Clinical Neuropharmacology Research Center, National Institute of Mental Health, and the Saint Elizabeths research staff made a greater commitment than in preceding years to teaching

research techniques in the training program. The psychiatric residency program was surveyed by the American Medical Association Council on Medical Education. The hospital's 3-year training program was approved for another training period.

The hospital joined the National Psychiatric Residency Matching Plan, which is an arrangement for assigning residents to the hospital of their choice, and which now includes the great majority of psychiatric training centers in the United States. It operates in a manner similar to the Intern Matching Plan. All applicants must register with the NPRMP and results of the matching procedure are announced annually in December for the following July.

During recent years the hospital has accepted responsibility for teaching more medical students more intensively, particularly in the field of psychiatry. The primary affiliation is with the George Washington University School of Medicine, although students also come from Howard University and, increasingly, from other schools of medicine. During the year, all senior hospital research staff and psychiatric training staff were appointed to the faculty of the Department of Psychiatry of George Washington University.

The nonmedical training programs of the hospital continued to function effectively during the year. Most programs had a full complement of trainees, and they experienced further strengthening of curricula. These programs have a considerable advantage over the medical programs in that the training requirements of the discipline may more easily be made congruent with the hospital's service needs.

Research

A major realignment of total research activities took place during the year, bringing the hospital's Behavioral and Clinical Studies Research Center (BCSRC) into closer operational relationship with the Clinical Neuropharmacology Research Center (CNRC) of the National Institute of Mental Health. These administrative changes reflect a basic policy reorientation for the joint hospital-NIMH research activity at Saint Elizabeths.

Henceforward, the CNRC plans to give increasing emphasis to research in neurophysiology, neurochemistry, psychopharmacology, neuropharmacology, basic neuroanatomical sciences, electrophysiology of behavior, and model systems design. Complementing these areas of research, the hospital's Behavioral and Clinical Studies Research Center will continue development of existing programs in experimental psychiatry, operant conditioning and psychophysics, psychophysiology, communications behavior, personality assessment, and criminal

behavior, with an increasing emphasis on clinical investigations by staff from both CNRC and the hospital.

Administrative restructuring of the joint Saint Elizabeths-NIMH research activity permitted a sharper definition of program missions and promoted the internal organization coherence designed to enhance, not restrict, responsible scientific freedom for the investigator.

Special attention has been given, and will continue to be given, to cooperative efforts with research colleagues of the intramural and extramural divisions of NIMH who require access to the hospital's clinical population for their work.

Staffing

Employment at the end of the year, exclusive of trainees and certain other groups, was 3,640, the same as at the end of the preceding year. Although the employee-patient ratio improved, this was due entirely to the decrease in patient population. Serious staffing shortages continue in almost all employment categories but particularly in those dealing directly with patients, such as nurses and nursing assistants.

Buildings and Facilities

Funds were appropriated and a contract entered into for the development of a proposal leading to the construction of additional facilities for the treatment of patients admitted as a result of criminal proceedings and for those civil patients requiring treatment in a security setting. A total of $1,952,000 was also appropriated for a number of other projects, principally the continuation of major electrical and plumbing improvements, and the air conditioning of Nichols Building which houses several hundred geriatric patients. Work continued on projects for which funds had been appropriated in previous years.

Table 1.—*Patients, admissions, discharges and deaths, fiscal years 1956–1966*

Fiscal year	Average number of patients		Admissions [1]	Discharges [1]	Discharges as percent of admissions	Deaths [1]
	On rolls	In hospital				
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
1966	7,569	5,929	2,162	1,685	78	510

