To be senior pharmacists

William M. Hanna
Abraham Wolfthal

To be senior assistant pharmacists

Bernard Shleien — Philip R. Hugill
Samuel Merrill — Robert P. Chandler
Jacob H. Hendershot

To be assistant pharmacists

Ray D. Crossley II
Harley A. Mills
Jerome A. Halperin

To be scientist directors

Melvin E. Griffith — Olaf Mickelsen
Lloyd W. Law — George W. Lones
Everette L. May — F. Earle Lyman

To be senior scientists

John E. Porter
Colvin L. Gibson

To be scientists

Frank P. Brancato — Maxwell J. Wilcomb, Jr.
Harold V. Jordan, Jr. — William B. Dewitt — Thomas E. Anderson
Joseph M. Butler, Jr.

To be senior assistant scientists

John C. Freeley III
Sheldon D. Murphy

To be senior sanitarian

Leroy S. Houser

To be sanitarian

James V. Smith

To be veterinary officer director

Robert D. Courter

To be senior veterinary officers

John F. Winn — Herbert G. Stoenner
Arthur H. Wolff — Samuel Abramson
John H. Scruggs

To be veterinary officer

Joe W. Atkinson

To be nurse directors

Lydia M. Zetzsche — Daphine D. Doster
L. Dorothy Carroll — Edna A. Clark
Lois E. Gordner — Mary O. Jenney
Rosalie G. Abrahams — Harriett G. Dexheimer
Madeline Pershing

To be senior nurse officers

Maud J. Larssen — Dorothy E. Reese
Jeanette E. Westlake — Marie F. Hanzel
Mary E. O'Connor — Doris E. Roberts
Margaret E. Benson

To be nurse officers

Marie M. Lech — Josephine I. O'Callaghan
Violet C. Ryb — Helen Troxell

To be assistant nurse officer

Elizabeth L. Cooper

To be dietitian directors

Clare B. Baldauf
Myrtle M. Vincent

To be senior dietitians

Edith A. Jones
Frances M. Croker

To be dietitian

Letitia W. Warnock

To be senior therapist

Elizabeth M. Finke

To be therapist

John F. Burke

To be health services directors

Ralph L. Perkins, Jr. — Nell McKeever
Evelyn Rahm — Mary Jo Kraft

To be health services officer

Gloria M. Russo

To be senior assistant health service officer

Richard E. Gallagher

WITHDRAWAL

Executive nomination withdrawn from the Senate June 29, 1961:

GOVERNMENT OF THE DISTRICT OF COLUMBIA

Frank D. Reeves, of the District of Columbia, to be a Commissioner of the District of Columbia for a term of 3 years, and until his successor is appointed and qualified, which was sent to the Senate on June 26, 1961.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 29, 1961

The House met at 12 o'clock noon.

Dr. Sidney Steiman, rabbi, Temple Beth Hillel, Mattapan, Mass., President, Northeastern Region, Rabbinical Assembly of America, offered the following prayer:

Almighty God, humbly we stand before Thee in prayer.

We confirm Thy sovereignty; we reaffirm our belief that Thou art the Father of men, the Ruler of lands. We thank Thee for granting us the faculty of appreciating representative government.

As Congress assembles in this hallowed and historic edifice, inspire them to devote themselves unselfishly to the welfare of this country. Grant them a wise and discerning heart, to take counsel together wisely and courageously. Incline them with wisdom, courage, and strength to deliberate calmly and intelligently, remaining steadfast to the ideals of democracy.

Shower Thy blessings upon all America, the President, and all who exercise just and rightful authority.

We pray for all the peoples of the world. May justice be victorious; may peace and happiness prevail. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 7677. An act to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act.

The message also announced that the Senate had passed with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6874. An act to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction of facilities, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KERR, Mr. RUSSELL, Mr. MAGNUSON, Mr. ANDERSON, Mr. SYMINGTON, Mr. BRIDGES, Mr. WILEY, and Mrs. SMITH of Maine to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4591. An act to continue until the close of June 30, 1962, the suspension of duties on metal scrap, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2154. An act to amend Public Law 85-626, as amended by Public Law 86-542, relating to dual rate contract agreements.

CONTINUING APPROPRIATIONS, 1962

Mr. MAHON, from the Committee on Appropriations, reported the joint resolution (H.J. Res. 465) making continuing appropriations for the fiscal year 1962, and for other purposes (Rept. No. 612), which was read a first and second time, and with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. MAHON. Mr. Speaker, under special order of the House of June 21, I call up the joint resolution (H.J. Res. 465) making continuing appropriations for the fiscal year 1962, and for other purposes, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. MAHON]?

Mr. TABER. Mr. Speaker, reserving the right to object, this is the usual form of continuing resolution which we have had over a number of years; is that right?

Mr. MAHON. Mr. Speaker, I would say to the gentleman from New York and to the House that this is the usual stereotyped resolution similar to what we have passed for a number of years on the eve of the new fiscal year, in order to carry on functions of the Government at minimum levels until final action has been taken by Congress on the appropriation bills. Only three appropriation bills have been finally approved by the President. None of the regular 1962 bills are completely processed. So this is a necessary interim measure for the months of July and August, or until such time as the applicable bills are finally approved.

Mr. TABER. It does not allow for any new project or any new activity which has not heretofore been provided for, and does not provide for any new ones at all?

Mr. MAHON. The gentleman from New York has put it precisely and correctly. I might add that the House has adopted 12 appropriation bills to date, including the defense bill just passed

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yesterday. Of this total, three are supplementals and nine are regular 1962 bills.

The House has made a reduction of $1,299,213,125 below the budget estimates of appropriations on these 12 bills. Of course, this does not take into account the billions of dollars of back-door bills passed or pending in this session of Congress. We do not have an authoritative tabulation of the amounts involved in these as compared to the requests.

The Senate has passed seven appropriation bills to date and has five under committee consideration. It has increased the seven bills which it has passed by a total of $3,982,232,401 over the amounts approved by the House. However, nearly $3 billion of this increase is due to budget estimates which were not considered by the House in connection with the third supplemental, 1961. Reductions made by the Senate below the budget estimates considered by that body total $893,738,607 for these seven bills.

Congressional action has been completed on three bills thus far—the third and fourth supplementals for 1961 and the special inter-American aid bill.

The resolution does not appropriate beyond the provisions of the regular bills; all expenditures made under the resolution are chargeable to funds finally appropriated in the regular bills.

The real keyword in the resolution is "continue"—to merely continue activities and functions on an interim basis.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government, namely:

SEC. 101. (a) (1) Such amounts as may be necessary for continuing projects or activities (not otherwise specifically provided for in this joint resolution) which were conducted in the fiscal year 1961 and for which appropriations, funds, or other authority would be available in the following appropriation acts for the fiscal year 1962:

Legislative Branch Appropriation Act;

General Government Matters, Department of Commerce, and Related Agencies Appropriation Act;

Independent Offices Appropriation Act;

Department of Agriculture and Related Agencies Appropriation Act;

Department of Defense Appropriation Act;

Departments of Labor, and Health, Education, and Welfare Appropriation Act;

Department of the Interior and Related Agencies Appropriation Act;

Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act; and the

Treasury-Post Office Appropriation Act.

(2) Appropriations made by this subsection shall be available to the extent and in the manner which would be provided for by the pertinent appropriation Act.

(3) Whenever the amount which would be made available or the authority which would be granted under the Act listed in this subsection as passed by the House is different from that which would be made available or granted under such Act as passed by the Senate, the pertinent project or activity shall be continued under the lesser amount or the more restrictive authority.

(4) Whenever an Act listed in this subsection has been passed by only one House or where an item is included in only one version of an Act as passed by both Houses, the pertinent project or activity shall be continued under the appropriation, fund, or authority granted by the one House, but at a rate for operations not exceeding the current rate or the rate permitted by the action of the one House, whichever is lower: *Provided,* That no provision which is included in any appropriation Act enumerated in this subsection but which was not included in the applicable appropriation Act for the fiscal year 1961, and which by its terms is applicable to more than one appropriation, fund, or authority, shall be applicable to any appropriation, fund, or authority provided in this joint resolution unless such provision shall have been included in identical form in such bill as enacted by both the House and the Senate.

(b) Such amounts as may be necessary for continuing projects or activities which were conducted in the fiscal year 1961 and listed in this subsection (1) at a rate for operations not in excess of the current rate or the rate provided for in the budget estimate, whichever is lower, or (2) in the amount or at the rate specified herein:

Atomic Energy Commission;

Department of Defense—Military Construction;

Civil Functions—Department of the Army;

Department of the Interior activities:

Bureau of Reclamation;

Bonneville Power Administration;

Southeastern Power Administration;

Southwestern Power Administration;

Tennessee Valley Authority;

Export-Import Bank;

United States Study Commission—Southeast river basins;

United States Study Commission—Texas;

District of Columbia;

Administration, Ryukyu Islands;

Area redevelopment programs, administrative expenses, $400,000;

Mutual security programs, $485,000,000, to be expended in accordance with provisions of law applicable to such programs during the fiscal year 1961 and at a rate for any individual program not in excess of the current rate therefor: *Provided,* That not to exceed $1,400,000 of the appropriation for "Special assistance, special authorizations", granted in the Mutual Security and Related Agencies Appropriation Act, 1961, shall remain available in accordance with section 102 of this joint resolution; and

Payment to the Federal extended compensation account, $45,000,000.

(c) Such amounts as may be necessary for continuing projects or activities which are disbursed by the Secretary of the Senate, and the Senate items under the Architect of the Capitol, to the extent and in the manner which would be provided for in the budget estimates for the fiscal year 1962.

SEC. 102. Appropriations and funds made available and authority granted pursuant to this joint resolution shall remain available until (a) enactment into law of an appropriation for any project or activity provided for in this joint resolution, or (b) enactment of the applicable appropriation Act by both Houses without any provision for such project or activity, or (c) August 31, 1961, whichever first occurs.

SEC. 103. Appropriations and funds made available and authority granted pursuant to this joint resolution may be used without regard to the time limitations set forth in subsection (d) (2) of section 3679 of the Revised Statutes, as amended, and expenditures therefrom shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 104. No appropriation or fund made available or authority granted pursuant to this joint resolution shall be used to initiate or resume any project or activity which was not being conducted during the fiscal year 1961. Appropriations made and authority granted pursuant to this joint resolution shall cover all obligations or expenditures incurred for any project or activity during the period for which funds or authority for such project or activity are available under this joint resolution.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

SOCIAL SECURITY AMENDMENTS OF 1961

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R. 6027) to improve benefits under the old-age, survivors, and disability insurance program by increasing the minimum benefits and aged widows' benefits and by making additional persons eligible for benefits under the program, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 611)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6027) to improve benefits under the old-age, survivors, and disability insurance program by increasing the minimum benefits and aged widows' benefits and by making additional persons eligible for benefits under the program, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 11.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, and 26, and agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "109"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be in-

serted by the Senate amendment insert the following:

"ASSISTANCE FOR RETURNING UNITED STATES CITIZENS

"SEC. 302. Title XI of the Social Security Act is amended by adding at the end thereof the following new section:

"'ASSISTANCE FOR UNITED STATES CITIZENS RETURNED FROM FOREIGN COUNTRIES

"'SEC. 1113. (a)(1) The Secretary is authorized to provide temporary assistance to citizens of the United States and to dependents of citizens of the United States, if they (A) are identified by the Department of State as having returned, or been brought, from a foreign country to the United States because of the destitution of the citizen of the United States or the illness of such citizen or any of his dependents or because of war, threat of war, invasion, or similar crisis, and (B) are without available resources.

"'(2) Except in such cases or classes of cases as are set forth in regulations of the Secretary, provision shall be made for reimbursement to the United States by the recipients of the temporary assistance to cover the cost thereof.

"'(3) The Secretary may provide assistance under paragraph (1) directly or through utilization of the services and facilities of appropriate public or private agencies and organizations, in accordance with agreements providing for payment, in advance or by way of reimbursement, as may be determined by the Secretary, of the cost thereof. Such cost shall be determined by such statistical, sampling, or other method as may be provided in the agreement.

"'(b) The Secretary is authorized to develop plans and make arrangements for provision of temporary assistance within the United States to individuals specified in subsection (a)(1). Such plans shall be developed and such arrangements shall be made after consultation with the Secretary of State, the Attorney General, and the Secretary of Defense. To the extent feasible, assistance provided under subsection (a) shall be provided in accordance with the plans developed pursuant to this subsection, as modified from time to time by the Secretary.

"'(c) For purposes of this section, the term "temporary assistance" means money payments, medical care, temporary billeting, transportation, and other goods and services necessary for the health or welfare of individuals (including guidance, counseling, and other welfare services) furnished to them within the United States upon their arrival in the United States and for such period after their arrival as may be provided in regulations of the Secretary.

"'(d) No temporary assistance may be provided under this section after June 30, 1962.'"

And the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"ADDITIONAL FEDERAL PARTICIPATION IN PUBLIC ASSISTANCE PAYMENTS

"SEC. 303. (a)(1) Section 3(a)(1) of the Social Security Act is amended—

"(A) by striking out '$30' and inserting in lieu thereof '$31';

"(B) by striking out '$65' each place it appears therein and inserting in lieu thereof '$66'; and

"(C) by striking out '$80' and inserting in lieu thereof '$81'.

"(2) Section 3(a)(2) of such Act is amended—

"(A) by striking out '$35' each place it appears therein and inserting in lieu thereof '$35.50'; and

"(B) by striking out '$42.50' and inserting in lieu thereof '$43'.

"(b)(1) Section 1003(a)(1) of such Act is amended—

"(A) by striking out '$30' and inserting in lieu thereof '$31'; and

"(B) by striking out '$65' and inserting in lieu thereof '$66'.

"(2) Section 1003(a)(2) of such Act is amended by striking out '$35' and inserting in lieu thereof '$35.50'.

"(c)(1) Section 1403(a)(1) of such Act is amended—

"(A) by striking out '$30' and inserting in lieu thereof '$31'; and

"(B) by striking out '$65' and inserting in lieu thereof '$66'.

"(2) Section 1403(a)(2) of such Act is amended by striking out '$35' and inserting in lieu thereof '$35.50'.

"(d) Effective only for the fiscal year ending June 30, 1962, section 1108 of the Social Security Act (as amended by section 6 of Public Law 87-31) is amended by striking out '$9,425,000', '$318,750', and '$425,000' and inserting in lieu thereof '$9,500,000', '$320,000', and '$430,000', respectively.

"(e) The amendments made by subsections (a), (b), and (c) of this section shall apply only in the case of expenditures made after September 30, 1961, and before July 1, 1962, under a State plan approved under title I, X, or XIV, as the case may be, of the Social Security Act."

And the Senate agree to the same.

W. D. MILLS,
CECIL R. KING,
THOS. J. O'BRIEN,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

HARRY F. BYRD,
ROBERT S. KERR,
RUSSELL B. LONG,
JOHN J. WILLIAMS,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6027) to improve benefits under the old-age, survivors, and disability insurance program by increasing the minimum benefits and aged widows' benefits and by making additional persons eligible for benefits under the program, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendments Nos. 1, 2, 3, 4, 5, 6, and 7: These are technical amendments. The House recedes.

Amendment No. 8: Section 218(d)(6)(F) of the Social Security Act was enacted in 1958 to grant an additional opportunity to obtain coverage under the old-age, survivors, and disability insurance program to State and local employees who did not elect coverage under an original divided retirement system agreement. Existing law allows employees who did not elect coverage to change their decisions and elect coverage if a modification providing for such coverage is mailed, or otherwise delivered, to the Secretary of Health, Education, and Welfare, before 1960 or (if later) 1 year after the date on which coverage was approved for the group which originally elected coverage.

Under Senate amendment No. 8, the time in which such persons may elect to be covered is extended through December 31, 1962, or (if later) the expiration of 2 years after the date on which coverage was approved for the group which originally elected coverage.

Senate amendment No. 8 also adds a sentence at the end of section 218(d)(6)(F) of the Social Security Act to make it clear that the coverage of the persons described above must begin on the same date that coverage became effective for the group which originally elected coverage.

The House recedes.

Amendment No. 9: This amendment amends section 218(d)(6)(C) of the Social Security Act to add New Mexico to the list of States which are permitted to divide their retirement systems into two divisions for coverage purposes, one division consisting of those members desiring coverage and the other consisting of those who do not, with all new members being covered on a compulsory basis.

The House recedes.

Amendment No. 10: Section 203(f)(3) of the Social Security Act provides that, for purposes of the earned income limitation, an individual's excess earnings for a taxable year are his earnings for such year in excess of the product of $100 multiplied by the number of months in such year, except that of the first $300 of such excess (or all of such excess if it is less than $300), an amount equal to one-half thereof is not to be included. Senate amendment No. 10 amends section 203(f)(3) to strike out "$300" each place it appears therein and to insert in lieu thereof "$500".

The effect of this amendment is to increase from $300 to $500 the area in which only one-half of the earnings are treated as excess earnings. Under existing law, for example, an individual whose taxable year consists of 12 months and who has earnings of $1,700 is treated as having excess earnings of $350 (one-half of $300, plus $200). Under Senate amendment No. 8, he is treated as having excess earnings of $250 (one-half of $500). The amendment is effective for taxable years ending after the date of the enactment of the bill.

The House recedes.

Amendment No. 11: Paragraph (11) of section 2(a) of the Social Security Act contains certain requirements for State plans under title I of the Act which includes medical assistance for the aged. Senate amendment No. 11 adds a new requirement (effective October 1, 1962) under which such a State plan must provide that any individual eligible to receive medical assistance for the aged shall not be precluded by State law or regulation from receiving any care and services which are covered by the State plan from any provider of care or services who is licensed under State law to provide such care and services to individuals who are not recipients of medical assistance for the aged.

The Senate recedes.

Amendment No. 12: This is a clerical amendment.

The House recedes with a clerical amendment.

Amendments Nos. 13, 14, 16, and 18: Section 201(a) of the House bill amends section 1401 of the Internal Revenue Code of 1954 to increase the rates of tax under the Self-Employment Contributions Act of 1954. Each rate provided by existing law for the self-employment tax is increased by three-sixteenths of 1 percent. Senate amendments Nos. 13, 14, 16, and 18 round these rates to the nearest one-tenth of 1 percent.

The House recedes.

Amendments Nos. 15 and 17: Under existing law, an increase in the rate of the tax under the Self-Employment Contributions Act of 1954 is scheduled for taxable years beginning after December 31, 1968. Senate amendments Nos. 15 and 17 provide that this increase in the rate of tax, as modified by the House bill and by Senate amendment No. 18,

is to apply to taxable years beginning after December 31, 1967. Under the conference agreement, the rate of such tax for taxable years beginning after December 31, 1967, will be 6.9 percent.

The House recedes.

Amendments Nos. 19, 20, 21, and 22: Under existing law, an increase in the rate of tax for employers and employees under the Federal Insurance Contributions Act is scheduled to take effect for calenda- year 1969 and subsequent calendar years. Senate amendments Nos. 19, 20, 21, and 22 provide that this increase in the rate of tax, as modified by the House bill, is to apply to the calendar year 1968 and subsequent calendar years. Thus, under the conference agreement the rate of the employer tax, and the rate of the employee tax, for the calendar year 1968 and subsequent calendar years will be 4⅝ percent.

The House recedes.

Amendment No. 23: Senate amendment numbered 23 adds a new section 202 to the bill. Subsection (a) amends section 1402(e) of the Internal Revenue Code of 1954 by adding at the end thereof a new paragraph numbered (6). Under the new paragraph in any case where a minister or Christian Science practitioner dies after September 12, 1960, and before April 16, 1962, his survivor or the fiduciary of his estate may file a certificate, on or before April 15, 1962, electing to have the services of the minister or Christian Science practitioner covered under title II of the Social Security Act. Such a certificate would be effective for the period prescribed in existing law as if filed by the minister or Christian Science practitioner on the date of his death.

Subsection (b) of the new section 202 provides the effective date for the amendment.

The House recedes.

Amendment No. 24: This amendment adds a new section 1113 to title XI of the Social Security Act authorizing, on a permanent basis, a new program of assistance for United States nationals returned from foreign countries.

The House recedes with an amendment which is a substitute for the language proposed to be inserted in title XI by the Senate. Under this substitute, the Secretary of Health, Education, and Welfare is authorized to provide temporary assistance to citizens of the United States and to dependents of citizens of the United States, if (1) they are identified by the Department of State as having returned, or been brought, from a foreign country to the United States because of the destitution of the citizen of the United States or the illness of such citizen or any of his dependents or because of war, threat of war, invasion, or similar crisis, and (2) they are without available resources.

Except in such cases or classes of cases as are set forth in regulations of the Secretary of Health, Education, and Welfare, provision is to be made for reimbursement to the United States by the recipients of the temporary assistance under the new section 1113 to cover the cost of such assistance. In connection with this requirement of reimbursement, it is contemplated that the regulations will include provisions for the assignment of claims in appropriate cases.

The Secretary may provide this assistance directly or through utilization of the services and facilities of appropriate public or private agencies and organizations.

The new provision also authorizes the Secretary of Health, Education, and Welfare to develop plans and make arrangements for provision of temporary assistance within the United States to individuals eligible for such assistance.

For purposes of the new provision, the term "temporary assistance" is defined as meaning money payments, medical care, temporary billeting, transportation, and other goods and services necessary for the health or welfare of individuals (including guidance, counseling, and other welfare services) furnished to them within the United States on their arrival in the United States and for such period after their arrival as may be provided in regulations.