[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, 1966*

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	7,516	5,924	5,877	47	82	1,432	78
Males	3,622	2,977	2,957	20	42	547	56
Females	3,894	2,947	2,920	27	40	885	22
Time since admission:							
Less than 6 months	668	584	580	4	3	92	9
6 to 11 months	443	316	311	5	1	120	6
1 year	731	450	442	8	18	255	8
2 years	451	292	288	4	10	142	7
3 to 4 years	435	287	282	5	1	141	6
5 to 9 years	1,550	1,132	1,122	10	31	352	35
10 to 19 years	1,287	1,056	1,047	9	10	215	6
20 years and over	1,931	1,807	1,805	2	8	115	1
Median time since admission (years)	8.3	9.6	9.6	3.9	6.3	4.5	5.4
Ethnic group:							
White	3,725	3,034	3,013	21	44	611	36
Nonwhite	3,791	2,890	2,864	26	38	821	42
Age (years):							
Less than 15	19	17	17	0	0	2	
15–17	33	24	24	0	0	8	1
18–24	267	193	188	5	2	66	6
25–34	808	551	544	7	9	220	28
35–44	1,126	768	756	12	17	321	20
45–54	1,405	1,024	1,015	9	21	343	17
55–64	1,507	1,191	1,184	7	9	302	5
65–74	1,245	1,110	1,103	7	15	120	0
75–84	815	764	764	0	9	41	1
85 and over	291	282	282	0	0	9	0
Median age	56	58	58	45	52	48	37

[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 1966*

Sex, time since admission, ethnic group, and age	Patients on rolls June 30, 1965	Admissions	Discharges	Deaths	Patients on rolls June 30, 1966	Change during year
Total	7,549	2,162	1,685	510	7,516	−33
Males	3,661	1,301	1,083	257	3,622	−39
Females	3,888	861	602	253	3,894	+6
Time from admission to June 30, 1966: [1]						
Less than 6 months	701	1,058	341	28	688	−13
6–11 months	461	1,104	606	54	443	−18
1 year	603	----------	364	68	731	+128
2 years	540	----------	109	43	451	−89
3–4 years	819	----------	43	39	435	−384
5–9 years	1,110	----------	153	121	1,550	+440
10–19 years	1,324	----------	49	61	1,287	−37
20 years and over	1,991	----------	20	96	1,931	−60
Ethnic group:						
White	3,857	994	838	288	3,725	−132
Nonwhite	3,692	1,168	847	222	3,791	+99
Age (years):						
Less than 15	12	21	7	0	19	+7
15–17	29	24	13	0	33	+4
18–24	269	277	225	1	267	−2
25–34	808	464	430	8	808	0
35–44	1,148	458	435	9	1,126	−22
45–54	1,404	353	304	25	1,405	+1
55–64	1,506	216	169	75	1,507	+1
65–74	1,225	168	70	127	1,245	+20
75–84	886	115	24	162	815	−71
85 and over	262	66	8	103	291	+29
Median age	56	41	39	76	56	----------

[1] Data for patients on rolls June 30, 1965, represent time from admission to June 30, 1965.

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 the legal category, June 30, 1966*

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	7,516	5,924	5,877	47	82	1,432	78
Reimbursable	6,696	5,228	5,181	47	71	1,329	68
Residents of D.C.	5,576	4,295	4,255	40	68	1,189	24
D.C. resident (civil judicial order)	4,817	3,891	3,861	30	57	849	20
Voluntary resident	637	297	289	8	10	326	4
Nonprotesting resident	76	63	62	1	1	12	0
Emergency resident	46	44	43	1	0	2	0
D.C. jury trial	91	83	83	0	0	8	0
D.C. Training School	5	4	4	0	0	1	0
D.C. criminal proceedings	648	526	520	6	0	78	44
For examination	44	44	44	0	0	0	0
Mentally incompetent	121	116	116	0	0	0	5
Not guilty, insanity	379	283	277	6	0	65	31
Under sentence	58	57	57	0	0	0	1
Sex psychopath	46	26	26	0	0	13	7
U.S. criminal proceedings	20	20	20	0	0	0	0
Veterans Administration	278	232	231	1	1	45	0
U.S. nationals from abroad	53	50	50	0	0	3	0
U.S. Soldiers' Home	21	14	14	0	2	5	0
Indians (PHS)	4	4	4	0	0	0	0
Nonreimbursable	820	696	696	0	11	103	10
Nonresidents of D.C.	435	337	337	0	8	82	8
D.C. nonresident (civil judicial order)	305	255	255	0	7	36	7
Voluntary nonresident	99	54	54	0	0	44	1
Nonprotesting nonresident	12	9	9	0	1	2	0
Emergency nonresident	19	19	19	0	0	0	0
Military and Coast Guard	209	197	197	0	0	11	1
Virgin Islands	117	111	111	0	0	5	1
Federal reservation	24	17	17	0	3	4	0
Public Health Service	12	12	12	0	0	0	0
Canal Zone	13	13	13	0	0	0	0
Other	10	9	9	0	0	1	0

1 Resident patient status should not be confused with D.C. resident legal category. The former is defined as patients in the hospital plus those on temporary visit.