No assistance may be provided under this new section 1113 after June 30, 1962.

Amendment No. 25: Senate amendment No. 25 adds a new section 303 to the bill providing for additional Federal participation during the period July 1, 1961, to June 30, 1962, in public assistance payments under titles I, X, and XIV of the Social Security Act.

Subsection (a)(1) of the new section provides additional Federal participation in old-age assistance payments to States that raise their average payment per recipient under the program. The increase in Federal funds may not exceed the Federal percentage of $2.50 per recipient or, if less, the Federal percentage of expenditures not subject to Federal participation under existing law. In addition, the increase in Federal funds may not exceed the amount of the increase in expenditures over a base period (the quarter beginning January 1, 1961) computed on an average per recipient times the number of recipients basis. In determining this increase, adjustments would be made for the decrease (if any) in assistance from State or local funds.

Subsection (a)(2) of the new section makes approximately proportionate changes in the special provisions applying to Guam, Puerto Rico, and the Virgin Islands.

Subsections (b) and (c) make similar changes in title X (aid to the blind) and title XIV (aid to the totally and permanently disabled).

In general, title I of the Social Security Act provides for Federal financial participation in old-age assistance expenditures by the States equal to—

(1) four-fifths of the first $30 per month of the average old-age assistance payment, plus

(2) the Federal percentage (varying in accordance with relative State per capita income between 50 percent and 65 percent) of the excess of the average monthly old-age assistance payment over $30 but not over $65.

Under the conference agreement the $30 and $65 figures are increased to $31 and $66, respectively. Comparable changes are made in title X (aid to the blind) and title XIV (aid to the totally and permanently disabled) of the Social Security Act.

Approximately proportionate changes are made in the special provisions of titles I, X, and XIV of such act applying to Puerto Rico, the Virgin Islands, and Guam by increasing the $35 per month maximum on the average monthly payment in which the Federal Government participates to $35.50.

Title I of the act also provides for Federal financial participation in the excess of the State average old-age assistance payment per month over $65 but not over $80, but only to the extent that such excess is represented by expenditures in the form of vendor medical care payments. Under the conference agreement the $65 and $80 figures are increased to $66 and $81, respectively. Approximately proportionate changes are made in the vendor medical care payment provisions applying to Puerto Rico, the Virgin Islands, and Guam.

Under the conference agreement, the amendments made to titles I, X, and XIV are to apply only in the case of expenditures made after September 30, 1961, and before July 1, 1962, under State plans approved under such titles.

In conformity with the conference agreement with respect to increased Federal payments to Puerto Rico, the Virgin Islands, and Guam under titles I, X, and XIV, the conference agreement increases the limitations under section 1108 of the Social Security Act on the total amounts which may be paid to them for the fiscal year ending June 30, 1962.

Amendment No. 26: This amendment added a new section 304 to the bill providing that as used in titles I and III of the bill (and in the provisions of the Social Security Act amended thereby) the term "Secretary", unless the context otherwise requires, means the Secretary of Health, Education, and Welfare.

The House recedes.

W. D. MILLS,
CECIL R. KING,
THOS. J. O'BRIEN,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

Mr. MILLS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, as Members will recall, as passed by the House, H.R. 6027, the Social Security Amendments of 1961, provided for improved benefits under the old-age, survivors, and disability insurance program by increasing the minimum benefit and aged widows' benefits, by making additional persons eligible for benefits under the program, and by making further improvements in the program. The other body retained all of the substantive provisions of the House bill and, in addition, added 26 amendments, of which about 8 were "substantive" and the remainder were technical or conforming.

Amendments Nos. 1, 2, 3, 4, 5, 6, and 7 of the other body are technical amendments, and the House conferees receded.

Senate amendment No. 8 amends section 218(d)(6)(F) of the Social Security Act, which was enacted in 1958 to grant an additional opportunity to obtain coverage under the old-age, survivors, and disability insurance program to State and local employees who did not elect coverage under an original divided retirement system agreement. Existing law allows employees who did not elect coverage to change their decisions and elect coverage if a modification providing for such coverage is mailed, or otherwise delivered, to the Secretary of Health, Education, and Welfare, before 1960 or—if later—1 year after the date on which coverage was approved for the group which originally elected coverage. The amendment of the other body extends the time in which such persons may elect to be covered through December 31, 1962, or—if later—the expiration of 2 years after the date on which coverage was approved for the group which originally elected coverage. The amendment also adds a sentence at the end of section 218(d)(6)(F) of the Social Security Act to make it clear that the coverage of the persons described above must begin on the same date that coverage became effective for the group which originally elected coverage. Members of the House had bills pending on this subject. Your conferees agreed to this amendment.

Senate amendment No. 9 amends section 218(d)(6)(C) of the Social Security Act to add New Mexico to the list of 16 States which are permitted to divide

their retirement systems into two parts for coverage purposes, one part consisting of those members desiring coverage and the other consisting of those who do not, with all new members being covered on a compulsory basis. Our colleagues from New Mexico were interested in this. It has been customary for the Congress to add States to this list, upon request of the State. The House conferees agreed to this amendment.

Senate amendment No. 10 liberalizes somewhat section 203(f)(3) of the Social Security Act, which is the earnings limitation, more commonly called the "retirement test," or "work clause." Under existing law, an individual can, generally, earn up to $1,200 per year without loss of any benefits; for earnings from $1,200 to $1,500, $1 of benefits is lost for each $2 of earnings; and above $1,500, the reduction is on a dollar-for-dollar basis. The Senate amendment increases, in practical effect, the $1,500 to $1,700. Thus, the effect of this amendment is to increase from $300 to $500 the area in which only one-half of the earnings are treated as excess earnings. Under existing law, for example, an individual whose taxable year consists of 12 months and who has earnings of $1,700 is treated as having excess earnings of $350—one-half of $300, plus $200. Under this amendment, he is treated as having excess earnings of $250—half of $500. The amendment is effective for taxable years ending after the date of enactment of the bill. Your conferees agreed to this amendment.

Under existing law, an increase in the rate of the tax under the Self-Employment Contributions Act of 1954 is scheduled for taxable years beginning after December 31, 1968. Senate amendments Nos. 15 and 17 provide that this increase in the rate of tax, as applied to the self-employed, and as modified by the House bill and by Senate amendment No. 18, is to apply to taxable years beginning after December 31, 1967. Senate amendments Nos. 19, 20, 21, and 22 provide that the increase in the rate of tax for employers and employees which under existing law is scheduled to take effect for calendar year 1969 and subsequent calendar years, as modified by the House bill, is to apply to the calendar year 1968 and subsequent calendar years.

In short, Mr. Speaker, the last scheduled rate step-up is moved forward 1 year. The House conferees receded.

It was explained to the House conferees by the Senate conferees that the changes made by amendments Nos. 15, 17, 19, 20, 21, and 22 were made because of the cost incurred by the liberalization of the retirement test provided by Senate amendment No. 10.

Your House conferees did not agree to the amendment of the other body—No. 11—which would have been added to the medical care bill which was passed last year. The Senate receded on this amendment.

The House conferees receded on Senate amendment No. 12, a clerical amendment.

Under the House bill, section 1401 of the Internal Revenue Code of 1954 was amended to increase the rates of tax under the Self-Employment Contributions Act of 1954 by increasing each rate provided by existing law for the self-employment tax by three-sixteenths of 1 percent. Senate amendments Nos. 13, 14, 16, and 18 round these rates to the nearest one-tenth of 1 percent. The House conferees receded, since this will make it easier to compute the tax.

Amendment No. 23 of the other body adds a new section 202 to the bill, which amends section 1402(e) of the Internal Revenue Code of 1954 by adding at the end thereof a new paragraph (6). Under the new paragraph in any case where a minister or Christian Science practitioner dies after September 12, 1960, and before April 16, 1962, his survivor or the fiduciary of his estate may file a certificate, on or before April 15, 1962, electing to have the services of the minister or Christian Science practitioner covered under title II of the Social Security Act. Such a certificate would be effective for the period prescribed in existing law as if filed by the minister or Christian Science practitioner on the date of his death. Your conferees receded on this amendment.

Since the Senate amendment which moves forward the last scheduled rate increase by 1 year provides funds for the liberalization of the retirement test, we bring back the bill to you insofar as the OASDI feature is concerned in the same actuarial balance that the bill was in when it left the House.

There were some other amendments Mr. Speaker, agreed to in the conference that did not relate to OASDI. One of them has to do with this question of the relief or the satisfying of the relief needs of American citizens who return to the United States from an area that has taken the property of these American citizens. It was a matter submitted to the Congress, and intially referred in the House to the Committee on Foreign Affairs, as I recall. I consulted with the chairman of that committee. He said he had no objection himself to the conference committee accepting this amendment, if the conference committee decided to do so. The amendment is only with respect to 1 fiscal year, from July 1, 1961, to June 30, 1962. It will permit us to do for American citizens the same thing we are now permitted to do under existing law with respect to Cuban refugees who come to the United States and who are penniless and in need. I will explain the amendment in more detail.

The Senate amendment would have added a new section 1113 to title XI of the Social Security Act authorizing, on a permanent basis, a new program of assistance for U.S. nationals returned from foreign countries.

Under the conference agreement, the Secretary of Health, Education, and Welfare is authorized to provide temporary assistance to citizens of the United States and to dependents of citizens of the United States, if first, they are identified by the Department of State as having returned, or been brought, from a foreign country to the United States because of the destitution of the citizen of the United States or the illness of such citizen or any of his dependents or because of war, threat of war, invasion, or similar crisis, and, second, they are without available resources. Except in such cases or classes of cases as are set forth in regulations of the Secretary of Health, Education, and Welfare, provision is to be made for reimbursement to the United States by the recipients of the temporary assistance under the new section 1113 to cover the cost of such assistance. In connection with this requirement of reimbursement, it is contemplated that the regulations will include provisions for the assignment of claims in appropriate cases. The Secretary may provide this assistance directly or through utilization of the services and facilities of appropriate public or private agencies and organizations. The new provision also authorizes the Secretary of Health, Education, and Welfare to develop plans and make arrangements for provision of temporary assistance within the United States to individuals eligible for such assistance. For purposes of the new provision, the term "temporary assistance" is defined as meaning money payments, medical care, temporary billeting, transportation, and other goods and services necessary for the health or welfare of individuals—including guidance, counseling, and other welfare services— furnished to them within the United States on their arrival in the United States and for such period after their arrival as may be provided in regulations. The program under this amendment is limited in time. No assistance may be provided under this new section 1113 after June 30, 1962.

Mr. Speaker, the second amendment we accepted, dealing with old age assistance, increases from $30 to $31 in the first step benefits paid to people under that program at an 80 percent Federal rate and increases the ceiling from $65 for Federal participation in the payment of these benefits to $66.

It will be recalled that when social security amendments were on the floor of the House in another session of the Congress and we were dealing with this matter of public assistance, we passed through the House a bill that did increase the ceiling for Federal participation to $66. That was changed to $65 by the Senate, and at that time the conference committee accepted the Senate amendment leveling it to $65.

This amendment does increase the $65 to $66. It will be in effect from October 1, 1961, to June 30, 1962, under the amendment and will cost, out of the Federal Treausry, an additional $15 million. It should be recognized in that connection, however, Mr. Speaker, that the amendments that are being enacted with respect to the old-age and survivors insurance program reduce the cost of public assistance under the budget figure by $20 million, that we are not

adding $15 million to the budget by the acceptance of this amendment. We are, however, reducing the savings that were in the bill under the budget figure from $20 million to $5 million.

Mr. Speaker, the conference report is signed by all of the managers on the part of the House, and I feel that the House should accept the conference report.

Mr. Speaker, I would like to insert a table, prepared by the Department of Health, Education, and Welfare, showing a State-by-State projection of the public assistance amendment distribution:

Public assistance: Estimated additional Federal funds to be paid to States as a result of formula change [1] in H.R. 6027, Oct. 1, 1961–June 30, 1962

	Total	Old-age assistance	Aid to the blind	Aid to the permanently and totally disabled
United States	$15,225,400	$12,693,200	$532,000	$2,000,200
Alabama	436,300	383,600	6,000	46,700
Alaska	10,900	10,200	700	[2]
Alazona	73,600	67,300	6,300	[2]
Arikansas	253,700	217,400	7,700	28,600
Cralifornia	2,009,500	1,826,100	94,900	88,500
Colorado	380,600	337,500	2,100	41,000
Connecticut	120,500	101,800	2,200	16,500
Delaware	11,400	6,700	1,800	2,900
District of Columbia	38,200	16,500	1,500	20,200
Florida	392,400	333,000	11,800	47,600
Georgia	471,000	369,000	13,900	88,100
Hawaii	15,300	7,700	600	7,000
Idaho	61,900	52,300	1,100	8,500
Illinois	542,500	381,400	21,200	139,900
Indiana	151,000	137,600	13,400	[2]
Iowa	257,000	241,900	10,300	4,800
Kansas	233,800	199,200	4,300	30,300
Kentucky	255,200	215,300	9,300	30,600
Louisiana	989,200	905,700	20,100	63,400
Maine	58,900	41,400	1,700	15,800
Maryland	87,900	51,700	2,300	33,900
Massachusetts	545,900	455,900	15,500	74,500
Michigan	459,500	410,300	12,500	36,700
Minnesota	349,700	330,200	7,600	11,900
Mississippi	382,800	310,900	23,100	48,800
Missouri	$683,100	$582,300	$21,700	$79,100
Montana	43,000	31,800	2,200	9,000
Nebraska	89,800	68,900	5,600	15,300
Nevada	15,200	13,900	1,300	[2]
New Hampshire	39,600	34,600	1,800	3,200
New Jersey	196,400	136,400	6,700	53,300
New Mexico	68,900	48,700	1,400	18,800
New York	765,200	475,700	25,300	264,200
North Carolina	280,300	184,100	19,800	76,400
North Dakota	60,100	51,100	700	8,300
Ohio	604,500	483,300	25,100	96,100
Oklahoma	719,100	634,800	13,100	71,200
Oregon	157,000	119,500	1,800	35,700
Pennsylvania	411,900	270,400	45,500	96,000
Rhode Island	70,500	48,000	900	21,600
South Carolina	157,500	120,400	6,600	30,500
South Dakota	38,100	33,000	600	4,500
Tennessee	258,900	209,300	10,400	39,200
Texas	1,013,300	954,800	27,500	31,000
Utah	51,700	32,100	800	18,800
Vermont	22,400	18,800	400	3,200
Virginia	86,200	55,900	4,800	25,500
Washington	398,500	341,100	5,100	52,300
West Virginia	104,800	72,600	3,900	28,300
Wisconsin	279,500	244,400	6,700	28,400
Wyoming	21,200	16,700	400	4,100

[1] Average maximum on 1st part of payment subject to 4/5 matching raised from $30 to $31; overall average maximum raised from $65 to $66 with $15 additional in old-age assistance. Assumes increase in Federal funds will be passed on to recipients.
[2] No program in operation.

Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, I signed the conference report on H.R. 6027, the Social Security Amendments of 1961. However, I would say to the House membership that I did so reluctantly; and, in fact, one amendment that was adopted in conference I opposed most strenuously. I will make specific reference to this controversial amendment later in my brief remarks.

As far as the basic provisions which were adopted by this House when we first considered this legislation are concerned, the Senate made no changes of any substance. It will be recalled that as this legislatiton passed the House it was limited in its substantive scope to apply exclusively to the OASDI provisions of the Social Security Act. The House-passed bill increased the minimum benefit from $33 to $40, reduced from age 65 to age 62 the point at which a man could become eligible for benefits, liberalized the insured status requirement so that benefit eligibility could be claimed with 1 out of 4 quarters of coverage instead of 1 out of 3 quarters of coverage, increased the benefit percentage of the primary insured amount for certain dependents, and extended for 1 year the filing period for disability for purposes of determining benefit eligibility. The bill also provided for an increase in the tax rates so as to finance the benefit liberalizations provided in the bill.

The other body adopted one OASDI amendment, Mr. Speaker, which I believe was particularly meritorious and the action by the conference committee was to retain that amendment. That amendment pertained to what is known as the retirement test, or the limitation on amount that a beneficiary may earn without incurring a loss of benefit rights. It will be recalled that during the House consideration of H.R. 6027, the Republican Members of the House joined in supporting an amendment to the bill which would have liberalized this retirement test. That move was defeated by the House, but a Senate amendment that was approved accomplishes substantially the objective of the amendment that we considered in the House, although it is more limited than the action that we would have taken.

The House amendment would have increased the ceiling from $1,500 to $1,800 at which there is imposed a dollar loss of benefit entitlement for each dollar earned. This amendment would have broadened the $300 band between the range from $1,200 to $1,500 under present law to a range of $1,200 to $1,800 within which an individual would lose $1 in benefit for every $2 earned. As I said, this Republican endeavor was defeated in the House. The Senate amendment accomplished substantially the objective of this House Republican amendment except that instead of going to a $1,800 limit the ceiling would be $1,700. The cost of this liberalization under the Senate amendment which the House conferees accepted would be defrayed by advancing 1 year to 1968 the tax rate increases scheduled under existing law to occur beginning January 1, 1969.

On that amendment, Mr. Speaker, I have said the House yielded, and I think we were wise in yielding; and we bring to you that change.

I would speak now, though, Mr. Speaker, of two amendments that were added to the House bill that do not relate to the old age, survivors and disability insurance system, which is what we confined ourselves to in the House bill. These Senate amendments on which I will now comment relate to the area of the public assistance programs such as old-age assistance, aid to the blind, and aid to the disabled.

One of these two amendments adds an entirely new category of assistance that will be considered as part of our public assistance programs; namely, assistance to returning citizens of the United States from foreign countries who may be ill and destitute and in need.

First, let me address myself to this amendment which concerns a completely new program. This will be a program financed entirely with Federal funds to assist citizens of the United States and dependents of citizens of the United States who return from a foreign country without available resources. My criticism of this amendment is not that I am unwilling to have a Federal program operate in this area. Instead, my concern is directed toward the fact that the Congress has no knowledge of what is really planned in the way of a program in this area. We are in effect giving a blanket authorization and practically a blank check to the Secretary of Health, Education, and Welfare. I would hope that the Commitee on Appropriations will look at this program and proposed expenditure very closely so that the funds granted are consistent with the justifications presented. I would hope that the Committee on Appropriations would not follow the course of just giving a blanket authorization or a blank check as we were obliged to do in the conference meeting.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. I would like to join the gentleman from Wisconsin in the expression of that expectation and hope. I think we did about all we could do in conference with respect to this matter. I think my esteemed and able friend will agree with that statement. It should be pointed out we have done this for only 1 fiscal year. We can check it again.

Mr. BYRNES of Wisconsin. I agree with the distinguished gentleman. I am sure the Chairman would concur that I insisted we could not go beyond 1 year and that next year we had to take a completely fresh look at this thing and really go into details of the proposal before any kind of an extension or a permanent authorization is made.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. MILLS. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. BYRNES of Wisconsin. Mr. Speaker, it is true that the Congress will have an opportunity to review the program next year, but if there is an urgent need for such program I am unable to understand why the administration has not come forward with detailed plans prior to this time. In view of all the other details for programs we have been exposed to and will be exposed to in months to come that have been sent to Congress from the administration, where are the details for this program? The administration knew this problem existed. The administration did not bring the proposal before the Committee on Ways and Means but waited in the Senate until the last minute, the end of the fiscal year, and then in panic say they have to have this authority. I agree that there is a problem here that has to be met, but I complain of the way this has been handled by the administration and the way the executives have put us in a position where we have to put a blank OK on something about which we know nothing of the details. To that I protest most strongly as a member of the Committee on Ways and Means and a Member of the House.

The second Senate amendment in the area of public assistance that I would address myself to that was accepted in conference and which I opposed provides for an increase in Federal participation in the various public assistance programs. What we have done here, Mr. Speaker, is without any request or recommendation for it. There has been no request from the administration. I have not heard from any State public welfare administration that has come to us and said, "We need this additional help."

At this time when our budget is in a precarious situation and certainly that was pointed out a few days ago in the debate on legislation increasing our borrowing capacity because of the deficit spending in which we are presently engaged—in spite of that budget situation, this amendment finds Congress acting on public assistance without any justification, request, or recommendation, that was presented to us. In fact, this amendment was approved against the administration's position. It hands out $15 million more in Federal funds to the States.

Now, I will say this: I think the amendment that was adopted in the conference is better than the amendment that was adopted by the Senate, which would have involved $20 million and given half of the total cost to five States. At least under the House-Senate conference agreement every State gets something.

But, I would point out that a very interesting thing happened in the conference. The administration spokesmen said they opposed this amendment. They said, in fact, that they did not want any amendment to any existing public assistance program until they were able to review the whole program. But while they took that position, they constantly were giving suggestions as to how we could sweeten the thing up so that we could get it out of conference. I never heard such doubletalk in all my life in a conference on any bill as I did with respect to this item. The doubletalk from the Department of Health, Education, and Welfare, as to whether this was a good or bad amendment and whether or not it should be adopted was unbelievable. In one breath they say, "You cannot have it"; but in the other breath they would say, "Here it is sweetened up enough in the conference so that we can get it out." Mr. Speaker, such confused policy in conflict with a stated position, contradicted by a different stated suggestion, does not, in my opinion, seem conducive to sound thinking with respect to fiscal policy or welfare program planning.

The cost of the amendment, as adopted by the House-Senate conference, as I have indicated, will be somewhat in excess of $15 million for the 9-month period it will be in effect. This is $15 million that the Federal Government does not have to spend which will be added to what the public debt otherwise would be and which will be given to the States that have not asked for the increase.

In effect we are asked to approve additional Government spending we cannot afford for a program change that is opposed by the administration to give unsolicited money to the States. We are asked to undertake a program of added Federal cost to accomplish a result that could be better undertaken by the States to the extent the States determined there was need for the expanded programs.

Mr. Speaker, I will not talk further on this conference report. I support the adoption of the report but express regret that the House conferees accepted those Senate amendments that I have briefly criticized in my remarks this afternoon.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks in the RECORD at this point, and I ask unanimous consent to revise and extend my remarks and to include certain tables.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. LOSER. Mr. Speaker, some weeks ago I introduced a bill amending the social security law so as to afford municipal and State employees another opportunity to elect to become members of the social security system. My bill would extend the period for making the election for 2 years. While this group of public employees has had two opportunities to make this election, many of them were not fully informed as to the benefits that would be extended them under the system. Many of these people in my area have importuned me to assist them in this regard.

I am happy, Mr. Speaker, that under the conference report on the bill amending the social security law, as explained by the distinguished chairman of the Committee on Ways and Means, Mr. MILLS, of Arkansas, another opportunity is extended public employees to make the election as to whether they will become members of the system. This extension of time for making this election is for a period of 2 years.

Mr. MILLS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

FREE IMPORTATION OF WILD BIRDS AND WILD ANIMALS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 7678) to amend the Tariff Act of 1930 to provide for the free importation of wild animals and wild birds which are intended for exhibition in the United States.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 1607(a) of the Tariff Act of 1930 (19 U.S.C. 1201, par. 1607(b)) is amended to read as follows:

"(b) Wild animals and wild birds imported specially for exhibition, whether intended to be used by the importer or for sale for such purpose."

SEC. 2. The amendment made by the first section of this Act shall take effect on the tenth day following the date of the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 7678, which was introduced by our colleague, the Honorable CHARLES M. TEAGUE, of California, is to amend paragraph 1607(b) of the Tariff Act of 1930, as amended, to permit the free importation of wild birds and wild animals imported specially for exhibition,

whether intended to be used by the importer or for sale for such purpose.

At the present time, paragraph 1607(b) permits the free importation of such wild animals and wild birds intended for exhibition in zoological collections for educational or scientific purposes, and not for sale or profit. The bill would extend this duty-free treatment to wild animals and wild birds imported by any importer for exhibition for any purpose and also such animals and birds imported by a person or firm who in turn would sell the animals or birds for ultimate use in exhibitions for any purpose.

In the light of the noncompetitive character of the imports in question, the Committee on Ways and Means feels that all animal and bird exhibitors should be able to purchase directly or from dealers those live specimens which they believe enhance the quality of their exhibitions without having to pay import duties directly or indirectly on such specimens. The bill would also serve to eliminate certain customs procedures which surround dutiable importations and thereby permit rapid customs clearance of specimens which could be damaged by delayed customs clearance.

H.R. 7678 embodies amendments suggested by the Departments of State, Commerce, and Treasury to H.R. 1094. H.R. 7678 supersedes H.R. 1094.

The Committee on Ways and Means is unanimous in recommending passage of H.R. 7678.

Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. MASON] may extend his remarks at this RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MASON. Mr. Speaker, H.R. 7678 would amend the Tariff Act of 1930, as amended, so as to permit the free importation of wild birds and wild animals imported for exhibition whether intended to be used by the importer or to be sold by him for exhibition purposes.

Present law now authorizes the free importation of wild animals and birds that are to be exhibited in zoological collections for educational or scientific purposes provided they are not intended for sale or profit. The bill which has just passed the House would extend the duty-free treatment to such animals and birds imported by an importer for exhibition for any purpose as well as animals and birds imported by an individual who in turn would sell the animals and birds for exhibition purposes.

The animals and birds to be imported under this legislation would essentially be of a noncompetitive character with anything available domestically. In addition, the bill would eliminate certain customs procedures which make the importation of such animals and birds a difficult practice.

The Committee on Ways and Means was unanimous in recommending approval of this legislation which was cosponsored by our distinguished colleagues from California, Mr. UTT and Mr. TEAGUE.

FREE ENTRY OF TOWING CARRIAGE FOR UNIVERSITY OF MICHIGAN

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 5852) to provide for the free duty of a towing carriage for the use of the University of Michigan.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to admit free of duty one towing carriage and appurtenances (whether arriving in one shipment or in separate shipments) imported for the use of the University of Michigan.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 5852, which was introduced by our colleague, the Honorable GEORGE MEADER, of Michigan, is to authorize and direct the Secretary of the Treasury to admit free of import duties one towing carriage and appurtenances imported for the use of the University of Michigan.

The University of Michigan has a large ship model towing tank which was built in 1904. Except for the Navy's David Taylor Model Basin installation near Bethesda, Md., the University of Michigan's facility is the largest of its kind in the United tSates.

The towing tank, which is used for experimental testing and research on model vessels under simulated sea conditions, is spanned by a towing carriage which runs on precisely ground rails mounted along the top walls of the tank. Measuring instruments and cameras are mounted on the carriage which tows and guides the ship models under test over the length of the tank.

The new carriage which this bill would permit to be entered free of duty by the University of Michigan is fitted with an electronic speed control, air brakes, and a drag measuring dynamometer. The carriage was built by the only firm in the world which specializes in the design and construction of ship model laboratory equipment. The Committee on Ways and Means understands that no company in the United States specializes in such design and construction.

The University of Michigan testing facility performs many research projects for the Maritime Administration and the Bureau of Ships of the Navy Department. Since the Navy's facility in Maryland is frequently overloaded with work, it is customary to contract work with the University of Michigan. Also, at the present time, some 25 to 30 students sponsored by the U.S. Navy are studying naval architecture and marine engineering at the University of Michigan. In addition, eight U.S. Coast Guard officers are studying for their master's degree in naval architecture.

The towing carriage which is the subject of the bill will serve to modernize and update the university's testing facility. The Committee on Ways and Means feels that it is in the national interest that the University of Michigan not be burdened with substantial import duties in its efforts to modernize this ship research facility which is used to a large extent in testing work for the Federal Government and in training Navy and Coast Guard personnel.

The Committee on Ways and Means was unanimous in recommending passage of H.R. 5852.

Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. MASON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MASON. Mr. Speaker, the legislation which has just passed the House, H.R. 5852, would authorize the duty-free entry of a towing carriage and appurtenances therefor by the University of Michigan to be used in its ship model towing tank. This tank is used for experimental testing and research with respect to water vehicles and vessels under simulated sea conditions. The towing carriage concerned in this bill would span the tank and operate on rails mounted over the tank. Various measuring instruments and photographic apparatuses are mounted on the carriage. The carriage provides the movement and direction of the ship models under test.

This nautical testing facility at the University of Michigan performs many research services for Government agencies, such as the Bureau of Ships of the Navy Department and the Maritime Administration. In addition, naval, Coast Guard, and maritime personnel are trained at the University of Michigan.

The towing carriage proposed to be imported duty free under this bill will help to modernize the testing facility at the university. The towing carriage was built by the only firm in the world which specializes in the development and manufacture of ship model laboratory equipment.

The Committee on Ways and Means was unanimous in favorably reporting this legislation which was introduced and sponsored by the distinguished gentleman from Michigan, Mr. MEADER. It is appropriate that the House has acted favorably on this meritorious proposal.

DUAL-RATE CONTRACT AGREEMENTS

Mr. BONNER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2154) to amend Public Law 85-626, as amended by Public Law 86-542, relating to dual-rate contract agreements.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. ARENDS. Mr. Speaker, reserving the right to object, and I shall not object, is it my understanding that this bill has been cleared on both sides of the aisle by the membership of your committee?

Mr. BONNER. That is right.

Mr. ARENDS. I withdraw my reservation of objection, Mr. Speaker.

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, the interim legislation authorizing the continuation of the conference-dual-rate shipping system will expire tomorrow night. It is necessary that it be extended for an additional period of time in order to give the Senate an adequate opportunity to give study and consideration to the permanent dual-rate measure now pending before it. That measure was approved by the House only a couple of weeks ago, and the Senate, therefore, has not had sufficient time to give it the study which the measure requires.

On yesterday the Senate approved a 1-year extension of the interim legislation. The House Committee on Merchant Marine and Fisheries this morning agreed to an extension until September 15, 1961, with the thought in mind that the shorter extension might give the Senate ample time to consider the permanent dual-rate measure. It was understood, however, that if the shorter period proved to be insufficient an additional extension could be obtained before adjournment of this session of Congress.

The House committee held hearings on the conference-dual-rate shipping problem for more than 2 years. During that same time the House Judiciary Committee investigated and held hearings on antitrust aspects of the shipping conference system. It is my understanding that its report is about ready to be submitted. I sincerely hope that the report of the Judiciary Committee will be completed in time for the Senate to have the benefit thereof during its consideration of the permanent dual-rate measure.

Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. McCULLOCH] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. McCULLOCH. Mr. Speaker, I should like to register my support for this extension of interim dual-rate legislation to September 15 of this year. Certainly, in view of the other body's request for additional time to study the matter, legislative courtesy dictates that we grant it to them.

Furthermore we can hardly do less, considering that it took two committees of this body almost 3 years to complete their studies of this complicated matter of ocean shipping and to reach their legislative recommendations and conclusions.

I believe this short extension will serve another useful purpose. The Antitrust Subcommittee of your Judiciary Committee, of which I am ranking minority member, will soon complete its study of the ocean freight industry and issue its report. I am informed that, unless the investigation is reopened during the interim period, the report should be ready and available in the next month or so.

I regret that the summation, recommendations, and conclusions of our 3-year study of the shipping industry were not available to assist this body in its own recent deliberations on dual-rate legislation.

It would be improvident, indeed, if this report were not available at all to contribute to the solution of the legislative dilemma in which we find ourselves.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "To amend the Shipping Act, 1916", approved August 12, 1958 (72 Stat. 574), as amended by an Act approved June 29, 1960 (74 Stat. 253), is further amended by striking out "1961" and inserting in lieu thereof "1962".

Mr. BONNER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BONNER: Strike out all after the enacting clause and insert in lieu thereof the following: "That section 2 of the Act entitled 'To amend the Shipping Act, 1916', approved August 12, 1958 (72 Stat. 574), as amended by an Act approved June 29, 1960 (74 Stat. 253), is further amended by striking out 'June 30, 1961' and inserting in lieu thereof 'September 15, 1961'."

Mr. CELLER. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I shall not oppose the amendment. I simply want to indicate that the temporary exemption from the antitrust laws permitting steamship conferences to use the dual-rate system was enacted originally for 2 years after the Isbrandtsen case was decided by the Supreme Court of the United States in May 1958. This case held dual-rate conferences to be illegal as violation of the Shipping Act and antitrust principles. That moratorium gave the shipping industry ample opportunity to put their house in order and to provide suitable criteria protecting the public, other industries, and the Government with reference to the carrying out of dual-rate agreements. They had 2 years, but then they asked for another year's exemption. The Congress extended the period 1 more year. Now they are asking once again for a further extension.

I have no objection to a short extension; namely, for 60 or 75 days, which is the import of the bill now before us. But it would be untoward and unseemly to grant the shipping industry any further time beyond September 15. They are insistent upon extension after extension. This attitude is intolerable. I shall oppose any more extensions after September 15. The gentleman from North Carolina [Mr. BONNER] has labored long and hard as chairman of the Merchant Marine and Fisheries Committee and has produced a bill that will give the industry what it wants but will also protect those who do business with the industry. The House has passed that bill unanimously and the Senate committee has already held hearings on it.

I sound a warning to the membership of the House that if any efforts are made to grant any further extensions I shall then go to the well of the House and indicate at some length the unsavory details and practices followed by this industry that were developed by the inquiry conducted by the House Committee on the Judiciary. It is needless to do that at this point, but if efforts are made by the insistent, and I should almost say truculent, lobby of the shipping industry to further prolong this situation I shall be compelled to take that course.

Furthermore, if this industry continues its insidious campaign of delay and procrastination I shall also reopen our Judiciary Committee hearings on this industry and challenge the industry to establish clearly on the public record just why they need such an extraordinary exemption from the fabric of our antitrust laws. The public needs to be protected now, not next year or 2 years hence or 3 years hence.

The public needs to be protected from an industry which the Comptroller General has found, according to testimony before the Antitrust Subcommittee, is guilty of overcharges on U.S. Government-financed shipments of grain of over $300,000 for 2 years in one small trade area. And this is the same industry which includes a prominent line found by the subcommittee to be guilty of fraudulent rebate and whose vice president stated:

I don't want to make any excuse for it, because it was wrong, our people were wrong. Ethnically, morally, and every other way. And I can tell you we don't condone such practice and I am ashamed to have to sit and see a letter like that in the file.

Notwithstanding such statements our subcommittee discovered about 210 apparent violations of law by members of this industry. These were referred to the Maritime Board and to the Department of Justice where action is being taken. A grand jury has been impaneled to look into these matters further.

I could go on with this catalog, Mr. Speaker, but time does not now permit. I merely wish to emphasize here and now that it is high time that Congress acted to protect the public and any delay in enacting such protection beyond the end of this session would be intolerable.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

PUBLIC LAW 87–36

Mr. CELLER. Mr. Speaker, I call up the bill (S. 2083) to correct a technical inaccuracy in the act of May 19, 1961 (Public Law 87–36), and ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. GROSS. Mr. Speaker, reserving the right to object, what is the nature of this bill?

Mr. CELLER. It is simply to make a correction of a technical mistake in the omnibus judgeship bill. There was the insertion of title 18 and it should be title 28; the correction is the "2" for the "1," that is all. The bill has already passed the Senate.

Mr. GROSS. It does not provide for any more judges?

Mr. CELLER. No, indeed.

Mr. GROSS. I should hope not, in view of the 73 new judges voted a few weeks ago. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(e) of the Act of May 19, 1961 (Public Law 87–36), is amended by striking out "title 18" and inserting in lieu thereof "title 28".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXPANSION OF FUNCTIONS OF COAST GUARD

Mr. GEORGE P. MILLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6845) to amend title 14 of the United States Code to provide for an expansion of the functions of the Coast Guard, with a Senate amendment thereto, disagree to the Senate amendment and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California?

The Chair hears none, and appoints the following conferees: Messrs. GEORGE P. MILLER, DINGELL, LENNON, PELLY, and MCDONOUGH.

REPORT OF JUDICIAL CONFERENCE OF THE UNITED STATES

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 250 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the report entitled "Report on the Powers and Responsibilities of the Judicial Councils", by the Judicial Conference of the United States, March 13, 14, 1961, together with a foreword by the Honorable EMANUEL CELLER, chairman of the Committee on the Judiciary, be printed as a House document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF THE CONSTITUTION OF THE UNITED STATES

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 251 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That there is hereby authorized to be printed as a House document the Constitution of the United States, with an index and ancillaries regarding proposed amendments prepared by Representative EMANUEL CELLER, and that sixteen thousand five hundred additional copies be printed and prorated to the Members of the House of Representatives for a period of ninety days, after which time the unused balance shall revert to the Committee on the Judiciary.

With the following committee amendment:

Line 7, strike out "a period of ninety days" and insert "the duration of the Eighty-seventh Congress".

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL ACCOUNTING OFFICE

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 259 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the compilation of General Accounting Office findings and recommendations for improving Government operations, fiscal year, 1960, be printed as a House document; and that two thousand additional copies be printed for the use of the Committee on Government Operations.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LANGUAGE AS A COMMUNIST WEAPON

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 292 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on Un-American Activities twenty thousand additional copies of a consultation with Doctor Stefan T. Possony entitled "Language as a Communist Weapon", Eighty-sixth Congress, first session.

The resolution was agreed to.

A motion to reconsider was laid on the table.

"THE KREMLIN'S ESPIONAGE AND TERROR ORGANIZATIONS"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 293 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on Un-American Activities twenty thousand additional copies of the testimony of Petr S. Deriabin, former officer of the Union of Soviet Socialist Republics committee of state security (KGB) entitled "The Kremlin's Espionage and Terror Organizations", at hearings held by that committee during the Eighty-sixth Congress, first session.

The resolution was agreed to.

A motion to reconsider was laid on the table.

"THE IDEOLOGICAL FALLACIES OF COMMUNISM"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 294 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on Un-American Activities thirty-six thousand additional copies of staff consultations with Rabbi S. Andhil Fineberg, Bishop Fulton J. Sheen, and Doctor Daniel A. Poling entitled "The Ideological Fallacies of Communism", Eighty-fifth Congress, first session.

The resolution was agreed to.

A motion to reconsider was laid on the table.

"COMMUNISM IN THE NEW YORK AREA—ENTERTAINMENT"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 295 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on Un-American Activities six thousand additional copies of the hearings held by that committee in the New York area entitled "Communism in the New York Area—Entertainment", Eighty-fifth Congress, second session.

The resolution was agreed to.

A motion to reconsider was laid on the table.

"COMMUNIST PSYCHOLOGICAL WARFARE—BRAINWASHING"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 296 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on Un-American Activities fifty thousand additional copies of a consultation with Edward Hunter, author and foreign correspondent, entitled "Communist Psychological Warfare—Brainwashing", Eighty-fifth Congress, second session.

The resolution was agreed to.

A motion to reconsider was laid on the table.

"PATTERNS OF COMMUNIST ESPIONAGE"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 297 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on Un-American Activities fifteen thousand additional copies of House Document Numbered 119, Eighty-sixth Congress, first session, entitled "Patterns of Communist Espionage".

The resolution was agreed to.

A motion to reconsider was laid on the table.

"SOVIET TOTAL WAR—HISTORIC MISSION OF VIOLENCE AND DECEIT"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 307 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Un-American Activities five thousand additional copies each of volumes I and II of a publication entitled "Soviet Total War—Historic Mission of Violence and Deceit", Eighty-fifth Congress, first session.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

"COMMUNIST TRAINING OPERATIONS—COMMUNIST ACTIVITIES AND PROPAGANDA AMONG YOUTH GROUPS"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 308 and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Un-American Activities eight thousand additional copies each of parts 1, 2, and 3 of the hearings entitled "Communist Training Operations—Communist Activities and Propaganda Among Youth Groups", held by that committee during the Eighty-sixth Congress.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

"THE NORTHERN CALIFORNIA DISTRICT OF THE COMMUNIST PARTY — STRUCTURE — OBJECTIVES—LEADERSHIP"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 309 and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Un-American Activities ten thousand additional copies each of parts 1, 2, 3, and 4 of the hearings held by that committee in San Francisco entitled "The Northern California District of the Communist Party—Structure—Objectives—Leadership", Eighty-sixth Congress, second session.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE RECOMMENDATIONS BY HOUSE COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up the concurrent resolution, House Concurrent Resolution 310, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Un-American Activities twenty thousand additional copies of a study entitled "Legislative Recommendations by House Committee on Un-American Activities—Subsequent Action Taken by Congress or Executive Agencies—A Research Study by Legislative Reference Service of the Library of Congress", Eighty-sixth Congress, second session.

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

HOUSE DOCUMENT 336—FACTS ON COMMUNISM, VOLUME I, THE COMMUNIST IDEOLOGY

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up the concurrent resolution, House Concurrent Resolution 311, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed thirty thousand additional copies of House Document 336, Eighty-sixth Congress, second session, entitled "Facts on Communism—Volume I, the Communist Ideology" of which fifteen thousand copies shall be for the use of the Committee on Un-American Activities and fifteen thousand copies shall be prorated to the Members of the House of Representatives for a period of ninety days after which time the unused balance shall revert to the Committee on Un-American Activities.

With the following committee amendment:

On line 8, strike out "a period" and on line 9, strike out "of ninety days" and insert "the duration of the Eighty-seventh Congress".

The committee amendment was agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF INAUGURAL ADDRESSES OF THE PRESIDENTS AS A HOUSE DOCUMENT

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up the concurrent resolution, House Concurrent Resolution 320, and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

Resolved by the House of Representatives (the Senate concurring), That a collection of inaugural addresses, from President George Washington to President John F. Kennedy, compiled from research volumes and State papers by the Legislative Reference Service, Library of Congress, be printed as a House document; and that five thousand four hundred and forty additional copies be printed, of which four thousand four hundred and ten copies shall be for the use of the House of Representatives, and one thousand and thirty copies for the use of the Senate.

With the following committee amendment:

On line 6, after the word "printed" insert "with illustrations".

On line 6, strike out "five thousand" and strike out all of lines 7, 8, 9, and 10 and insert "ten thousand eight hundred and eighty additional copies be printed, of which eight thousand eight hundred and twenty copies shall be for the use of the House of Representatives, and two thousand and sixty copies for the use of the Senate."

The committee amendment was agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON FOREIGN AFFAIRS

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up the resolution, House Resolution 348, and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That (a) it is the purpose of this resolution to enable the House of Representatives more properly to discharge and coordinate its activities and responsibilities in connection with participation in various interparliamentary institutions and to facilitate the interchange and reception in the United States of members of foreign legislative bodies and permanent officials of foreign governments.

(b) There shall be paid out of the contingent fund of the House, until otherwise

provided by law, such sums as may be necessary, but not to exceed $5,000 in any calendar year, for payment of expenses incurred in carrying out this section.

SEC. 2. In order to further carry out the purposes of this resolution the Committee on Foreign Affairs is authorized to employ one additional employee at a rate of compensation to be fixed by the chairman of such committee in accordance with section 202(e) of the Legislative Reorganization Act of 1946. There shall be paid out of the contingent fund of the House, until otherwise provided by law, such sums as may be necessary to carry out this section.