Table 5.—*Movement of patients on the rolls, by legal category, fiscal year 1966*

Legal category	Patients on rolls June 30, 1965	Additions		Removals			Patients on rolls June 30, 1966	Change during year
		Admissions	From other legal category [1]	Discharges	Deaths	To other legal category [1]		
Total	7,459	2,162	590	1,685	510	590	7,516	−33
Reimbursable	6,749	1,879	24	1,235	471	250	6,696	−53
Residents of D.C.	5,564	1,381	61	766	424	240	5,576	+12
D.C. resident (civil judicial order)	4,955	571	117	316	364	146	4,817	−138
Voluntary resident	542	435	89	347	28	54	637	+95
Nonprotesting resident	51	73	4	18	25	9	76	+25
Emergency resident	16	302	5	85	7	185	46	+30
D.C. jury trial	95	0	1	2	2	1	91	−4
D.C. Training School	0	5	0	0	0	0	5	+5
D.C. criminal proceedings	625	426	10	350	10	53	648	+23
For examination	33	227	3	193	0	26	44	+11
Mentally incompetent	93	102	28	50	3	49	121	+28
Not guilty, insanity	389	40	11	52	6	3	379	−10
Under sentence	67	51	1	52	1	8	58	−9
Sex psychopath	43	6	0	3	0	0	46	+3
U.S. criminal proceedings	28	42	0	46	0	4	20	−8
Veterans administation	352	6	0	52	28	0	278	−74
U.S. nationals from abroad	52	6	1	5	1	0	53	+1
U.S. Soldiers' home	26	12	0	11	6	0	21	−5
Indians (PHS)	5	0	0	1	0	0	4	−1
Other	2	1	0	2	0	1	0	−2
Nonreimbursable	800	283	250	450	39	24	820	+20
Nonresidents of D.C.	383	247	260	417	16	22	435	+52
D.C. nonresident (civil judicial order)	303	0	240	219	11	8	305	+2
Voluntary nonresident	67	99	75	128	3	11	99	+32
Nonprotesting nonresident	6	12	7	7	1	5	12	+6
Emergency nonresident	7	136	8	63	1	68	19	+12
Military and Coast Guard	227	0	0	0	16	2	209	−18
Virgin Islands	121	2	0	3	3	0	117	−4
Federal reservation	33	33	0	29	3	10	24	−9
Public Health Service	13	0	0	0	1	0	12	−1
Canal Zone	13	1	0	1	0	0	13	0
Other	10	0	0	0	0	0	10	0

[1] Subtotal lines exclude legal category changes within the respective groups (e.g., the 10 changes to the total District of Columbia Criminal Proceedings exclude changes from one District of Columbia Criminal Proceedings category to another).

Table 6.—*Discharges, by status from which discharged and by condition, environment, and employment, fiscal year 1966*