With the following committee amendment:

On line 12, after the word "section" strike out the period and insert "on vouchers signed by the chairman of the Committee on Foreign Affairs, and approved by the Committee on House Administration."

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Iowa.

Mr. GROSS. Do you suppose that if the Foreign Affairs Committee got this new employee it could get the foreign giveaway bill to the House before the last gong is rung in a session of the Congress? Does the gentleman think that this would be helpful to the committee to that extent?

Mr. HAYS. I would say to the gentleman, first, that the Committee on Foreign Affairs has fewer employees than any major committee of the House. Second, I am just as anxious to get this particular legislation out as the gentleman is, and perhaps more so. I would hope that this would help.

Mr. GROSS. I will say to the gentleman, and this is a personal observation, entirely personal on my part, that I am going to be disappointed because I have a birthday tomorrow and up to this time, I think I have celebrated every birthday since I have been a Member of the Congress in the consideration of an authorization for a foreign giveaway program. This, as I say, has happened year after year and I am going to be disappointed tomorrow.

Mr. HAYS. I would just like to take this opportunity to wish the gentleman a happy birthday, notwithstanding.

Mr. GROSS. I thank the gentleman.

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HOUSE DOCUMENT 198—"THE COMMISSION ON INTERGOVERNMENTAL RELATIONS"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up the concurrent resolution, House Concurrent Resolution 327, and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed four thousand six hundred additional copies of House Document Numbered 198 of the Eighty-fourth Congress, first session, entitled "The Commission on Intergovernmental Relations", of which four thousand shall be for the use of the House Committee on Government Operations, three hundred copies for the House document room, and three hundred copies for the Senate document room.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF "U.S. DEFENSE POLICIES IN 1960" AS HOUSE DOCUMENT

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up the resolution, House Resolution 349, and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the document entitled "United States Defense Policies in 1960" by Charles H. Donnelly, Library of Congress, be printed as a House document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR INCREASED DISTRIBUTION OF CONGRESSIONAL RECORD TO FEDERAL JUDICIARY

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I ask unanimous consent for the immediate consideration of the bill (S. 1748) to provide for the increased distribution of the CONGRESSIONAL RECORD to the Federal judiciary.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

There was no objection.

The Clerk read the Senate bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 73 of the Act of January 12, 1895, as amended (44 U.S.C. 183), relating to the gratuitous distribution of the CONGRESSIONAL RECORD is further amended (a) by inserting therein immediately after the paragraph reading:

"To the offices of the Marshal and Clerk of the Supreme Court of the United States, each, two copies of the daily and one semimonthly copy."

an additional paragraph reading as follows:

"To each United States circuit and district judge, and to the chief judge and each associate judge of the United States Court of Claims, the United States Court of Customs and Patent Appeals, the United States Customs Court, the Tax Court of the United States, and the United States Court of Military Appeals, upon request to a Member of Congress and notification thereof by such Member to the Public Printer, one copy of the daily. Copies so furnished shall be in addition to those authorized to be furnished to Members of Congress under the foregoing provisions of this section."

and (b) by inserting therein immediately after the paragraph reading:

"To the library of the Supreme Court of the United States, two copies of the daily, two semimonthly copies, and not to exceed five bound copies."

an additional paragraph reading as follows:

"To the library of each United States Court of Appeals, each United States District Court, the United States Court of Claims, the United States Court of Customs and Patent Appeals, the United States Customs Court, the Tax Court of the United States, and the United States Court of Military Appeals, upon request to the Public Printer, one bound copy."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRINTING OF PAMPHLET "OUR CAPITOL" AS A SENATE DOCUMENT

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up the concurrent resolution, Senate Concurrent Resolution 17, and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed as a Senate document, with illustrations, the pamphlet entitled "Our Capitol"; and that three hundred and twenty-three thousand five hundred additional copies shall be printed, of which one hundred and three thousand copies shall be for the use of the Senate and two hundred and twenty thousand five hundred copies for the use of the House of Representatives.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING ADDITIONAL COPIES OF PART I OF HEARING ON MIGRATORY LABOR

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 23 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on Labor and Public Welfare two thousand additional copies of part I of the hearing on migratory labor held before its Subcommittee on Migratory Labor during the Eighty-sixth Congress, first session.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF CERTAIN PUBLICATIONS OF SENATE COMMITTEE ON THE JUDICIARY

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 24 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved by the Senate (the House of Representatives concurring), That there shall

be printed, for the use of the Senate Committee on the Judiciary, the numbers of copies specified of the following publications of its Internal Security Subcommittee:

(1) "The Technique of Soviet Propaganda" (committee print, Eighty-sixth Congress, second session), ten thousand copies;

(2) "Khrushchev's Strategy and Its Meaning for America" (committee print, Eighty-sixth Congress, second session), five thousand copies;

(3) "Communist Leadership 'Tough Guy' Takes Charge" (hearings before the Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Committee on the Judiciary, United States Senate, February 2 and 3, 1960), five thousand copies;

(4) "The Korean War and Related Matters" (committee print, report, Eighty-fourth Congress, first session), five thousand copies;

(5) "Subversive Influence in the Educational Process" (committee print, report dated July 17, 1953, Eighty-third Congress, first session), five thousand copies;

(6) "Interlocking Subversion in Government Departments" (committee print, report dated July 30, 1953, Eighty-third Congress, first session), five thousand copies;

(7) "Activities of United States Citizens Employed by the United Nations" (committee print, report dated March 22, 1954, Eighty-third Congress, second session), five thousand copies;

(8) "Documentary Proof That the Communist Party, U.S.A., Teaches and Advocates the Overthrow and Destruction of the United States Government by Force and Violence" (committee print, Eighty-second Congress, second session), five thousand copies; and

(9) "Fair Play for Cuba Committee" (hearings before the Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Committee on the Judiciary, United States Senate, April 29, May 5, and October 10, 1960, and January 10, 1961), five thousand copies.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING PRINTING OF PROCEEDINGS OF NATIONAL WATER RESEARCH SYMPOSIUM

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 27, and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved by the Senate (the House of Representatives concurring), That the proceedings of the National Water Research Symposium, sponsored by the National Reclamation Association and the National Association of Soil Conservation Districts, on March 28 through 30, 1961, be printed with illustrations as a Senate document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING PRINTING AS HOUSE DOCUMENT OF TRIBUTES EXTENDED TO THE HONORABLE SAM RAYBURN

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 342 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved by the House of Representatives (the Senate concurring), That the tributes extended to the Speaker, the Honorable SAM RAYBURN, in the House of Representatives on June 12, 1961, and any other relevant material, be printed, with illustrations, as a House document; and that one hundred and twenty-five thousand additional copies shall be printed, of which one hundred and twenty-two thousand five hundred copies shall be for the use of the House of Representatives, two thousand five hundred copies, for the use of the Senate, and two thousand copies, bound in style to be determined by the Joint Committee on Printing, for the use of the Speaker.

Mr. HAYS. Mr. Speaker, I was not able to be here the day the tributes were paid, but I would just like to say at this time that it is a very great privilege and pleasure to present this resolution. I have no doubt it will be agreed to unanimously.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield.

Mr. GROSS. What is the resolution?

Mr. HAYS. The Clerk just read it in its entirety. It provides for the printing as a public document of tributes extended to the Speaker of the House of Representatives recently.

Mr. GROSS. That is fine. I thank the gentleman.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROGRAM FOR THE BALANCE OF THE DAY AND THE WEEK OF JULY 3, 1961

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute in order to ask the majority leader if he can inform us as to the program for the balance of the day and for next week.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McCORMACK. After any further consent requests are disposed of the first order of business will be the bridge bill, and the second order of business the Delaware compact bill.

There is no program for next week. The House is well caught up to date on bills that have been reported out of committees and Rules, and with the completion of the business I have announced, I shall later in the day ask consent to go over to next Monday, from next Monday to the following Thursday, and from Thursday to the following Monday.

ELECTION OF MR. ROUSH TO COMMITTEE ON SCIENCE AND ASTRONAUTICS

Mr. MILLS. Mr. Speaker, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 367

Resolved, That J. EDWARD ROUSH, of Indiana, be, and he is hereby elected, a member of the standing committee of the House of Representatives on Science and Astronautics and to rank number 10th thereon.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION OF MR. UDALL TO COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. MILLS. Mr. Speaker, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 368

Resolved, That MORRIS K. UDALL, of Arizona, be, and he is hereby, elected a member of the standing committee of the House of Representatives on Post Office and Civil Service.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TWO ADDITIONAL MAIL CLERKS IN THE OFFICE OF THE POSTMASTER OF THE HOUSE OF REPRESENTATIVES

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 341 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That, until otherwise provided by law, there shall be paid out of the contingent fund of the House of Representatives compensation for the employment of two additional mail clerks, Office of the Postmaster, at a basic annual salary of $2,100.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL FUNDS FOR THE COMMITTEE ON HOUSE ADMINISTRATION

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 357.

The Clerk read as follows:

Resolved, That, in continuing to carry out its duties during the Eighty-seventh Congress, the Committee on House Administration is authorized to incur such additional expense, not in excess of $10,000, as it deems advisable. Such expenses shall be paid out of the contingent fund of the House on vouchers authorized and approved by such committee, and signed by the chairman thereof.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from Iowa.

Mr. GROSS. This is additional money for the Committee on House Administration?

Mr. FRIEDEL. Yes. It comes about through the last contested elections case, and we need $10,000 to bring the fund up to date.

Mr. GROSS. I just wanted to know what the purpose of it was.

Mr. FRIEDEL. It is on account of the election case from Indiana.

Mr. GROSS. I thank the gentleman.

The House resolution was agreed to.

A motion to reconsider was laid on the table.

A FLAG FOR EACH MEMBER OF THE HOUSE OF REPRESENTATIVES

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 354.

The Clerk read as follows:

Resolved, That a flag for each Member of the House of Representatives be as follows: Description: On a blue rectangular background the shield of the coat of arms of the United States—paleways of thirteen pieces, argent (white) and gules (red); a chief, azure (blue), encircled by a wreath of oak leaves and acorns proper (natural color), the whole surrounded by thirteen gold-color (yellow) stars in the form of an annulet with one point of each star outward on the imaginary radiating center lines. Colors (four feet four inches hoist by five feet six inches fly, in rayon, nylon, or silk) will be equipped with a two-and-one-half-inch-wide yellow fringe. Other flags will not be equipped with a fringe.

The flags of the Members of the House of Representatives shall normally be of the sizes and proportions to conform to military custom. The proportion of the elements of the central design shall be in direct relation to the hoist, and the fly shall vary for official use according to the customs of the military and naval services. For private-ship use the proportions of the flag shall be appropriate to the ship on which displayed.

The shield of thirteen paleways represents the Original Thirteen Colonies with the chief uniting the Colonies and representing Congress. The shield encircled by a wreath of oak representing strength, all surrounded by thirteen gold (yellow) stars, represents the House of Representatives.

The colors used in the design are traditionally the same as those used in the flag of the United States; white for purity and innocence, red for hardiness and valor, and blue for vigilance, perseverance, and justice. The stars are gold (yellow) as a mark of distinction for the legislative department of Government from the white stars used in individual flags in the executive department.

Cords and tassels of blue and yellow are: A cord eight feet six inches in length with a tassel at each end, and are made of twisted silk or rayon. They are attached below the finial piece of the pike and are used with the colors for Members of the House of Representatives.

Flagstaffs for the national flag (flag of the United States) and the color for Members of the House of Representatives will be nine feet six inches in length, including the finial piece consisting of a gold-color metal reproduction of the Capitol dome.

The design of colors and flags shall be used to represent the Members of the House of Representatives exclusively while the finial piece of the flagstaff shall be used for Members of the House of Representatives and Members of the Senate exclusively.

SEC. 2. One each color, Member of the House of Representatives, cord and tassels and flagstaff shall be furnished to the Speaker, the majority leader, and the minority leader of the House and to each of their respective successors hereafter.

SEC. 3. One each color, Member of the House of Representatives, cord and tassels and flagstaff shall be furnished to each Member of the House of Representatives upon his request and his payment therefor.

SEC. 4. The expenses incident to the furnishing of color, Member of the House of Representatives, cord and tassels and flagstaff shall be paid from the contingent funds of the House.

SEC. 5. This resolution shall be effective upon its passage by the House of Representatives.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from Iowa.

Mr. GROSS. I think this is the resolution I have been waiting for. Tell us about this. Is it to put flags on cars of Members of Congress?

Mr. FRIEDEL. Let me explain it in my own way, and then I will have the author explain it.

Mr. GROSS. Then will the gentleman yield me about 5 minutes?

Mr. FRIEDEL. Mr. Speaker, this bill provides a flag or emblem for the Speaker, the majority leader, and minority leader. That is the only cost in this bill. Any Member of Congress who wants a flag will have to pay for it out of his own pocket. This is an official flag for Members of Congress, for use aboard ship or on an automobile in a parade, or similar occasions. It is a small flag.

Mr. GROSS. When a Member of Congress is aboard a ship, what does he or she do, walk on deck with a congressional flag in hand?

Mr. FRIEDEL. Let me quote a few little things here.

The committee was informed that a flag is authorized for members of the President's Cabinet, the Assistant Secretaries, and U.S. consuls. We felt that Members of Congress, having a comparable rank of major general, are entitled to a flag. The Library of Congress has reported there are 31 different categories of flags authorized.

Mr. GROSS. What are you going to put on these flags, two, four, or five stars?

Mr. FRIEDEL. It will have 13 stars.

Mr. GROSS. What are the 13 stars for?

Mr. FRIEDEL. The Original Thirteen States.

Mr. SHELLEY. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from California.

Mr. SHELLEY. Mr. Speaker, I appreciate the diligence and the frame of mind of my friend from Iowa, who deserves quite a purpose in this Congress, being very conscious of its expenditures.

This bill, for a period of about 8 years, has been out of the committee twice, but for some reason was not enacted into law. The flag was designed by the Heraldic Branch, Office of the Quartermaster General, that designs official flags and colors. For Members of the House the flag is on a blue field with a green maple leaf and the shield of the United States and is encircled by 13 stars for the Original States. For the U.S. Senate the flag has a red field. There is to be a special flag for the Speaker, a special flag for the majority and minority leaders, which will be furnished to them without cost. Members of the House desiring such a flag will have to purchase the flag themselves. It will not be available through the stationery account. Now, may I say to the gentleman from Iowa, he may think that the idea of this bill sounds ridiculous; personally I think over the years we have been playing down the dignity and the standing of the Congress of the United States, and particularly do we do so to ourselves here in the House of Representatives. We allow the Senate to provide trips for their Members; we allow the Senate to provide trips for their staffs to their homes, and we do not do it ourselves or our staff members. We let the executive department fly flags down to the level of assistant secretaries, and under the law and under every rule of protocol we outrank them. Now, this is just a gesture, and there are some reasons for it.

It happens that I have been interested in boating, as many other Members here have, and up to 2 years ago I owned a boat down Chesapeake Bay. At one time several years ago, when a very severe blow came up unexpectedly on the Chesapeake, I tried to put in at a naval port down at the mouth of the Potomac and was challenged by a sentry shot warning me off. I was seeking a port of haven. I had my wife and children aboard and another guest. After I got close enough, through a battery-powered loudspeaker I was able to convey to the sentry that I wanted the officer of the day. I was able to get in and moor. As a result of this and other incidents that other Members have had, we initiated talks with the Heraldic Branch of the Quartermaster General and a flag was designed. The nomenclature of the flag and the design was mailed to all the military installations. When we fly that flag it is recognized today, but it is still not official. This act simply gives to the Members of the House of Representatives, who are senior in rank to many of the executive officers of the Government, that which the executive department has in every instance. It can be flown if you are aboard a U.S. vessel at the right fore yardarm. It can be flown at the left side, a small colored flag, if you are riding in a ceremonial parade. These are the only two official uses.

Mr. GROSS. Mr. Speaker, will the gentleman from Maryland yield so that I may ask the gentleman from California a question or two about this flag-flying business?

Mr. FRIEDEL. I would like to make one further statement, that this bill was referred to the Defense Department. They have no objection, and they approved it. And, it went through other channels. We hope you will pass it.

Mr. GROSS. Mr. Speaker, will the gentleman yield so that I may ask the gentleman from California a question?

Mr. FRIEDEL. Yes.

Mr. GROSS. I would like to ask the gentleman from California: What does a congressional flag have to do with the incident that he spoke of when he was shot at while trying to land his boat at a naval station?

Mr. SHELLEY. The next time I went down there the flag was flying on a boat I was on, and I was welcomed in a very cordial and friendly manner. They recognized the flag as I was coming alongside.

Mr. GROSS. What happens to the poor devil not a Member of Congress, who gets caught out in the same storm and does not have the congressional flag flying at the masthead?

Mr. SHELLEY. This is the very reason for it. All ports are supposed to be ports of haven, in times of distress, at the time of the incident mentioned. The result was that several other vessels followed me in and rode out the heavy weather.

Mr. GROSS. They go ahead and shoot him up if he does not have a flag. Now, let me ask the gentleman this question. Supposing 15 or 20 or 50 Members of the Congress go aboard a carrier or some naval vessel, have they rope enough to fly all of the congressional flags for all of the Members on board, or what is the situation?

Mr. SHELLEY. Is the gentlemen familiar at all with the rules and regulations on flag etiquette and protocol? There is only one flag. If the whole Congress is aboard, there would be one flag flying.

Mr. GROSS. Just one flag?

Mr. SHELLEY. That is right.

Mr. GROSS. But there may be 100 Members aboard?

Mr. SHELLEY. Yes.

Mr. GROSS. Let me ask the gentleman this question. What is the size of this flag?

Mr. FRIEDEL. Three by five.

Mr. GROSS. Do you mean to tell me that the distinguished Speaker is going to ride through the streets in Washington or down in Texas with a three by five flag flapping on his automobile?

Mr. FRIEDEL. It is a very small flag.

Mr. GROSS. Then what about this situation? How would you fly it, above or below the squirrel tail that some people fly off their radio antennas? I think this is utter and unmitigated foolishness, and I am opposed to it.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the "ayes" appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present. If we are going to vote for stuff like this, let us get it on the record.

The SPEAKER. Will the gentleman withhold his point of order for a moment?

Mr. GROSS. Yes, I will withhold it.

Mr. FRIEDEL. Mr. Speaker, I withdraw the resolution.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Is it not necessary to ask unanimous consent to withdraw the resolution?

The SPEAKER. It is, but the Chair did not think anyone would object to that unanimous consent request.

Mr. GROSS. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Will this resolution be subject to a rollcall vote when it is called up again?

The SPEAKER. That would be up to the House to decide.

Mr. GROSS. Then, Mr. Speaker, I object to the unanimous consent request to withdraw the resolution at this time.

The SPEAKER. The question is on the resolution.

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 108, nays 270, not voting 59, as follows:

[Roll No. 107]

YEAS—108

Adair	Griffiths	Moorhead, Pa.
Addabbo	Gubser	Morgan
Addonizio	Hagen, Calif.	Morrison
Albert	Hansen	Moss
Ayres	Harding	Multer
Bailey	Harrison, Wyo.	Nix
Barrett	Hays	Norrell
Bass, Tenn.	Healey	O'Konski
Bolling	Hiestand	Olsen
Bow	Holifield	Passman
Burleson	Holland	Pfost
Byrne, Pa.	Holtzman	Powell
Cahill	Johnson, Calif.	Rabaut
Carey	Johnson, Md.	Rhodes, Pa.
Chiperfield	Johnson, Wis.	Rivers, Alaska
Clark	Judd	Rodino
Cohelan	Karth	Rogers, Colo.
Corbett	Kastenmeier	Roosevelt
Corman	Kee	Saund
Daddario	Kelly	Saylor
Davis, John W.	Kilday	Schenck
Delaney	King, Calif.	Shelley
Dingell	Kirwan	Sisk
Dooley	Kluczynski	Slack
Doyle	Lankford	Sullivan
Everett	Lesinski	Teague, Tex.
Evins	Lipscomb	Thompson, La.
Fino	McCormack	Thompson, N.J.
Flood	McDowell	Thompson, Tex.
Frazier	McFall	Toll
Friedel	McSween	Tollefson
Fulton	Mailliard	Udall
Gallagher	Mathias	Van Zandt
Garmatz	Merrow	Walter
Gilbert	Miller, Clem.	Zablocki
Granahan	Miller, George P.	
Green, Pa.		

NAYS—270

Abbitt	Bolton	Curtis, Mass.
Abernethy	Bonner	Curtis, Mo.
Alexander	Boykin	Dague
Alford	Brademas	Denton
Andersen, Minn.	Bray	Derounian
Anderson, Ill.	Breeding	Derwinski
Andrews	Brewster	Devine
Anfuso	Brooks, Tex.	Dole
Arends	Broomfield	Dominick
Ashbrook	Brown	Donohue
Ashley	Broyhill	Dorn
Ashmore	Bruce	Dowdy
Auchincloss	Burke, Ky.	Downing
Avery	Burke, Mass.	Dulski
Baker	Casey	Durno
Baldwin	Cederberg	Dwyer
Barry	Celler	Edmondson
Bass, N.H.	Chamberlain	Elliott
Becker	Chelf	Ellsworth
Beckworth	Chenoweth	Farbstein
Beermann	Church	Fascell
Belcher	Clancy	Feighan
Bennett, Fla.	Collier	Fenton
Bennett, Mich.	Conte	Findley
Berry	Cook	Finnegan
Betts	Cooley	Fisher
Blatnik	Cramer	Ford
Boland	Cunningham	Forrester
	Curtin	Fountain
Frelinghuysen	Madden	Roush
Gary	Magnuson	Rousselot
Gathings	Mahon	Rutherford
Gavin	Marshall	Ryan
Giaimo	Martin, Mass.	St. George
Goodell	Mason	St. Germain
Goodling	Matthews	Santangelo
Grant	May	Schadeberg
Griffin	Meader	Scherer
Gross	Michel	Schneebeli
Hagan, Ga.	Miller, N.Y.	Schweiker
Haley	Milliken	Schwengel
Halpern	Mills	Scott
Hardy	Minshall	Scranton
Harris	Moeller	Seely-Brown
Harrison, Va.	Monagan	Selden
Harsha	Montoya	Shipley
Harvey, Ind.	Moore	Short
Harvey, Mich.	Moorehead, Ohio	Shriver
Hechler	Morris	Sibal
Hemphill	Morse	Sikes
Henderson	Mosher	Siler
Hoeven	Moulder	Smith, Calif.
Hoffman, Ill.	Murphy	Smith, Iowa
Horan	Murray	Smith, Miss.
Huddleston	Natcher	Smith, Va.
Hull	Nelsen	Spence
Ichord, Mo.	Norblad	Stafford
Ikard, Tex.	Nygaard	Staggers
Jarman	O'Brien, Ill.	Steed
Jennings	O'Hara, Ill.	Stephens
Joelson	O'Hara, Mich.	Stratton
Johansen	O'Neill	Stubblefield
Jonas	Osmers	Taylor
Jones, Ala.	Ostertag	Teague, Calif.
Jones, Mo.	Patman	Thomas
Karsten	Pelly	Thomson, Wis.
Keith	Perkins	Thornberry
Keogh	Peterson	Trimble
Kilgore	Philbin	Tuck
King, N.Y.	Pike	Ullman
King, Utah	Pirnie	Vanik
Kitchin	Poage	Wallhauser
Knox	Poff	Watts
Kornegay	Price	Weaver
Kowalski	Pucinski	Weis
Kunkel	Quie	Westland
Laird	Rains	Whalley
Lane	Randall	Whitener
Langen	Ray	Whitten
Latta	Reece	Wickersham
Lennon	Reuss	Williams
Lindsay	Rhodes, Ariz.	Willis
Loser	Riehlman	Wilson, Calif.
McCulloch	Riley	Wilson, Ind.
McDonough	Rivers, S.C.	Winstead
McIntire	Robison	Wright
McMillan	Rogers, Fla.	Yates
Macdonald	Rogers, Tex.	Young
MacGregor	Rostenkowski	Younger
Machrowicz	Roudebush	Zelenko
Mack		

NOT VOTING—59

Alger	Dent	Landrum
Aspinall	Diggs	Libonati
Baring	Fallon	McVey
Bates	Flynt	Martin, Nebr.
Battin	Fogarty	O'Brien, N.Y.
Bell	Garland	Pilcher
Blitch	Glenn	Pillion
Boggs	Gray	Reifel
Bromwell	Green, Oreg.	Roberts
Brooks, La.	Hall	Rooney
Buckley	Halleck	Sheppard
Byrnes, Wis.	Hébert	Springer
Cannon	Herlong	Taber
Coad	Hoffman, Mich.	Tupper
Colmer	Hosmer	Utt
Daniels	Inouye	Van Pelt
Davis, James C.	Jensen	Vinson
Davis, Tenn.	Kearns	Wharton
Dawson	Kilburn	Widnall
	Kyl	

So the resolution was rejected.

The Clerk announced the following pairs:

Mr. Dent with Mr. Alger.
Mr. Daniels with Mr. Reifel.
Mr. Hébert with Mr. Hall.
Mr. Boggs with Mr. Halleck.
Mr. Brooks of Louisiana with Mr. Kyl.
Mr. Libonati with Mr. Springer.
Mr. Fallon with Mr. Garland.
Mr. Fogarty with Mr. Byrnes of Wisconsin.
Mrs. Green of Oregon with Mr. Kearns.
Mr. Landrum with Mr. Hoffman of Michigan.
Mr. Inouye with Mr. Taber.
Mr. Aspinall with Mr. Wharton.
Mr. Buckley with Mr. Utt.
Mr. Colmer with Mr. Glenn.

Mr. James C. Davis with Mr. Bates.
Mr. Pilcher with Mr. Bell.
Mr. Roberts with Mr. Tupper.
Mr. Rooney with Mr. Widnall.
Mr. Herlong with Mr. Pillion.
Mr. O'Brien of New York with Mr. Battin.
Mr. Sheppard with Mr. Van Pelt.
Mr. Flynt with Mr. McVey.
Mr. Baring with Mr. Bromwell.
Mr. Dawson with Mr. Hosmer.
Mr. Diggs with Mr. Jensen.
Mr. Gray with Mr. Martin of Nebraska.
Mr. Davis of Tennessee with Mr. Kilburn.

Mrs. CHURCH and Messrs. MACHROWICZ, CELLER, KORNEGAY, DENTON, RUTHERFORD, REUSS, COOLEY, BROOKS of Texas, SHIPLEY, HAGAN of Georgia, HARRIS, PETERSON, BAKER, WALLHAUSER, ANFUSO, FARBSTEIN, and SANTANGELO changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

CLEARANCE OF BRIDGES ACROSS THE MISSISSIPPI RIVER

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 352 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5963) to amend the General Bridge Act of 1946 with respect to the vertical clearance of bridges to be constructed across the Mississippi River. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, the reading of the resolution makes clear its purpose. I know of no controversy over this rule.

Mr. Speaker, I yield 30 minutes to the gentleman from Kansas [Mr. AVERY], and reserve the balance of my time.

Mr. AVERY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, as the gentleman from Missouri [Mr. BOLLING] pointed out, the reading of the resolution itself is self explanatory insofar as the intent of the bill is concerned. But I think there are several things we might look at briefly today and one is that this is a rather unusual legislative situation. In the report accompanying this bill we have a statement from the Chief of Engineers who normally, with the guidance of the Bureau of the Budget, speaks for the administration. The Chief of Engineers is opposed to the bill.

We also have a report from the Secretary of the Department of Commerce who directly speaks for the administration, and the Secretary of the Department of Commerce is opposed to the bill. Yet we have this bill before us today.

This situation arose because the State of Wisconsin and the State of Iowa requested the Chief of Army Engineers authority to build a bridge over the Mississippi River 35 feet above the usual flow stage, or the navigable stage.

The Chief of Engineers and the Department of Commerce conducted a rather extensive survey and concluded that it was not economically feasible to build this bridge 35 feet above the river, but they did recommend it could be constructed 45 feet above the river.

At this point some other party became interested in the proposal, and I presume it was the water carriers, and decided it would not be advantageous to them to have a bridge built less than 55 feet above the normal flow of the river, and I assume that motivated the idea of the introduction of this bill, which would amend the General Bridge Act to set 55 feet as the minimum that any bridge could be built over the Mississippi River between St. Louis, Mo., and a certain point in Minnesota. The reason I want to take a minute here today is to say this: I think it is time that we reappraise our policy of providing a free right of way to the inland water carriers of this Nation.

The effect of building this bridge 55 feet high instead of 45 feet over the period of years for which it is amortized will cost somebody $3.7 million more just to build it. The cost of operating the traffic and the approaches at this high level will amount to about $3.7 million. This makes a total cost of about $7.4 million.

Who is going to pay that? That is the point I am getting at. The motor vehicle users, of course, are going to pay for it out of the highway trust fund. And who are the motor vehicle users? Part of those users are the motor carriers who are in direct competition with the water carriers, yet they are going to have to pay a penalty to build a high bridge for the convenience of the water carriers, who use the inland waterways without any cost whatsoever.

We, as taxpayers, do pretty well by these water carriers already. In the Public Works Appropriation bill soon to come before this House will be an item of $200 million just to improve—this is not to maintain, this is just to improve our inland waterways, rivers, and harbors. That is an outright subsidy to the water carriers.

In addition, in that same bill there will be $100 more for maintenance of the same facilities, which will be a further subsidy to the water carriers.

In addition, the Committee on Merchant Marine and Fisheries annually brings a bill authorizing a $200 million subsidy to the interocean flagships, and a $100 million subsidy for construction of the ship, supposedly representing the difference in cost of construction in shipyards in this country as against the cost of construction in shipyards in foreign countries. All of that cannot be assessed to the inland carriers, but a part of it can.

The point I want to make is this: I cannot see the justification nor the justice of the American taxpayer or other forms of common carrier transportation contributing to the operating cost of the water carriers, who continue to use our inland waterways without any charge to them or the persons who use their services.

During the last administration, a bill was proposed that a reasonable service charge should be imposed upon the water carriers to help pay some of the cost of improving the waterways. It did not receive favorable consideration from the Public Works Committee. I understand a similar bill is pending this year that has been introduced by the gentleman from New York [Mr. ROBISON]. It is not identical, but it invokes the same principle.

Certainly I feel, and I know many other Members of this body feel, that this precedent that we have maintained for some 150 years now should be reappraised, looking to the end that a reasonable—not a prohibitive, but a reasonable—charge be assessed to the use of our waterways to pay a portion, not entirely defray the cost, but to help pay the cost of their development.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. SMITH of Mississippi. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5963) to amend the General Bridge Act of 1946 with respect to the vertical clearance of bridges to be constructed across the Mississippi River.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5963, with Mr. BASS of Tennessee in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SMITH of Mississippi. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the purpose of this bill is made clear in the very short length of the bill which we have before us. A proposal has been made that bridges be authorized to be constructed over the upper Mississippi River at a height of some 10 feet less than any presently existing bridge. If any one bridge is authorized for construction at that height, it automatically sets a lower height for all bridges and for navigation on this upper portion of the river.

I would first like to point out for the benefit of those of you who heard the gentleman from Kansas discuss this bill a minute ago that he was in error in regard to the cost involved. The additional cost involved for bridges for the upper Mississippi River within the next 50 years, as estimated, is something over $3 million and that is not for any one bridge. The actual proposed additional cost for any one individual bridge so far as the cost of construction of the bridge is concerned, as a result of the increased elevation, would be something like $130,-

000 or $150,000. The cost involved in this estimate here includes an estimate of the supposed increase in the cost of gasoline as a result of driving a car over a little bit higher bridge. This cost of $3 million for 23 bridges over a 50-year period has been arrived at by a very painful process. Actually, if it were necessary or if it were to serve any point, it could be brought out that the increased cost as a result of the increased height of these bridges is more or less infinitesimal when you look at it in a long-range view and realize that this is spread over a 50-year period and when possibly 23 bridges will be built over this 50-year period. Of course, nobody knows precisely how many bridges will be needed. If any one of the bridges were built with only a 45-foot clearance, it would necessitate a complete revising of the planned navigational use of the upper Mississippi River. It would necessitate a complete change in the whole trend and design of towboats which carry these great loads up and down the river and which operate in our inland waterways throughout the entire country. As it is pointed out in the committee report on page 9, the whole trend of towboat design and construction in the past few years has been to enlarge the size of the towboats in order to improve their efficiency and to afford greater safety for the whole tow. The safety of operation of a tow is in great part linked to the pilot's line of sight and towboats are being built higher to increase the safety of the tows so that the pilot can keep the full length of his tow under observation. I think it is very unfortunate that the Chief of Engineers recommended that the bridge heights be lower on this relatively small stretch of our inland waterway system. What we propose to do in this bill is to provide merely that any bridge built in the future shall be built at no lower height than existing bridges under which all traffic operates today.

As I have indicated, the extra cost of the bridges as compared with 45 and 55 feet is relatively small, something like $130,000 to $150,000 per bridge. In contrast to the benefits to our overall economy of the opportunity for fully developing traffic on our inland waterways the cost is something that is entirely out of line with the risk involved.

If navigational developments in this area are such in the years ahead that these bridges would show that they provide too great an interference with the normal traffic on the river the cost of replacing the bridges or changing them so the waterway could be used by the barge lines and towboats in use at that time you would be potentially many times the added cost involved here.

The potential risk is far too great for us to consider allowing the construction of bridges offering too low clearance. I hope the Congress will understand the problem and write into law the clear intent that there shall be no action by any administrative agency of Government that will interfere with the potential economic development of this area by restricting the use of a normal channel of commerce that has been part of the inherent pattern of development of our economy for many years past.

Mr. SCHERER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the minority on the committee unanimously concluded that H.R. 5963 was needed and desirable legislation. In fact, that is the opinion of all members of the Committee on Public Works.

I suppose we were influenced by the fact that we had our fingers burnt and had learned a lesson because inadequate vertical clearances were provided on the interstate highway system. After the adoption of the 1956 Highway Act the Departments of Commerce and Defense decided that 14 feet was a sufficient vertical clearance for overpass structures on our highways. Quite a few such structures were built with such a clearance. Last year it was determined that 14 feet was inadequate and the minimum vertical clearance was changed to 16 feet.

This means that quite a few structures will eventually have to be razed at considerable expense. It is going to cost more to rebuild them than to have provided a 16 foot clearance initially. We do not want to make the same mistake on inadequate vertical clearances for bridges spanning our rivers.

This bill, in effect, provides that no further bridges on this reach of the Mississippi River shall be built with a vertical clearance less than the minimum existing vertical clearance, which is 55 feet above the 2 percent line or 63 feet above the normal pool stage.

The Army Engineers, the State highway department, and the Bureau of Public Roads have recommended that two new bridges be built in this reach of the Mississippi having a vertical clearance of 45 feet above the 2 percent line and 55 feet above pool stage.

If this decision is followed the vertical clearances on the Mississippi River would be permanently fixed at these lower heights.

Of course, it is cheaper to build lower bridges but let us see how much cheaper and whether the risk is worth it.

The experts estimate that approximately 23 bridges will be built across this reach of the Mississippi in the next 50 years. The total increase in the cost of construction for all 23 bridges in the next 50 years, over and above what is recommended by the Army Engineers, will amount to only $3.7 million. The increased operating cost of vehicles using the higher bridges will amount to $3.7 million or a total of $7.4 million.

Mr. Chairman, true it is that the majority of the boats using the Mississippi will be able to pass under the 45 foot clearance suggested by the Army Engineers and the Bureau of Public Roads. However, a number of boats now using this reach of the Mississippi will not be able to do so. A number of others will have to be rebuilt in order that they can pass under these lower bridges.

The evidence, however, is rather conclusive that pilot houses in the future are going to be built higher. Larger and larger tows are being pushed on the river. In order to lessen the blind spot in front of these larger tows, which are definite safety hazards, it is necessary that the pilot houses be raised.

If by any chance we raise the pool stage on the Mississippi River, as we are now doing on the Ohio River, the great majority of the boats would not be able to pass under the lower proposed bridges. Most of the dams on the Ohio River have deteriorated and become obsolete because of age and use. It was necessary that they be replaced. This modernization of the Ohio River is now taking place. However, one high level dam is replacing three or four of the present dams. Naturally, the pool stage of the Ohio River is going to be raised considerably. At my city of Cincinnati the pool stage will increase as much as 13 feet. The bridges over the Ohio River have unusually high clearances because of the high topography of the ground on either side. If it were otherwise the modernization of the Ohio River would be impossible unless all of the bridges were raised at astronomical costs.

You can readily see what would happen on the Mississippi if, sometime in the near future, larger and higher level dams replace the present ones. I urge the passage of this legislation.

Mr. SMITH of Mississippi. Mr. Chairman, I have no further requests for time at this time.

Mr. SCHERER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of H.R. 5963. The effect of this bill is simply to establish by legislative action that the present bridge clearances that have existed for many years on the upper Mississippi should be continued. For many years by administrative decision of the Corps of Engineers and the Bureau of Public Roads the bridge clearance between the Illinois River and St. Paul has been 55 feet above the 98 percent flood water mark and 63.7 feet above the normal pool. The only reason for this bill today is that the Corps of Engineers and the Bureau of Public Roads recently, after many hearings, came out with a decision that in their opinion the clearances on the upper Mississippi should be reduced from the 55-foot mark to the 45-foot mark. This raised great objection by those navigation users of the upper Mississippi and resulted in this bill being introduced, and after the hearings before our committee it was the decision of our committee that we should take legislative action to insure by this action that the present clearances are continued.

Mr. Chairman, actually we have a large investment to protect in the upper Mississippi. The Congress of the United States over a period of years has invested $223 million in a navigation project from the Illinois River to St. Paul, to establish a navigation depth clearance, draft depth, of 9 feet. Now, if we are going to spend $223 million to establish the adequacy of the upper Mississippi for navigation use, it certainly does not seem to me that we should then hamstring our investment by lowering

the bridge clearances by 10 feet and thereby making it impossible for the present users to even use the river. The only argument today is that if we maintain this bridge level at 55 feet, that over the next 50 years, with the estimated 23 bridges to be built on this stretch of the river, that it might cost $3.7 million which otherwise might not be spent for that purpose. On the contrary, we are protecting an investment of $223 million on the part of the Federal Government, and we are making certain that the waters of the upper Mississippi may be adequately available for whatever use the future may require. We do not know what the future may bring, but we do know that once a bridge is built, it freezes the use of that river forever for any type of navigation boat that has a height in excess of that bridge level.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. Is it not true that this is holding up the bridgebuilding in that area at this time?

Mr. BALDWIN. That is correct. The gentleman from Pennsylvania is absolutely correct. The fact that the Bureau of Public Roads and the Corps of Engineers have made this tentative decision has held up all new construction of either new navigation craft or new bridges until this matter is resolved. Unless we pass by legislation this bill, this uncertain condition will continue indefinitely and will probably delay the construction of both bridges and new navigational craft to the detriment, I believe, of the whole country.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. I was reading on page 12 of the committee report with reference to the statement that you made that the enactment of this bill is necessary in order to protect the future navigational uses on the upper reaches of the Mississippi.

Reading from that portion of the report on page 12:

> The projected program of construction of 23 bridges in the next 50 years in these reaches of the river and the present and prospective navigational use of the river in relation to the total economy of the area were the major factors influencing the revision of these standard clearances.

I wondered what the gentleman's explanation was of that.

Mr. BALDWIN. The section the gentleman is reading is not the language of the committee, but is a quotation from the letter of the Department of the Army. We found the Department of the Army was wrong with respect to bridge clearances on the Interstate Highway System, as was very clearly explained by the gentleman from Ohio [Mr. SCHERER], because for several years the Department of the Army said a bridge clearance of 14 feet on the Interstate Highway System was adequate. When we actually had hearings on bridge clearances on the Interstate Highway System we found that after 2 or 3 years of backing and filling, they decided they were completely wrong and that a proper clearance should be 16 feet or 17 feet. In the meantime there were hundreds of bridges built on the Interstate Highway System and as a result our missiles, some of them traveling on trucks, were in the situation where they had to stop the trucks and sometimes let air out of the tires of the trucks before they could even just barely ease under some bridges; and in other cases they even had to raise the bridges in order to get trucks through that were carrying missiles.

So it was proven that the Department of the Army was wrong in that instance as we found through our hearings. Therefore, we do not believe the Department of the Army is infallible or their prediction of future navigation use of the Mississippi is any more infallible than they were in connection with the use of bridges on the Interstate Highway System.

Mr. SCHERER. Mr. Chairman, I yield such time as he may require to the gentleman from Iowa [Mr. SCHWENGEL].

Mr. SCHWENGEL. Mr. Chairman, I rise to indicate my support of this proposed legislation and also to say that originally I had some misgivings about this legislation, because while it seemed that we were setting a minimum height, I thought we might also be setting a maximum height, which I thought was bad policy. After a thorough discussion this was cleared up. I think the bill has been amended in this respect, so this is not true now. So whereas I had misgivings about it originally, after hearing the testimony I am now in complete support of the legislation and hope it will be approved by this committee and passed by the House.

Mr. SMITH of Mississippi. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. GRAY. Mr. Chairman, it is with great dissatisfaction on my part that I rise in opposition to any measure sponsored by my good friend, and committee colleague, the gentleman from Mississippi [Mr. SMITH]. I know the gentleman is sincere in his purpose in bringing this bill before the House; however, I must be frank in stating that I believe the bill is unnecessary and in fact, Mr. Chairman, will cost the Federal Government in excess of $3 million over the next few years because of increased costs of constructing new bridges at a vertical clerance of not less than 55 feet above river level. As you know, the 55-foot minimum is more than recommended by the U.S. Army Corps of Engineers, an authority on this subject. Mr. Chairman, we have recently passed legislation in Congress this year, providing for increased motor vehicle taxes in excess of $11 billion, all because the Interstate Highway System is costing over $11 billion more than original estimates made in 1956, when we passed the act. H.R. 5963 is the type of legislation that forces the States and the Federal Government to spend money for uses other than building highways.

Building a bridge structure 10 or 15 feet higher than navigation requirements is an unnecessary expenditure, to say the least. Building modern four-lane turnpikes to give safe economical driving for our motor vehicle users would seem to deserve every cent we collect for that purpose instead of diverting these needed funds to building bridges higher than necessary. Mr. Chairman, Illinois is fortunate in having one of the Nation's outstanding highway engineers to head up our Illinois State Highway Department. Ralph Bartelsmeyer, our chief highway engineer, is a past president of the American Association of State Highway Officials. Under date of June 19, 1961, I received a letter from Mr. Bartelsmeyer on this subject. He is opposed to the bill and gives adequate reasons why. I would like to read you his letter. It is as follows:

STATE OF ILLINOIS, DEPARTMENT OF
PUBLIC WORKS AND BUILDINGS,
Springfield, June 19, 1961.