Condition or type, environment, and employment	Total	Resident patient status [1]			Limited leave	Convalescent leave	Unauthorized leave
		Total	Direct from hospital	Temporary visit			
Total	1,685	1,135	1,091	44	23	417	110
CONDITION OR TYPE							
Medical discharges	661	251	235	16	20	368	22
Condition on discharge:							
Recovered	55	26	26	0	2	26	1
Socially recovered	382	85	81	4	7	277	13
Improved	208	128	116	12	10	64	6
Unimproved	16	12	12	0	1	1	2
Administrative discharges	1,024	884	856	28	3	49	88
Type of discharge:							
To legal or police authorities	296	292	290	2	1	1	2
To home State or country	123	119	117	2	1	2	1
Against medical advice	249	203	192	11	0	5	41
Court order	153	129	126	3	0	21	3
To VA hospital	75	72	70	2	0	3	0
Expiration of limited stay, for admission to private hospital, etc	128	69	61	8	1	17	41
ENVIRONMENT							
Alone	215	128	123	5	0	74	13
With spouse	280	154	141	13	5	112	9
With relatives (not spouse)	444	262	249	13	10	147	25
With others	98	56	54	2	2	32	8
In foster care home	24	0	0	0	0	24	0
In D.C. Village	4	0	0	0	0	4	0
In other home for aged, nursing or convalescent home	23	11	11	0	2	10	0
In inpatient psychiatric institution	181	169	165	4	1	4	7
In penal institution	312	307	304	3	2	1	2
In other institution	13	12	12	0	0	1	0
Unknown	91	36	32	4	1	8	46
EMPLOYMENT							
Full time	299	140	133	7	4	145	10
Part time or intermittent	38	11	11	0	2	23	2
Seeking work	358	268	253	15	2	62	26
Housewife, student, retired, etc	191	100	93	7	3	86	2
Not employable:							
In institution	470	452	446	6	3	7	8
Other, too ill mentally or physically	132	69	66	3	7	51	5
Unknown	197	95	89	6	2	43	57

[1] Resident patient status should not be confused with D.C. resident legal category. The former is defined as patients in the hospital plus those on temporary visit.

Surplus Property Utilization[1]

FISCAL YEAR 1966 was one of the most active and successful years in the history of the surplus property utilization program—with more than $535 million in Government surplus land, buildings, and a variety of equipment donated or conveyed to health, educational, and civil defense organizations. Surplus personal property with a Federal acquisition cost of more than $464 million was allocated for distribution to health, educational, and civil defense institutions, and surplus real property with an acquisition cost of more than $71 million was transferred for health, including research, and educational utilization.

As a result of the closing of more military bases, many new colleges, technical institutes, and vocational schools were established on properties conveyed through the program; in some areas the colleges would not have been established for many years. These newly established educational facilities also provided a firm basis for communities to encourage industries to move into the areas, thereby assisting in the relief of economic pressures caused by the base closings. The program also rendered needed assistance in disaster areas on the west coast and in the Midwest by providing properties needed and used by civil defense units in providing disaster relief.

Vietnam activities substantially reduced the availability of certain types of surplus personal property during the year. As a result the program accelerated the development of ways of broadening the utilization of property which was available. In addition, accelerated programs were developed to dispose of sophisticated electronic and other gear associated with obsolete missile programs, including the Atlas and Titan I missile systems and a number of the radar tracking and control stations associated with the Sage systems. A similar program was developed for the donation of electronic data-processing equipment. For example, major computing units, consisting of 20 Athena Univac computers with a Government acquisition cost in excess of $54 million, were donated to 19 universities, and donations of 17 additional computer systems of other designs were shared by 19 other universities and

[1] This activity is administered by the Office of the Assistant Secretary for Administration.

technical schools. Universities, colleges, and technical and vocational schools received surplus personal property which had cost more than $50 million from obsolete Atlas and Titan missile sites located in California, Colorado, Idaho, Kansas, Nebraska, New Mexico, New York, Oklahoma, South Dakota, Washington, and Wyoming.

In the surplus real property program, a number of Atlas and Titan missile sites have been conveyed to institutions for educational purposes. Two Atlas E missile sites were conveyed to two institutions in Colorado. One, conveyed to the Colorado State University, will be used in relocating hazardous research activities—in cryogenics and radiation acceleration—currently being conducted on the campus.

The second, to the Colorado Engineering Experimental Station, Inc.—an organization of University of Colorado professors, representatives of the aerospace industry, and of State and Federal organizations—will be used to conduct research projects pertinent to gas flow measurements and calibration of equipment in support of aerospace activities. Postgraduate students from the University of Colorado and Colorado State University will use the site as laboratory facilities for advanced research projects.

Three missile sites are being transferred to Kansas State University. Two of them contain 175-foot-deep silos. One will be used for seismographic research; the other as a drop tower to study and test impact forces on metals. The third, an Atlas E (coffin-type) site, will be used for research in hydraulics, high energy acoustics, gas dynamics, etc.

In the conveyance of many surplus real properties, the buildings are fully equipped for immediate utilization of proposed programs. In other instances, within a short time of conveyance, buildings are substantially equipped with personal properties secured through the personal property donation program.

The following tabulation illustrates the diversified purposes for which real properties, including on-site and off-site cases, were conveyed during fiscal year 1966:

College campus sites and facilities	37
College and high school agricultural, teaching, experimental, and vocational training	15
Elementary and secondary educational programs	90
Central administrative and service facilities for schools and school systems	8
Housing for school or hospital staffs	12
Hospital or clinic programs	8
Treatment, rehabilitation, and training centers for the mentally retarded and physically handicapped	4
Public libraries	10
Water and sewer production treatment and service facilities	9
Land fill refuse disposal programs	1
Research	1
Total	195

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. The Federal act "To Promote the Education of the Blind," 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: "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 pupils from kindergarten through the high school grades. A total of 8,246 blind pupils was enrolled through public educational institutions for the blind and 10,381 through State departments of education—a total of 18,627 blind pupils being served by the Printing House—for the fiscal year ending June 30, 1966.

During the year, Braille books, educational periodicals, and music made up approximately 41.0 percent of the materials required by the schools; Braille slates, Braillewriters, maps, and other mechanical devices, 21.0 percent; talking books, 2.5 percent; recorded educational tapes, 0.2 percent; large-type books, 33.0 percent; and miscellaneous items, 2.3 percent.

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Gallaudet College

Program Emphasis

GALLAUDET COLLEGE's principal activity is a 4-year undergraduate course of studies leading to the B.A. and B.S. degrees. In addition, a 1-year college preparatory course is offered. 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 graduate school.

During fiscal year 1966, the curriculum of the graduate school was expanded to include: Audiology, speech pathology, and nursery education. In addition, an accredited master's degree program was initiated to prepare teachers for the education of deaf children at both the elementary and secondary levels.

Research

As the college has grown in size and stature it has attracted increasing support, largely from Federal agencies, for research into many of the aspects of deafness. Research into the precise nature of auditory stimuli as they are perceived by deaf persons received great impetus with the appointment of Dr. James M. Pickett as research professor of hearing and speech. Professor Jerome Schein's study of the deaf population of the Washington metropolitan area has provided the first detailed analysis of the conditions under which a largely submerged minority group makes its way in the world. Professor William C. Stokoe's long research into the nature and structure of the American sign language is completed and *A Dictionary of American Sign Language on Linguistic Principles* was published in January 1966.

Enrollment

Regular session enrollment during the 1965–66 academic year rose to 823, an increase of 55 over the previous year. Enrollment in the

nursery school rose from 27 to 30, and in the elementary school from 145 to 157. At its June commencement, the college awarded 98 bachelor's degrees and 14 master's degrees.

Summer session enrollment in 1966 totaled 253, divided into 2 principal categories: (1) Teachers of the deaf who were candidates for the master's degree or who were attending institutes in mathematics, science, reading, and librarianship; and (2) newly admitted deaf students who came to remove certain deficiencies in English and mathematics.

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 department 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 1965–66, the university served a total of 12,427 students as follows: 8,748 during the regular academic year and 3,679 in the summer session of 1965. The total net enrollment, excluding all duplicates, was 10,455 distributed as follows: liberal arts, 5,737; graduate school, 1,414; engineering and architecture, 731; fine arts, 640; social work, 222; medicine, 375; dentistry, 670; pharmacy, 236; law, 318; and religion, 92.

Geographical Distribution of Students

The enrollment of foreign students continues to be significant. During the second semester of the 1965-66 school year, there were 1,522 foreign students, constituting 14.8 percent of the enrollment. These students came from 77 countries, including Canada, 3 countries in Central America, 6 countries in South America, 9 islands of the West Indies, 25 countries in Africa, 20 countries in Asia and the Pacific Is-

lands, and 13 countries in Europe. In addition, there were students from Puerto Rico and the Virgin Islands.