Subject: H.R. 5963, navigation clearances.

Hon. KENNETH J. GRAY,
House of Representatives,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN GRAY: Recently H.R. 5963 was presented to the 87th Congress by Congressman SMITH of Mississippi. This resolution contained a requirement establishing certain vertical navigation clearances for any new bridges constructed across the upper reaches of the Mississippi River lying between the mouth of the Illinois River and the extension of Lafayette Road, St. Paul, Minn. This requirement stipulated that any such bridge shall have a vertical clearance of not less than 55 feet above river levels reached 98 percent of the time and not less than 63.7 feet above river levels at normal pool stages.

The clearance requirements that are contained in the subject resolution would be considerably greater than those that are normally required as determined from a recently completed economic analysis of the effect of vertical navigation clearances on bridge costs. This analysis was made jointly by the Highway Departments of Iowa, Illinois, Missouri, Wisconsin, and Minnesota, and the Corps of Engineers, U.S. Army, for the upper reaches of the Mississippi River between the mouth of the Illinois River and St. Paul. The Corps of Engineers has by a news release dated February 8, 1961, from their Chicago office, published the results of their analysis which show that the clearance most beneficial to the States' and National economy for both land and water transportation would be 45 feet above river level reached 98 percent of the time and 50 feet above river level at pool stages. The proposed resolution now before Congress attempts to override the Corps of Engineers recommendations by providing 10 feet greater vertical clearance for the 98 percent water level and 13.7 feet greater veritical clearance for the normal pool.

The following statistics can be noted in Congressman SMITH's report No. 345 prepared in connection with House Resolution 5963:

1. Net tons hauled and ton miles made by river transportation have more than doubled in the last 8 years.

2. The lowest clearance at any bridge on the reach of the river under consideration is 63.7 feet above pool.

3. Navigation interests' main reason for wanting greater clearances is to raise the height of the pilothouse, and, by so doing, raise the pilot's eye level to attempt to reduce the blind spot in the front of the tow. This additional height of pilot's eye level would provide for safer operation for the 1,200-foot-long tows mentioned in the report.

In the recent economic analysis, as compiled by the aforementioned States, data was gathered in connection with the fixed heights of all towing units and tonnage carried by these tows now operating in this section of the river. This data revealed:

1. Seventy-five percent of all tonnage was handled by towing units that had fixed heights to 40 feet or less and that 95 percent of all tonnage was handled by towing units with fixed heights of 46 feet or less.

2. These tows were up to 1,200 feet in length.

3. Of all towing units operating in this reach of the river during the 5 years from 1955 through 1959, only six vessels had heights in excess of 45 feet. Data obtained indicates that the most powerful type of towing units presently operating on the upper river range between 39 feet and 40 feet in height. Pilot's eye level elevation necessarily must be somewhat lower.

If, according to Congressman SMITH's report, a higher pilot's eye level elevation is so all important to safe operation, and since presently there is no other height restriction than the 63.7-foot minimum clearance of any existing bridge, we question why the navigation interests have not taken advantage of this excess clearance by providing for increased heights of pilot houses in most of the towing units that were built during this recent period.

All the States concerned and particularly the Illinois Division of Highways wish to avoid constructing any bridge over any navigable waterway that would unduly hinder or restrict development of waterborne transportation. At the same time, we are morally bound to avoid needless expenditures of highway funds by providing excessive clearances for the accommodation of but a very limited number of vessels, some of which are outmoded or can be modified to pass under a bridge having a 45-foot vertical clearance.

It is our firm belief that the 45-foot and 50-foot vertical clearance requirements recently established by the Corps of Engineers on the basis of the economic analysis submitted by the States concerned will place no undue restrictions on river navigation.

We, therefore, ask your support in our objections to the increased vertical clearance requirements as set forth in House Resolution 5963.

Very truly yours,

R. R. BARTELSMEYER,
Chief Highway Engineer.

Mr. Chairman, in closing let me again state that I find great displeasure in having to oppose any measure presented to the House by my good friend, the gentleman from Mississippi [Mr. SMITH]. He is a forthright, intelligent, hard-working member of the House Committee on Public Works. He is very sincere in offering his bill; however, I do believe in all sincerity that more consideration should be given to the motor vehicle users and the Federal and State governments in this instance. I urge my colleagues to give this matter careful consideration before voting. Thank you.

Mr. SCHERER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON. Mr. Chairman, I have no particular comments to make on H.R. 5963, the bill now before us, other than to note that it is an amendment to the General Bridge Act of 1946, and that even though both the Bureau of Public Roads and the Corps of Engineers were opposed to the bill it is clearly within the power of Congress to overrule, in this fashion, an administrative finding made under discretionary powers granted by that act.

The situation does, however, point up the fact that it might be wise for this Congress to take a further look at the broader question here involved. In 1959, the then Secretary of Commerce submitted to the Congress a draft of a proposed bill—based on a Department of Commerce report on "Navigational Clearance Requirements for Highway and Railroad Bridges," published in 1955—which bill, if enacted into law, was believed to hold forth the promise of saving many millions of dollars annually in highway bridge-construction costs.

What would that draft bill do? Well, as I understand the situation, the present provisions of the General Bridge Act require the Chief of Engineers and the Secretary of the Army, in approving bridge plans for structures crossing navigable waters, to, and I quote: "protect the interests of public navigation." I have no intention of downgrading, in any way, the importance of waterway transportation and I think it is obvious from the position our committee has taken on this particular measure that it is fully aware of the importance of the same.

Nevertheless, it would seem to me that the public interest would be better served, as we work toward a truly coordinated national transportation system, if that provision were changed so as to recognize the equal rights of all forms of surface transportations, not just watercraft alone, and to consider the economic effects on all forms of surface transportation, not just watercraft alone, in deciding upon bridge clearances and the necessity for movable spans.

The draft bill submitted to Congress in 1959, as I have mentioned, would do just that by so amending the General Bridge Act as to require the Chief of Engineers and the Secretary of the Army to base their approval of bridge plans, and again I quote: "upon the public interest," and would specifically require those officials, in considering what constitutes the public interest, to recognize, first, the equal rights of all forms of surface transportation—highway, railroad, waterway, and pipeline; second, consider how the navigational clearances to be required, and any conditions relating to bridge maintenance and operation, affect all forms of surface transportation; and third, to take into account any special requirements for accommodation of federally owned defense watercraft.

Thus the emphasis would be switched from protection of navigational interests only to an effort to establish clearances which would have the minimal total economic effect on all forms of surface transportation. The draft bill also provides that, wherever feasible, fixed bridges would be constructed in preference to movable span bridges, thereby permitting freer movement of overland and waterway traffic without the disruption resulting from operation of movable span bridges.

When our committee received testimony on this matter last year—specifically on H.R. 7153, 86th Congress, which was that draft bill I have mentioned as introduced by myself, General Itschner, Chief of Engineers, testified that the Corps of Engineers was already making this sort of an economic analysis of the effect of bridge-clearance decisions on all forms of transportation as an administrative procedure it had adopted on its own, and that H.R. 7153, if enacted, would only put in statutory language what the corps was already doing.

This may be so, and I do not doubt it, but it seems to me that it would be very much better to bring statutory requirements in line with existing administrative procedures—if they are proper ones—even though it is a sort of cart before the horse situation. There is another reason to consider why we ought to do this, too, it seems to me, and that lies in the possibility—only a possibility, I say—that although the engineers seek as best they can to now determine the public interest in these matters they may still be somewhat inclined to lean in the direction of navigational interests because that is the way the law under which they must now operate is worded, even though that language had its outgrowth from the situation which existed, many years ago, when waterway traffic was the most important method we had of moving goods, and waterways were the chief arteries of transportation.

In any event, when our committee failed to take any action on H.R. 7153 as introduced by myself in the last Congress, I reintroduced a comparable bill in this, the 87th Congress, under the designation of H.R. 5837, and the same is still awaiting consideration by our committee.

In the meantime, I have just received through the chairman of our committee a favorable report from the Secretary of the Army on my bill, H.R. 5837, and, before I reintroduced my bill, the chairman had received a favorable report from the new Secretary of Commerce with respect to the draft bill—comparable to the 1959 draft bill—that had been resubmitted to Congress earlier this year by the outgoing Eisenhower administration. In his letter to our chairman under date of March 15, 1961, Edward Gudeman, Under Secretary of Commerce, states that his Department has, and I quote: "reexamined this item and we continue to support its enactment."

The outgoing administration, in sending this draft proposal back up to the Hill this year, reiterated its belief that bridge clearances established pursuant

to the concepts I have outlined would result in savings of millions of dollars annually without unduly affecting waterway transportation. It pointed out that those savings would inure principally to the Federal-aid, State, and local highway programs, and in a substantially lesser degree to railroads and pipelines as well. Finally, it pointed out that those savings in highway bridge-costs would make public funds immediately available for other urgently needed highway improvements.

These optimistic statements have been echoed before our committee in the past by the American Automobile Association and by the American Association of State Highway Officials. Perhaps these optimistic hopes are only conjectural, but, Mr. Chairman, having just gone through a difficult time trying to figure out how to keep our vast Federal highway program going and on schedule, it would seem to me that this Congress would do well to consider further the possibility that this change—dictated in the public interest—might ease our future pathway.

I would like to express the hope, therefore, in closing, that the Committee on Public Works will give early and full consideration to my bill, H.R. 5837.

Mr. SCHERER. Mr. Chairman, I have no further requests for time.

Mr. SMITH of Mississippi. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 502 of the General Bridge Act of 1946 (33 U.S.C. 525) is amended by adding at the end thereof the following new subsection:

"(d) Nothwithstanding any other provision of this Act, the vertical clearance of any bridge constructed across the Mississippi River between the junction of the Illinois River and the extension of Lafayette Road, Saint Paul, Minnesota, after the date of enactment of this subsection shall be not less than fifty-five feet above river levels reached 98 per centum of the time, and not less than sixty-three and seven-tenths feet above river levels at normal navigation pool stages."

Mr. MOSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Moss of California: Page 2, line 2, strike out the quotation marks and add at the end thereof the following:

"(e) Notwithstanding any other provision of this Act, the minimum vertical clearance at project flood plane of any bridge constructed across the Sacramento River between Rio Vista and Chico Landing, after the date of enactment of this subsection, shall be not less than sixty feet."

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield.

Mr. SMITH of Mississippi. Mr. Chairman, the amendment presented by the gentleman from California is acceptable to the committee, because it would give us an opportunity to present this problem before the other body.

Mr. BALDWIN. If the gentleman will yield, this side of the aisle has reviewed the amendment. We think it is a desirable amendment, and have no objection to it.

Mr. MOSS. I thank the gentleman.

Mr. Chairman, this is a parallel situation to that relating to the vertical clearance of bridges across the Mississippi River.

In northern California, because of what I and my colleagues consider to be shortsighted public policies, there is grave danger that a proposed low level bridge across the Sacramento River at R Street in the capital city of Sacramento will place an arbitrary and unnecessary ceiling on the use of this stream. Not only are the necessities of day-to-day commerce involved here but, more importantly, the future defense traffic on the river and the emergency operation of large river dredges when they are urgently needed in time of disastrous floods.

At present there is no bridge on the Sacramento River from Rio Vista to Chico Landing that does not at least have a 100-foot clearance. In fact, all except two of the existing bridges have unlimited clearances. If a bridge with a 40-foot vertical clearance were to be erected at R Street—as requested in an application to the U.S. Corps of Engineers by the California Department of Highways—it would set a precedent that would affect spans over navigable streams in all areas in the State of California. Within the next 10 years seven new bridges are to be constructed across the Sacramento, which indicates how vitally important is the decision on the vertical clearance on the R Street Bridge.

As provided by law, public hearings were held last fall in connection with the R Street Bridge, at which several dozen public bodies and private organizations testified against the original proposal of the highway department for a 35-foot bridge. In view of the clamor raised against this low-level structure, the U.S. Corps of Engineers undertook an economic analysis, coming up some months later with a preliminary approval of a minimal vertical clearance of 40 feet.

In recent months, Members of the Congress representing a majority of northern California districts have expressed their unanimous belief that a 40-foot vertical bridge would not only hamstring the future use of the Sacramento for the necessities of commerce but also well might result in the overturn of projected plans of the Sacramento Air Materiel Area—McClellan Air Force Base—to act as a major recovery site for manned space reentry vehicles and recoverable boosters.

If SMAMA's plan to act as a booster recovery site and rehabilitation area is to be effected, one of the many requirements would be a bridge with at least a 55-foot vertical clearance. Some of the boosters SMAMA plans to recover and repair, such as Saturn I, now being developed under Air Force feasibility studies, are 45 feet in diameter and 110 feet long. Since highways cannot carry these space vehicle loads, nor railroads move them, the answer as far as can be seen today, obviously, is water transportation.

Thus, it would appear to be shortsighted indeed to limit the future potential military and civilian industrial capabilities of Sacramento by constructing a low-level immovable bridge which would restrict river traffic forevermore.

Mr. Chairman, in view of these cogent reasons I urge adoption of the amendment to H.R. 5963, as reported, providing that the minimum vertical clearance at project flood plane of any bridge constructed across the Sacramento River between Rio Vista and Chico Landing, Calif., shall be not less than 60 feet.

Mr. MATHIAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, just a week ago today, the Secretary of Commerce made an announcement that the Government would permit sales of subsidized farm products including cotton textiles and other farm products to the Soviet Union and to its European bloc.

Mr. Chairman, in my view I think this is just granting dollar aid to Russia through the back door of the Department of Agriculture. I am shocked to learn that Secretary Freeman and Secretary Hodges have committed the Government virtually to deliver American tax dollars to the Communist countries. Such sales have been banned by this Government for years with the single exception of Poland and, obviously, the foreign policy which applies to Polish sales does not apply to Russia and the other Iron Curtain countries.

The effect of this is to grant dollars to the Red treasuries to enable them to buy American agricultural products.

Aside from the fantastic aspect of the situation in asking the American taxpayer to subsidize purchases made by Russia, it is impossible to believe that the State Department concurred in this reversal of foreign policy. Although the Commerce Department was quoted in the New York Times and other papers last week as saying that the White House endorsed this change, I shall ask Secretary Hodges not to issue any export licenses until he has consulted Secretary Rusk and until he has advised the Congress and the Nation of the administration's policy determination on this question.

In my view, none of the brave speeches that have been made on winning the struggle against communism will have any effect at home or abroad, if our policies contradict our words.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. MATHIAS. I am happy to yield to the gentleman from Florida.

Mr. CRAMER. I congratulate the gentleman from Maryland for calling this matter to the attention of the House. It certainly is in conflict with what I believe the foreign policy of this Nation should be and what is announced as the policy. This back-door method of providing dollar support to the Soviet Union is certainly inexcusable and contrary to the basic policies that should be the policies of this country.

I might add to the gentleman that I am not too suprised about it in view of the fact the United States is indirectly

negotiating for tractors for the Communists in Cuba. So it should be not too surprising I suppose that through the back door again—this precedent having been set by the Cuban back-door deal on tractors—that there is an effort now to make American agricultural products available to the Reds. I have, of course, by introducing House Concurrent Resolution 322 opposed the proposal to negotiate with Castro and his Communist government for a tractor exchange for human beings as being contrary to basic American policy against paying indemnity. There is no question but what this has the backing of the President of the United States—he having requested the members of this committee to function and proposed tax exemptions and export licenses. It seems to me that this is another back-door method of acknowledging the existence of communism in this hemisphere and acknowledging or recognizing—by indirection—Castro as the head of the Communist government. It certainly serves no good purpose in solidifying the free nations of this hemisphere against Communist infiltration. Equally objectionable is the issuance of these export licenses to Russia to which the gentleman just called the attention of the House. I want to congratulate the gentleman again.

Here is another effort which I think is adverse to the best interests of the free people of the world in this cold war struggle against communism. Incorporate the text of my resolution on the tractor deal, in opposition to it for the further information of the House and serve notice that I shall call for House action on it if negotiations for blackmail payments to Communist Castro continue. Text follows:

Whereas Castro's offer to trade one thousand two hundred Cuban prisoners for five hundred heavy-duty tractors is admittedly indemnification by this Nation to a Communist country; and

Whereas this is blackmail; and

Whereas this is extortion; and

Whereas this Nation, as the leading nation of the free nations of the world, would be kowtowing to the demands of a Communist dictator; and

Whereas the tractors are not farm equipment to aid Castro's so-called agrarian reform but rather heavy-duty construction vehicles which could build airstrips and missile launching sites to be used against the free nations of this hemisphere; and

Whereas these tractors comprise equipment negotiable with Red China or some other Communist nation and could be traded for war materiel; and

Whereas this Nation's prestige would sink in the eyes of the world; and

Whereas this is appeasement to communism; and

Whereas there are one hundred fifty thousand more prisoners rotting in Castro's rathole prisons who could be traded, hundreds at a time, for further "indemnification" from this country; and

Whereas thousands of Americans lost their lives in two World Wars and Korea fighting to uphold the dignity of America and dying to affirm their dedication to her freedom; and

Whereas, although there exists great sympathy for the Cuban freedom fighters, we must remember that soldiers of all nations have lost their lives willingly before bowing down to an enemy which raises question as to why the leaders of the Cuban freedom fighters would even agree to such a trade, knowing that it will only make stronger the enemy they are trying to defeat; and

Whereas, in reality, the twelve hundred prisoners Castro speaks of are not twelve hundred prisoners of Cuba, but twelve hundred more Cuban prisoners for, in fact, every Cuban in Cuba today is a prisoner of the Communist conspiracy and it should, therefore, be this country's goal to free all the people of Cuba and not only the twelve hundred who recently returned to their homeland; and

Whereas, although it may be argued that other nations of this hemisphere are making token donations to this cause, it is this country, and not others, that is being forced to make this trade in the name of indemnity; and

Whereas freemen have traditionally been willing to sacrifice both liberty and life in defense of principle; and

Whereas Communism can never be defeated by governments or people too soft for sacrifice and who choose, instead, to pay tribute to tyranny: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that this Government oppose the trading of machines for humans as proposed by the Government of Cuba and request the President to withhold any executive approval of such a trade, to refuse to permit the issuance of export licenses for such machinery, and to refuse to permit gifts made for such a trade to be deducted for income tax purposes.

Mr. MATHIAS. I thank the gentleman from Florida.

Mr. DOMINICK. Mr. Chairman, will the gentleman yield?

Mr. MATHIAS. I yield.

Mr. DOMINICK. Mr. Chairman, I congratulate the gentleman from Maryland on bringing this subject up. It seems to me particularly important to point out the apparent lack of coordination between the various agencies. We have recently had this briefly called to our attention in another case in which the United States through its representatives at the International Conference in Mexico authorized a barter agreement whereby the United States bought surplus lead from other countries in exchange for wheat when we already have a surplus of lead in our own markets. While we are doing that on the one hand, on the other hand we canceled an agreement whereby Brazil would sell us sugar in return for buying our wheat and left it open so that we are buying sugar from Brazil with dollars, giving Brazil the opportunity to turn around and purchase wheat from Russia with our American dollars. This does not make any sense to me at all, and I congratulate the gentleman from Maryland for bringing up still another example of an apparent lack of firmness in our foreign policy toward trade with friendly and unfriendly nations.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. Moss].

The amendment was agreed to.

Mr. ANDERSON of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise without claiming any special technical competence on this subject of vertical clearances over navigable waters, but I do feel obliged to call to the attention of the committee a letter which I received within the last few days from Mr. R. R. Bartelsmeyer, the chief highway engineer of the State of Illinois, and I would like to quote briefly from a couple of paragraphs of his letter:

The clearance requirements that are contained in the subject resolution would be considerably greater than those that are normally required as determined from a recently completed economic analysis of the effect of vertical navigation clearances on bridge costs. This analysis was made jointly by the highway departments of Iowa, Illinois, Missouri, Wisconsin, and Minnesota, and the Corps of Engineers, U.S. Army, for the upper reaches of the Mississippi River between the mouth of the Illinois River and St. Paul. The Corps of Engineers has by a news release dated February 8, 1961, from their Chicago office, published the results of their analysis which show that the clearance most beneficial to the States' and national economy for both land and water transportation would be 45 feet above river level reached 98 percent of the time and 50 feet above river level at pool stages. The proposed resolution now before Congress attempts to override the Corps of Engineers' recommendations by providing 10 feet greater vertical clearance for the 98 percent water level and 13.7 feet greater vertical clearance for the normal pool.

And then I quote from another portion of his letter:

In the recent economic analysis, as compiled by the aforementioned States, data was gathered in connection with the fixed heights of all towing units and tonnage carried by these tows now operating in this section of the river. This data revealed:

1. Seventy-five percent of all tonnage was handled by towing units that had fixed heights of 40 feet or less and that 95 percent of all tonnage was handled by towing units with fixed heights of 46 feet or less.

2. These tows were up to 1,200 feet in length.

3. Of all towing units operating in this reach of the river during the 5 years from 1955 through 1959, only 6 vessels had heights in excess of 45 feet. Data obtained indicates that the most powerful type of towing units presently operating on the upper river range between 39 feet and 40 feet in height. Pilot's eye level elevation necessarily must be somewhat lower.

Then he goes on to state:

All the States concerned and particularly the Illinois Division of Highways wish to avoid constructing any bridge over any navigable waterway that would unduly hinder or restrict development of waterborne transportation. At the same time, we are morally bound to avoid needless expenditures of highway funds by providing excessive clearances for the accommodation of but a very limited number of vessels, some of which are outmoded or can be modified to pass under a bridge having a 45-foot vertical clearance.

It is our firm belief that the 45- and 50-foot vertical clearance requirements recently established by the Corps of Engineers on the basis of the economic analysis submitted by the States concerned will place no undue restrictions on river navigation.

That letter is signed by R. R. Bartelsmeyer, chief highway engineer, Division of Highways, State of Illinois.

Certainly I would feel morally bound and otherwise compelled to call the attention of the members of the committee to this opinion on the part of the chief highway engineer of my State, presumably an opinion that may well be

shared by the chief highway engineers of other Middle Western States.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio.

Mr. SCHERER. The gentleman understands that testimony similar to that which he has read from the highly respected highway engineer of your State, and a friend of mine, was before the committee and considered by the committee. Let me say that the gentleman from Ohio is as much interested in preserving the integrity of the highway trust fund as any Member of the House or any highway engineer.

Mr. ANDERSON of Illinois. I am sure he is.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BASS of Tennessee, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 5963) to amend the General Bridge Act of 1946 with respect to the vertical clearance of bridges to be constructed across the Mississippi River, pursuant to House Resolution 352, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 1575. An act for the relief of Mrs. Anneliese Franziska Guay;

H.R. 1602. An act for the relief of Ido Enrico Cassandro;

H.R. 1887. An act for the relief of Helen Tilford Lowery;

H.R. 2155. An act for the relief of Reoko Kawaguchi Moore;

H.R. 2156. An act for the relief of Mrs. Tui Hing Tow Woo;

H.R. 2165. An act for the relief of Marie F. Balish;

H.R. 2645. An act for the relief of Wieslawa Alice Klimowski;

H.R. 2835. An act for the relief of Jose Lauchengco, Jr.;

H.R. 3371. An act for the relief of George Sauter (also known as Georgois Makkas);

H.R. 3722. An act for the relief of Maria Czyz Krupa;

H.R. 4636. An act for the relief of Ralph B. Cleveland;

H.R. 4796. An act for the relief of Richard A. Hartman; and

H.J. Res. 465. Joint resolution making continuing appropriations for the fiscal year ending June 30, 1962, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6027) entitled "An act to improve benefits under the old-age, survivors, and disability insurance program by increasing the minimum benefits and aged widow's benefits and by making additional persons eligible for benefits under the program, and for other purposes."

DELAWARE RIVER BASIN COMPACT

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 363, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H.J. Res. 225) to grant the consent of Congress to the Delaware River Basin Compact and to enter into such compact on behalf of the United States, and for related purposes, and all points of order against said resolution are hereby waived. After general debate, which shall be confined to the resolution and continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the resolution shall be considered as having been read for amendment. No amendment shall be in order to said resolution except amendments offered by direction of the Committee on the Judiciary. Amendments offered by direction of the Committee on the Judiciary may be offered to any part of the resolution at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the resolution for amendment, the Committee shall rise and report the resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'NEILL. Mr. Speaker, I yield myself such time as I may desire, after which I will yield 30 minutes to the gentleman from California [Mr. SMITH].

Mr. Speaker, House Resolution 363 provides for the consideration of House Joint Resolution 225, a resolution to grant the consent of Congress to the Delaware River Basin compact and to enter into such compact on behalf of the United States, and for related purposes. The resolution provides for a closed rule, waiving points of order, with 2 hours of general debate.

The purpose of House Joint Resolution 225 is to grant the consent of Congress to an interstate-Federal compact that will create a regional governmental commission to administer comprehensively the water resources of the Delaware River Basin.

Parties to the compact are the Federal Government and the States of Pennsylvania, New York, New Jersey, and Delaware. The compact commission will consist of five persons—a Federal representative appointed by the President of the United States and the four State Governors. This commission will be charged with the adoption and operation of a single comprehensive plan for the immediate and long-range development and uses of the water resources of the Delaware. The plan is to be a framework within which Federal agencies may operate, within which States may operate, within which private enterprise may operate—each fully within the present scope of its powers.

If the powers and functions of law, planning, administration, and finance for a single river basin are to be integrated properly, the solution lies in a single joint agency composed of the governmental bodies concerned. This is the only way to express a dynamic federalism. It fashions the instruments of law, nature, and government to meet the requirements of fully effective public action in the Delaware River Basin. It also offers opportunities for greater administrative efficiency and effectiveness, which are of almost equal importance.

The establishment of a single agency to coordinate Federal interests in the Delaware River Basin is of as much importance as the joining together of the four States and the resultant coordination of their various State activities. In brief, there is one river, one basin, all water resources are functionally interrelated, and each use is dependent upon the other. Therefore, one comprehensive plan and one coordinating and integrating agency is essential for efficient development and operation.

Mr. Speaker, I urge the adoption of House Resolution 363.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on House Joint Resolution 225.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SMITH of California. Mr. Speaker, this rule has been thoroughly explained by the gentleman from Massachusetts, Mr. O'NEILL. It provides for 2 hours of general debate and is reported as a closed rule.

However, Mr. Speaker, I believe there has been a little misunderstanding as to the manner in which the rule was written up, because there was an agreement made, at the time it was considered, that the members of the Committee on the Judiciary could offer amendments to this particular bill, the gentlemen involved being the gentleman from Pennsylvania [Mr. WALTER] and the gentleman from New York [Mr. RAY]. And, they agreed that that procedure could be followed. I mention that merely in the hope that the committee amendments may be offered without anyone making objection, which would cause it to be sent back to the Rules Committee.

The proponents of this bill have stated before the committee that it does not authorize any particular project; that they need it without further delay in connection with future water resources development, and water shortage problems, in this area. They contemplate

some 33 projects which include water and flood control, recreation, and power; that the United States will have a representative on this commission along with the four States involved: Delaware, New Jersey, New York, and Pennsylvania; and that our future participation in this compact will be in accordance with legislation enacted by the Congress of the United States.

There is some opposition to the measure in the supplemental views in the report by the gentleman from Florida, Mr. CRAMER. I understand the gentleman from New York, Mr. RAY, objects to this particular procedure on the basis that we are participating in a partnership on a mandatory basis which they think possibly sets a new precedent and possibly will be held unconstitutional. Furthermore, there are 19 agencies involved in this matter, and they feel they should have more time to study the matter. Other than that, I know of no objection to the rule itself.

Mr. Speaker, I have no requests for time, and I yield back the remainder of my time.

Mr. O'NEILL. Mr. Speaker, I concur in the remarks of the erudite gentleman from California.

Mr. Speaker, I have no requests for time. I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. WALTER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 225) to grant the consent of Congress to the Delaware River Basin Compact and to enter into such compact on behalf of the United States, and for related purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 225) with Mr. BASS of Tennessee in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

Mr. WALTER. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, the purpose of this legislation is to grant the consent of Congress to an interstate-Federal compact that will create a regional-governmental commission to administer comprehensively the resources of the Delaware River Basin.

Parties to the compact are the Federal Government and the States of Pennsylvania, New York, New Jersey, and Delaware.

The compact commission will consist of five persons, a Federal representative appointed by the President of the United States, and the Governors of the four States. The commission will be charged with the adoption and operation of a single comprehensive plan for the immediate and long-range development and uses of the water resources of the Delaware River. We are not, of course, talking about just the Delaware River here today. We are considering a step affecting people—many people—and their future health and welfare.

The Delaware is small as rivers go. It is only a little over 300 miles long, yet 22 million people, or about 13 percent of the national population, depend upon it for everything from drinking water and recreation to navigation and industrial production.

The Delaware, at the same time, is a giant. The jobs it makes possible generate 17 percent of the national personal income. The industrial complex based upon it constitutes one of the world's greatest concentrations of industrial might.

And if predictions are accurate, in five short decades both the population and the industrial output of the Delaware River service area will double. They will double, that is, if the water is there to support them; they will double if the flood protection necessary to save lives and protect property and investments is available. They will double if the necessary supplies are there to meet power requirements. They will double if the recreational amenities are present and will help to maintain the basin as a desirable place in which to live and to work.

At the direction of Congress and at an expenditure of $2 million of Federal money, the U.S. Corps of Engineers has been conducting a survey and has now completed a comprehensive plan that will enable us to meet these needs.

We now need a political instrument which can take the plan off paper and make it a reality. This House Joint Resolution 225 is that instrument.

It has long been recognized that city or State planning alone is not sufficient to meet the demands of the Delaware's future development. A river basin rarely belongs to one State. Comprehensive development seldom can be carried out by the Federal Government, acting alone, or by the individual States, acting separately and alone. Instead, it involves the joint efforts of government at all levels—city, State, and Federal.

The compact authorized by House Joint Resolution 225 will permit the States of Pennsylvania, New York, New Jersey, and Delaware to join with the Federal Government as partners in tailoring the future of the Nation's most populated and productive region. Such a proposal is in accord with President Kennedy's brilliant message to Congress on natural resources, in which he expressed the aim of his administration to develop comprehensive river basin plans by 1970 and to form planning commissions on which the State and Federal Government shall sit as partners.

It is also in accord with the observation made back in 1953 by a Presidential Advisory Committee on Water Resources that, and I quote:

> The greatest single weakness in the Federal Government's activities in the field of water resources development is the lack of cooperation and coordination of the Federal agencies with each other and with the State and local agencies.

The interstate-Federal compact contained in House Joint Resolution 225 would meet this weakness.

It recognizes that the States will be active participants in the development of the Delaware, building dams and other facilities, that, for the sake of efficiency should be coordinated, in construction and operation, with those to be built by the Federal Government.

There are a total of 19 Federal agencies sharing prime responsibilities for the water resources of the Delaware. In addition to this, there are at present 14 interstate agencies and 43 State departments having some concern with the waters of the Delaware. On the local level there are more than 250 public and private water companies. As a result, the Delaware Basin water problems are dealt with by a multiplicity of agencies—Federal, State, and local—with a confused splintering of responsibilities. It is only commonsense to me that there is a need for a single coordinated agency which can cut across political redtape and artificial manmade boundary lines, and which can coordinate the functions of the Federal, State, and local governments and give unified answers to river basin problems.

The instant compact has been worked out with painstaking care. It grants the consent of Congress not only to the compacting States to enter into this compact, but also it makes the Federal Government a participating partner in this arrangement.

It is important to note that such an arrangement is not a departure or innovation in the law relating to interstate compacts in which the Federal Government also participates. The U.S. Supreme Court has uniformly upheld contractual arrangements in the nature of compacts between the Federal Government and one or more States.

I might observe that your committee has been urged to leave the Federal Government and its agencies out of the compact. It was argued that such an arrangement, especially this particular arrangement calling as it does for a Federal representative who would be a voting representative, raised serious constitutional and other questions. Of course, this simply is not so. Such an arrangement is perfectly constitutional and the committee report sets forth 18 Federal-interstate compacts that provide for Federal representation. I wish to mention specifically the Ohio Valley water sanitation compact.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield for two questions?

Mr. WALTER. I yield to the gentleman from New York.

Mr. LINDSAY. Did these other compacts provide for Federal representation analogous to this compact?

Mr. WALTER. Yes; they did, and there are several of them which are almost identical. As a matter of fact, this compact was entered into, as I have already described, and it was already approved by each of the 4 States by almost unanimous votes, only 11 dissenting votes in 4 State legislatures, and followed very closely the language of the compact entered into between the

States of Virginia and Maryland and the District of Columbia. The language of this compact follows language that has already been approved.

Mr. LINDSAY. Of course, the District of Columbia case involves a direct Federal interest. I am curious to know whether or not there is a precedent which does not involve as direct a Federal interest such as the one just mentioned. Is there any other precedent closely analogous to this?

Mr. WALTER. Yes; the Ohio Valley water sanitation compact is closely analogous.

Mr. LINDSAY. If I may ask the gentleman just one more question. In the Delaware compact was the participation of the Federal Government as a voting partner brought about at the request of the compacting States or was it suggested to or thrust upon them at the instigation of the Federal Government?

Mr. WALTER. I might say that when the Board of Engineers set out to make the studies, there was appointed and established a Delaware Basin Survey Coordinating Committee. Represented on that committee were the Department of the Army, the Department of Agriculture, the Department of Commerce, the Department of Health, Education and Welfare, the Department of the Interior, the Department of Labor, the Federal Power Commission, the Commonwealth of Pennsylvania, and the States plus the cities of Philadelphia and New York. So this was a truly representative committee assembled by the general in charge of the Army district in the Philadelphia area who was the representative of the War Department whose name I cannot recall at the moment.

Mr. LINDSAY. Insofar as the gentleman has knowledge was there any resistance on the part of the State governments, either by the legislative or executive branches of these States, to the inclusion of the Federal Government as a voting partner?

Mr. WALTER. On the contrary, the States were very anxious that the compact take this particular form because of the experience we have had in this area for 25 years. For 25 years attempts have been made to devise some sort of a program that will take care of the ever-increasing demands for water. The States were very glad to have the Government of the United States as a participating partner because with one representative then the 19 different agencies of Government would not have to be consulted about every single phase of any proposal.

Mr. LINDSAY. I thank the gentleman. I strongly support this bill and intend to vote for it.

Mr. CRAMER. Mr. Chairman, will the gentleman yield with reference to the points just raised by the gentleman from New York?

Mr. WALTER. I am glad to yield to my colleague.

Mr. CRAMER. Of course, the gentleman knows my position with regard to participation by the Federal Government on a voting basis.

Mr. WALTER. I am not so sure that I do know just what the gentleman's position is since he has taken two or three different positions and I would not know what the gentleman's position is today.

Mr. CRAMER. For more than a year now I have been opposed to the voting privilege for the Federal representatives in this and in the Northeast compact bills. I do not intend to take the gentleman's time discussing in detail the four compacts the gentleman recited as precedents. It will be my intention in the period allotted me later to discuss each of those, which leads me to the conclusion that there is no precedent for this on a participating, voting, mandatory basis with the Federal representative voting on all matters including the administration of the compact.

Mr. WALTER. The compact commission is not a mere advisory commission, but is in fact an operating agency empowered to adopt and enforce its own regulations. I am pleased to note that the administration is relaxing its position on the constitutional question, which is further evidence of the soundness of our belief in the worthiness of this legislation.

House Joint Resolution 225 is a good bill. The Delaware River Basin compact is a good compact. A compact such as this was suggested by President Eisenhower's Commission and I read:

> The committee recommends—
>
> (a) That future multipurpose basinwide development of water resources should be on a partnership basis between the Federal Government and the States.
>
> (b) That the States in general assume more leadership and responsibility in this field.
>
> (c) That direction and control be provided by balanced division of authority between the Federal Government and the States concerned (Report of the President's (Eisenhower) Commission on Intergovernmental Relations (1955)).

I urge the compact's adoption.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. STRATTON. I wonder if I may ask the gentleman from Pennsylvania one question with respect to the impact of this compact if it is approved, in my district of New York State. The Delaware River is not in my district, but it is very close, and there is a great deal of concern in this and other areas with regard to the wishes of the Army Engineers to construct a large reservoir type dam which would take valuable farmland in the rich farm valley of Otsego County, New York State. The people in my part of New York State are understandably opposed to the construction of these dams, and I am interested in knowing whether the gentleman could give me some assurance that if the House aproves this compact and it goes into effect, the power to construct large dams and to take valuable farmlands out of production in areas of New York State and elsewhere will not be taken away from the authorities who now exercise that control? In other words, are we taking away from this House the power that it has to prevent the construction of these dams which we now have which people feel strongly about? I would not want to see anything done to jeopardize the farmers in my district.

Mr. WALTER. The gentleman raises a very interesting and important question. I say that for this reason, that the adoption of this resolution does not approve a single project; so that if it were contemplated to proceed with a water project that would affect the gentleman's district through the acquisition of basin lands, that would have to be submitted to Congress, first to the Bureau of the Budget, then to the appropriate legislative committee for authorization, and then to the Appropriations Committee.

The approval of this compact does not automatically carry with it the authority to embark upon the construction of any project; and, I might add, if it did in any way affect existing law with respect to the taking of property without just compensation, the compact would be unconstitutional.

Mr. STRATTON. I thank the gentleman for that assurance. I know it will be an important measure of assurance to the people of my district.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. The chairman of the Committee on Insular Affairs of the House, the gentleman from Colorado [Mr. ASPINALL], and myself were very much interested in the piece of legislation which we are now considering. Together with the members of our staff we drafted a series of 21 questions with regard to the Delaware River compact problem and submitted them to the gentleman now speaking, Mr. WALTER, of Pennsylvania. These questions which we raised were in our opinion important because the piece of legislation as drafted left these questions unanswered. It is my understanding that the staff of the Committee on the Judiciary, together with Mr. WALTER and other Members working with him, have prepared answers to these questions.

I am wondering whether or not for clarification of the RECORD the gentleman intends to place these questions together with the answers he submitted to Mr. ASPINALL and myself in the RECORD.

Mr. WALTER. Yes. I wish to make the questions and answers a part of the RECORD. I might say that the Committee on the Judiciary is indebted to the gentleman from Pennsylvania and the gentleman from Colorado because we believe that this series of questions has raised every conceivable question. We believe, in all modesty, that the answers prepared by the subcommittee and our staff answer each of these questions, and we hope to the satisfaction of everybody.

I shall ask at the proper time to place these in the RECORD at this point:

ANSWERS TO QUESTIONS SUBMITTED BY REPRESENTATIVES SAYLOR AND ASPINALL ON THE DELAWARE RIVER COMPACT

1. How many of the States concerned have fully ratified the compact? Delaware? New Jersey? Pennsylvania? New York?

"The States of Delaware, New Jersey, and New York have fully ratified the compact. It is pending in Pennsylvania."

2. When will the Corps of Engineers' comprehensive plan for the Delaware River become public?

"The Corps of Engineers' comprehensive plan has been made public and has been submitted to Congress. A preliminary report of it had previously been circulated."

3. Is request for the Congress' consent to the compact premature in view of the answers to the above?

"The request for congressional action is not premature; it is rather most timely and essential that there be no delay in establishing a proper basinwide agency which would be authorized to speak for the basin as a whole, rather than to leave the effectuation of a plan to the uncoordinated administration of some 43 State agencies, 14 interstate agencies and up to 19 Federal agencies, now exercising a multiplicity of powers and duties in the basin. There will, if the Congress acts, be nearly simultaneous action on the part of the participating States and Federal Government."

4. What will be the situation if the Congress hereafter exercises its right to withdraw from the compact (p. 9, line 23)? Will the commission continue in existence or will it automatically go out of existence? If it will automatically go out of existence, why could it not be organized without the United States to begin with?

"The commission would continue in existence but would be seriously handicapped. That is, provided Congress only withdraws Federal participation and does not also withdraw congressional consent. If Congress withdraws consent, the compact will terminate since the Constitution (art. I, cl. 10) requires continuing congressional consent."

5. In view of the fact that the compact is breaking new ground in a number of directions, would it not be better if the United States were to assent to the compact for a limited period with provision for coming back to Congress in, say, 10 years instead of having it set up for a perpetual or indeterminate period? What necessity is there for the latter provision?

"The very nature of the basin agency calls for as much stability and long-range planning as is possible. Water development projects take from 10 to 15 years from the time they are conceived to the time they may be in operation, and their financing may well cover a period of 50 years. If the new basin agency is to be effective at all in giving direction and coordination to governmental programs, and in providing encouragement for private investment in resources development, it must have the stability of corporate existence for the indefinite future. In fact, the traditional form in which these public bodies for municipal purposes are established is with perpetual duration. The reason for having a hundred year reexamination is that the four States are giving up certain water rights for the common good at this time without being in a position to know the facts which may be pertinent over the next generation or two. From the viewpoint of the Congress, the power of withdrawal conferred by section 1.4 provides a full protection of the Federal interest."

6. What is the meaning of the provision (p. 11, lines 5–9) that the Delaware River Basin Commission shall be an "agent and instrumentality" of the United States? Will the United States be in any way liable, for instance, under the Tort Claims Act for any torts the commission or its agents may commit?

"The basin agency would have a dual character, being the agency and instrumentality of the Government of the United States as well as of the States which are signatory to the compact. In this respect, it would be similar to a mixed ownership Government corporation, as described in the Government Corporation Control Act. Section 14.18 of the compact places liability upon the commission and makes the commission liable to the same extent the U.S. Government would be liable under Federal law."

7. The commission is authorized to sell hydroelectric power within or outside of the Delaware River Basin (p. 12, lines 24–25). Is this limited to power generated at plants owned by the commission? What control, if any, will the Federal Power Commission have over sales by the Delaware River Commission?

"The commission's authority to sell hydroelectric power is limited to facilities which it may own or operate, and this is confirmed by section 3.7 of the compact which authorizes the commission to make changes 'for the use of facilities which it may own or operate and for the products and services rendered' by such facilities. Essentially, this would be a matter to be determined by future legislation, since the question of ownership is related to the technical problems of legal title which vary in their importance with respect to property devoted to public use. For all practical purposes, an agency authorized to operate may have all of the useful incidence of ownership of such property, at least for the duration of its authority to operate. The authority of the Federal Power Commission in the basin would not be modified in any way. Under the Federal Power Act, the FPC does not regulate sales by State agencies, nor does it regulate wholesale electric energy by Federal or State agencies. It will, however, have licensing jurisdiction over basin projects."