During the course of the school year, there were 8,903 degree-seeking students from the United States. These students were distributed as follows: New England States, 178; Mideastern States, 5,050; Great Lakes States, 495; Plains States, 110; Southeastern States, 2,674; Southwestern States, 214; Rocky Mountain States, 20; Far Western States, 111; Alaska, 2; Hawaii, 2; Puerto Rico, 10; and the Virgin Islands, 37.

Veterans

The total enrollment of veterans and dependents of deceased veterans was 41. Four of these students were graduated. Of the total, 9 were disabled veterans and 32 were dependents of deceased veterans.

Army and Air Force ROTC

Army ROTC.—There were 571 students enrolled in Army ROTC during the 1965-66 school year. Of this number, 318 were in the first-year course, 181 in the second year, 49 in the third year, and 23 in the fourth year. There were 23 students commissioned as reserve officers in the Army during the year.

Air Force ROTC.—A total of 675 students was enrolled in Air Force ROTC. Of this number, 345 were in the first-year course, 243 in the second year, 47 in the third year, and 40 in the fourth year. During the year, 20 students were commissioned as reserve officers in the Air Force.

The Faculty

There were 974 teachers serving the university during the school year, including 560 full time and 414 part time. The full-time equivalent of the teaching staff was 660.64. Of this full-time equivalent, 553.02 were teaching at the rank of instructor or above.

The university continues, as always, to seek for its faculty the most able persons, 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 at some time during the course of their careers. Among them 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, the Solicitor General of the United States, the U.S. Ambassador to Luxembourg, and many others.

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. The president of the university, who is currently on leave, is serving as U.S. Deputy Representative to the United Nations. Several members of the staff, including the president, represented the United States in various foreign countries.

Graduates

During the 1965–66 school year, there were 1,024 graduates from the 10 schools and colleges. These graduates came from 35 States, the District of Columbia, Puerto Rico, the Virgin Islands, 31 foreign countries, and 9 island possessions of the British, French, and Dutch West Indies.

The 1,024 graduates were distributed among the 10 schools and colleges as follows: Liberal arts, 484; engineering and architecture, 92; fine arts, 44; the graduate school, 118; social work, 77; medicine, 84; dentistry, 40; dental hygiene, 23; pharmacy, 20; law, 32; and religion, 10. In addition, honorary degrees were conferred upon four persons.

From the date of its establishment in 1867, Howard has graduated 25,279 persons. The great majority of these graduates have been Negroes. Throughout its 99-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 3,641 graduates; 2,141 have gone into dentistry and dental hygiene; 1,846 have entered the field of law; 457 have entered the ministry; 1,363 have gone into the fields of engineering and architecture; and 842 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

Among the significant developments which took place during the year 1965–66 are the following:

- Substantial increase in the number of research and teaching grants.
- Expansion of the African studies program.

- Conferring of the first graduate degree in law (master of comparative jurisprudence).
- Increased participation in programs devoted to community, national, and world service (Upward Bound, Head Start, Juvenile Delinquency, Peace Corps, etc.).
- Establishment of a computer and data-processing center.
- Completion by the former dean of the graduate school of the self-study project, involving all educational and administrative units of the university, to determine future lines of endeavor.

The Building Program

The program for improvement of physical facilities moved forward with these developments: Preliminary plans for a new university hospital were completed; plans for a social work building were completed; programs and preliminary plans for a men's dormitory, women's dormitory, university center, physical education building for women, and classroom building were brought to various stages of completion; a project for the fabrication and installation of two new steam boilers at the powerplant was started and progressed almost to completion; and several minor improvement projects—including campus lighting, parking areas, approaches to the campus, and new walkways—were developed to varying stages of planning.

All work on the women's dormitory building, which was in the early stages of construction, was halted as a result of a dispute between the contractor and the Public Building Service of the General Services Administration and remained inactive throughout the year.

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U.S GOVERNMENT PRINTING OFFICE: 1967

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