8. What is the difference between an "allocation" of Delaware River water "in accordance with the doctrine of equitable apportionment" which the commission is authorized to make (p. 14, lines 8–13) and an apportionment of the same waters which it is forbidden to make (p. 15, lines 8–10)?

"The terminology here is taken from the U.S. Supreme Court decree in *New Jersey* v. *New York*, 347 U.S. 995 (1954). Under the doctrine of equitable apportionment as applied in that case, an allocation of water among the States gives no vested right, and is subject to review and adjustment as future equities arise. The parties agree that as to the past Supreme Court decree applies and as to the future the basin commission will make allocations. Since it is intended that the basis upon which the commission would make its allocations shall be the same basis upon which the Supreme Court would have placed its decree are included in paragraph (b) of section 3.3."

9. Does the 1-year statute of limitations in section 3.3(c) (p. 15, lines 20–22) bar the United States from taking action under, for instance, the Pollution Control Act or to protect navigation on the lower Delaware if it does not act within 1 year?

"The provision of section 3.3(c), particularly the 1-year statute of limitations, deals only with the interstate disputes as to the allocation of waters by the commission. It in no way affects the possibility of action by the United States, all of which is expressly saved by section 1.4 of the compact itself as well as by the constitutional vesting of powers with respect to navigation under the commerce clause."

10. Does the commission's power to "establish standards of planning, design, and operation of all projects and facilities in the basin" (p. 17, lines 22–23) oust Congress and the Federal agencies from controlling these same items as they relate to Federal developments or to projects requiring a Federal license?

"A principal purpose of the compact is to refer all projects and facilities in the basin to the comprehensive plan. Federal agencies would also be required to conform to the plan. Under the reservation contained in section 1.4, the Congress could at any time overrule the provisions of the plan, but it is contemplated that the national interest in the basin will be fully expressed through the comprehensive plan and that there would be no occasion for the use of this safety valve by the Congress. In addition, the Federal Government would have a further control over all projects since the executive department and the Congress must approve all capital and other expenditures."

11. What is the meaning of "governmental authority" on page 19, lines 24–25? Does the use of this term at this place mean that any Federal agency planning a water development project—for instance, a water supply for an Army camp or a Navy shipyard—must first have its plans approved by the commission even though the project has been authorized by Congress?

"See the answer to question 10 above. Also vote that section 11.1(c) of the compact preserves for each Federal agency all of its functions, powers and duties within the basin except as specifically required by the section; namely, that project planning be done in consultation with the commission and that projects fit into the comprehensive plan, so as to avoid conflicts among Federal agencies as well as among State agencies and between Federal and State agencies."

12. When the compact provides (p. 24, lines 11–13) that the commission "may invoke as complainant the power and jurisdiction of water pollution abatement agencies of the signatory parties," does this include the powers of the Surgeon General and the Attorney General of the United States under the Water Pollution Control Act? Conversely, does it mean that these officers will no longer have any power to act in accordance with their duties under that act without going through the commission?

"The compact here gives the basin commission authority to complain to any duly constituted department of the Federal or State government signatory to the compact, for the purpose of asking them to invoke their powers as provided by law. This would include the authorities mentioned as well as any others having to do with water pollution abatement. This provision does not lessen the powers of such departments or agencies, but in fact provides another avenue through which they may be exercised. In the field of pollution abatement, moreover, it is recognized that Federal action is to a considerable extent dependent upon cooperative State action, and vice versa, and one of the purposes of the comprehensive plan would be to provide a common framework of antipollution standards within which all authorized bodies may act cooperatively. This is confirmed by section 5.5 of the compact."

13. What duty is imposed on Congress by the provision (p. 25, lines 13–23) that "Each of the signatory parties * * * agrees to enact any necessary legislation to enable such party to place and maintain the waters of said basin in a satisfactory condition," etc.?

"This provision is primarily of application to the several States. It recognizes that the sources of pollution may actually be more appropriately controlled under the State police power than under Federal authority. In any event, it is a statement of faith rather than of legal requirement which is more useful in committing the States to cooperate with the Federal agencies rather than vice versa."

14. When the compact provides (p. 32, lines 5–9) that "The waters of the Delaware River and its tributaries may be impounded and used by or under the authority of the [Delaware River] commission for the generation of hydroelectric power and hydroelectric energy, in accordance with the comprehensive plan," does this oust the FPC from its normal jurisdiction? If not, does it mean that the FPC and the Delaware River Commission will both have to license developments and that, unless they agree on the

license terms, there will be no private developments?

"The FPC is not ousted from its normal jurisdiction, particularly in light of the express provision of section 11.1(c). Private development would require screening by the commission for conformity with the comprehensive plan and would also require the usual FPC license. If it failed to pass in either respect, a project could not proceed without appropriate modification. This is inherent in the comprehensive and multipurpose development concept."

15. The compact provides with respect to Federal agencies that "No expenditure or commitment shall be made for or on account of the construction, acquisition, or operation of any project or facility, nor shall it be deemed authorized, unless it shall have first been included by the commission in the comprehensive plan" (p. 36, lines 12–16). Does this, in effect, give the commission a veto power over decisions of the Congress authorizing public works projects and over the expenditure of funds regularly appropriated to carry out these projects? Is it applicable both to projects which have already been authorized and to those that may be authorized in the future?

"The quoted provision from section 11.1 (b) does not give the commission a veto power over decisions of the Congress, but rather represents in itself a specific policy decision by the Congress that all of the authorized multipurpose uses and developments of the water resources of the basin shall be consistent with each other, as determined by the comprehensive plan. If the Congress should ever want to change this policy, section 1.4 provides an appropriate means to which the States have agreed in advance."

16. The commission is directed to "establish uniform standards and procedures for the evaluation, determination of benefits, and cost allocations of projects affecting the basin, and for the determination of project priorities * * *." It is also directed to "develop equitable cost sharing and reimbursement formulas for the signatory parties." (P. 37, line 20; p. 38, line 3.) How will this affect the application of such standards and formulas as have been and are being developed by the Federal Government for projects across the whole Nation?

"The standards and formulas being developed by the Federal Government are, in effect, designed to guide the expenditure of Federal funds. They would continue, as they are developed, to perform this function. The basin commission's standards would be primarily useful with respect to cost sharing by the four States. If there were to be any difference, as the commission standards might affect the Federal Government as a signatory party, the Congress is of course free to follow uniform national policies since the commission's standards are not in any event binding upon any of the parties. Section 12.20(a) expressly provides that 'nothing in this section (after referring to the cost sharing standards) shall be deemed to impose any mandatory obligation on any of the signatory parties other than such obligations as may be assumed by a signatory party in connection with a specific project or facility.' "

17. The compact provides (p. 44, lines 4–8) that "All bonds issued by the commission under the provisions of this compact and the interest thereof [sic] shall at all times be free and exempt from all taxation by or under authority of any of the signatory parties, except for transfer, inheritance and estate taxes." Does this mean that the Congress is binding itself irrevocably not to tax the income from any commission bonds that are issued while the United States remains a party to the compact? Will the bonds be subject to capital gains taxes if they appreciate in value? To capital loss deduction if they depreciate?

"The question of the taxation of interest on bonds issued by the commission is one which relates to the bondholders rather than to the commission. This provision is no more binding or irrevocable than the present provision of the Internal Revenue Code which makes interest received by municipal bondholders exempt from Federal tax. Moreover, under section 1.4 the Congress has an express reservation of the power to modify in the future if it wishes. The capital gains and losses status of bonds in the hands of bondholders would be determined entirely by the provisions of the Internal Revenue Code, in the same manner as the code covers transactions with respect to other tax exempt securities."

18. The commission is required to apportion its current expense budget among the signatory parties (p. 52, lines 4–8). The compact then goes on to provide: "The respective signatory parties covenant and agree to include the amounts so apportioned * * * in their respective budgets * * * subject to such review and approval as may be required by their respective budgetary processes. Such amounts shall be due and payable to the commission in quarterly installments during its fiscal year, provided that the commission may draw upon its working capital to finance its current expense budget pending remittances by the signatory parties" (p. 52, lines 11–20). What obligation, legal or moral, does this impose on the Bureau of the Budget to include in the budget the full amount apportioned to the United States by the commission? What obligation, legal or moral, does it impose on the Appropriations Committee to include in bills reported by it the full amount apportioned to the United States? What does "subject to such review and approval as may be required by their respective budgetary processes" mean? To what extent, if any, may the Budget Bureau and the Appropriations Committee look into the equity of the apportionment made by the commission? To what extent, if any, may it look into the reasonableness of the commission's estimates of its expenses? How does the answer to the preceding question fit with the power and duty given the commission to "determine the character of and the necessity for its obligations and expenditures"? (p. 54, lines 8–9).

"The process contemplated here is much like that followed by the Federal Government and the Bureau of the Budget at present with respect to the various international bodies in which the United States is a member. The basin commission would be obliged to justify all of its budget requests in the same manner as a Federal department. It should be noted that the apportionment of the commission's budget among the signatory parties requires the unanimous vote, which would include the vote of the Federal representative as well. Even then there is no legally enforcible obligation to appropriate, and the only moral obligation is the same as that undertaken by the United States with respect to one of the parts of a Federal department. The power delegated by section 14.1(b) is to the commissioners, as distinguished from the commission, and allocates the responsibility within the corporate body for the exercise of such powers as it has. In any event, the commission could not spend more than the signatory parties were willing to provide, and that they would determine in the same way that they determine other appropriations."

19. Will the provision that "The commission, its property, functions, and activities shall be exempt from taxation by or under the authority of any of the signatory parties" (p. 55, lines 19–21) interfere in any way, now or in the future, with the taxing authority of the United States?

"This merely states the tax immunity which the Supreme Court has determined is conferred by the Federal Constitution. Since the basin agency would be an instrumentality of the Federal Government, the States could not tax it and conversely, as an instrumentality of the States, it would be immune from taxation by the Federal Government."

20. What acts of Congress are repealed by section 15.2 (p. 69, lines 21–23)?

"No acts of Congress are actually repealed by section 15.2. It is only to the extent that any prior act is inconsistent with the compact bill that the compact bill would supersede the prior act. This would be the legal effect even if the repealer section were not there. Whether there is an inconsistency or not would be determined in each instance in the future on the basis of specific facts, and for this reason it is impracticable to list any Federal acts. Under these circumstances, this is a common form of generalized repealer."

21. What agencies of the executive branch, if any, participated in the drafting of the compact? Which of them, if any, have advised that there is no objection to enactment of House Joint Resolution 225? What assurance, if any, is there that it is satisfactory to the administration?

"The executive branch did not formally participate in the drafting of the compact, but has had it since the first of the year for study and comment. At present, the President has designated Secretary Udall to be responsible for coordinating the views of the executive agencies, conferences have been held, and it appears likely that the position of the executive departments will be agreed upon before long."

The existence of an interstate organization such as Incodel raises important policy and program problems relative to the development of the water resources of the river basin. While it is the one agency concerned with the totality of water resources on a basinwide basis, it is without administrative authority.

Because it is the only basinwide water agency, Incodel attempts to fulfill a coordinating role which requires a greater jurisdiction than it can possess as only an agent of the States. There are Federal responsibilities on the Delaware which cannot be escaped by local disclaimers. It is a navigable stream on which large Federal expenditures are being made for providing and maintaining navigation; it has flood-control problems which the Federal Government is expected to meet, and it has sizable hydroelectric-power potentials, the development of which the Federal Government is directed to regulate and, under appropriate conditions, authorized to undertake.

Lack of comprehensive multiple-purpose plan: There are elements of the water-resources problem for which this Department has no responsibility which, nevertheless, affect, in one way or another, other elements for which this Department is responsible. In the Delaware this dispersion of responsibility exists not only between Federal agencies, but also between the several States and the Federal Government and between Incodel and the Federal Government. Specifically: (1) The Department has responsibility for marketing power from such Federal dams as may be constructed in the basin, but it does not have a part in the development planning. (2) The Department has responsibility for the preservation of fish, but has only indirect influence on the planning of dams, the placement and character of which is critical to fishery resources. (3) Pollution is one of the major handicaps to full utilization of the waters for fish and recreation, but until recently the Federal Government has had practically no responsibility for pollution. It is hoped that the recent act creating the Pollution Control Board and authorizing comprehen-

sive pollution-control plans and Federal aid will bring action on this front. Such comprehensive plans, however, to be effective, must be related to other water-resource elements. (4) Basic topographic, geologic, and water data, while supplied primarily by the Geological Survey of this Department, is often limited in terms of place and amount of program by the practice of States matching funds. (5) The land management and use programs conducted by agencies of the Department of Agriculture have direct ramifications upon fish and wildlife in the Delaware Basin.

Source: The Delaware River Basin. Report for the President's Water Resources Policy Commission, prepared by the Eastern Field Committee, U.S. Department of the Interior, October 1950, page 41.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from New York.

Mr. LINDSAY. I think it is important that the RECORD show that at the recent meeting of Governors in Hawaii, under the leadership and sponsorship of Governor Rockefeller, the Governors adopted a resolution approving this compact.

Mr. WALTER. Of course, and I might say to the gentleman that either the Governors of the four States or their representatives appeared before our subcommittee at the hearings and urged prompt adoption of this compact.

Mr. TOLL. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Pennsylvania.

Mr. TOLL. Mr. Chairman, I wish to commend the distinguished gentleman from Pennsylvania on his remarkable presentation of the facts involved in this compact, and I would like to associate myself with the remarks he made.

Mr. Chairman, the compacts between States have recently been questioned to some extent in connection with the right to review and audit the activities of the bodies created to carry out the functions permitted under the compact. In at least one case involving the compact between New York and New Jersey pursuant to which the Port of New York Authority was created, a question was raised whether the congressional committee had a right to inspect the internal pages of the authority. The compact involved in House Joint Resolution 225 eliminates this problem. The U.S. Government is a partner and its representatives will know everything which is going on or being done. However, the Government is not bound by the action of the members of the commission created by the compact unless the representative of the United States agrees to the action. Section 12.20 and section 13.3(B)(2) of the bill does not bind unless the Government permits any obligation to be imposed upon it. In addition section 1.4 gives the Congress the right to withdraw as a party to the compact or to revise or modify the terms, conditions, and provisions under which it may remain a party.

The Government is fully protected and the benefits of the compact are available for the people of the Delaware Valley Basin.

Mr. BARRETT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania.

There was no objection.

Mr. BARRETT. Mr. Chairman, as one who is vitally interested in developing the potential of the Delaware River to its maximum, I wholeheartedly support House Joint Resolution 225, the Delaware River Basin compact.

The enactment of this resolution is not only of great importance to the residents living in Philadelphia, but will greatly benefit all people living in the Commonwealth of Pennsylvania and the States of New York, New Jersey, and Delaware. In fact, our entire eastern seaboard will benefit indirectly from the development and growth of the Delaware Basin.

We are not dealing merely with a river or a basin area, but are planning for the future and livelihood of over 22 million people, which today represents about 13 percent of our national population. This figure will continue to grow each year and unless some constructive program is developed, the Delaware Basin will be unable to service the populace.

Our Commonwealth is not in a financial position to assume this burden. In fact, no individual State could financially develop the basin. But with the enactment of this resolution, the four States involved, together with the support of our Federal Government, could initiate an effective, long-range program to insure adequate water power; workable flood control projects; to develop reserve reservoirs for drought periods; to provide for a more consistent distribution of water to homes, farms, and recreation areas; to control pollution and, in general terms, make the river and basin effectively produce for the people.

Mr. POFF. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, by way of preface, let me pay tribute to the gentleman from Pennsylvania, chairman of Subcommittee No. 1 of the Committee on the Judiciary, Mr. WALTER, who has devoted a great deal of his time and talents to this most tedious project, and has, I believe, given the other members of the committee wise guidance in our deliberations.

As the chairman of the committee has indicated, this might properly be called a pentagonal compact; that is to say, it is not a purely interstate compact but, rather, it is a compact among four States and the Federal Government, a five-sided creature.

It is the purpose of the compact, as explained more fully in the committee report, to adopt and operate a comprehensive plan for the development and the use of water resources in the Delaware River Basin.

May I emphasize at this point that what is involved is one river, one basin, populated by approximately 22 million people and expected to be 30 million people in the next 20 years; that all of the water resources appurtenant to the river and its tributary system are functionally, interrelated and interdependent. As the chairman has already explained, there are today some 19 Federal agencies each of which has some measure of jurisdiction and control over some aspect of water resources in the Delaware River Basin. In addition, there are 57 State and interstate boards and commissions which have jurisdiction with respect to some aspect of water resources in the basin. But, in addition, and complicating the picture much further, there are altogether today 250 water control boards, both public and private, functioning in the area.

Now, from this recitation of statistics, it will be apparent that the Federal Government on the one hand has claimed and exercises today primary jurisdiction with respect to navigation, flood control, irrigation, hydroelectric power production, and some other functions. On the other side of the coin, the State governments assert primary jurisdiction with respect to water supply, sewage, drainage, fish and wildlife, and so forth. But, in the middle there is this great area of overlapping jurisdiction between the Federal Government on the one hand and the State governments and their several agencies on the other. In that realm of jurisdiction we find such things as recreation, conservation, forestry, streamflow regulation, and the regulation of electric power sales.

Now, it is patent, of course, that this river, like most rivers, honors no geographical or political boundaries, and primarily for that reason there has been a great volume of litigation over the years. Thirty years ago, as a matter of fact, the Supreme Court of the United States entered a decree under which the many controversies which arose in this area are administered on a continuing basis. Under that decree, as later amended, a river master was appointed in an attempt to settle administratively some of these controversies. But, the decree itself authorizes the participating parties to return to the Supreme Court to litigate anew controversies arising concerning the diversion and allocation of waters from the river. This illustrates, I think, what might properly be described as an interminable series of lawsuits.

In 1956 the Congress authorized a 3-year, $2 million survey to be conducted by the Corps of Engineers, and it is the purpose of the Corps of Engineers based on that survey to present to the commission, after it is acknowledged by law, a comprehensive plan which the members of the subcommittee genuinely feel will put at rest most, if not all, of these continuing controversies and litigation. As indicated earlier, several amendments will be offered. They reflect concern, and I am sure it is a genuine concern, about participation on the part of the Federal Government as a signatory party to the compact.

But let me undertake to assure the House that the Congress of the United States does not by becoming a functional party to the compact surrender any part of its sovereignty or in anywise abrogate in any measure its duty under any law enacted by the Congress.

I call your particular attention to article VI of the Constitution, the so-called supremacy clause. Under that clause, the commission as an agency of regional government would continue to be subject to the substantive provisions of all Federal laws which have been passed by the Congress. Moreover—and I think this is important because several of the Members have directed questions to me about it—the present national policy would endure with respect to laws already passed by the Congress. Some of the laws to which I have reference are: The Flood Control Act of 1944; control and regulation of obstructions to navigation; the licensing provision of the Federal Power Act; pollution abatement under authority of the U.S. Public Health Service; the functions of the Soil Conservation Service all would remain intact. The functions, the powers and duties of the Geological Survey, the Weather Bureau, the Fish and Wildlife Service, the Bureau of Mines, the National Park Service, the Forest Service, and other Federal agencies will be preserved within the framework of the comprehensive plan devised by the Corps of Engineers. But most important of all, I want to impress upon you the language which appears in section 1.4 of article I, part 1, of the bill. I shall read that language in its entirety:

1.4 Powers of Congress; Withdrawal. Nothing in this compact shall be construed to relinquish the functions, powers or duties of the Congress of the United States with respect to the control of any navigable waters within the basin, nor shall any provision hereof be construed in derogation of any of the constitutional powers of the Congress to regulate commerce among the States and with foreign nations. The power and right of the Congress to withdraw the Federal Government as a party to this compact or to revise or modify the terms, conditions and provisions under which it may remain a party by amendment, repeal or modification of any Federal statute applicable thereto is recognized by the signatory parties.

That, of course, includes the four signatory States.

Mr. TOLL. Mr. Chairman, will the gentleman yield?

Mr. POFF. I will be happy to yield to the gentleman.

Mr. TOLL. I think that clause clearly shows how the Government can participate in a compact between the States with all of the advantages of inspection, review, audit and checking and yet at the same time not involve itself in any way in the responsibilities if it wishes to withdraw. This would be an advantage to the situation which exists in the compact between New York and New Jersey where there were some questions raised as to the rights to inspect the records involving the Port of New York Authority.

Mr. POFF. I thank the gentleman.

Supplementing what the gentleman has just said, the compact expressly says that all of the basin agency's operations will be subject to audit by the Comptroller General. Moreover, the right is reserved to the committees of the Congress to require full disclosure on the part of the commission members.

May I also remind you that in part 2, section 15.1 of the bill, we find the following language:

The right to alter, amend or repeal this section is expressly reserved to the Congress.

As indicated earlier, a number of amendments will be offered by the distinguished chairman of the subcommittee as amendments approved by the subcommittee, and I assume those amendments will be offered en bloc. Later, perhaps, there will be an amendment offered by the gentleman from Florida [Mr. CRAMER], touching upon the voting power of the Federal representative. As I understand it, later an amendment will be offered by the gentleman from New York [Mr. RAY], concerning the elimination of the United States as a signatory party.

It has been suggested that certain constitutional questions may be involved with respect to these two matters. I will have something to say to that point when the amendments are offered.

Mr. WALTER. Mr. Chairman, I have no further requests for time.

Mr. POFF. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. CAHILL].

Mr. CAHILL. Mr. Chairman, as the representative of the First Congressional District of New Jersey, comprising the counties of Camden, Gloucester, and Salem, all bordering on the Delaware River, I enthusiastically support this joint resolution, and urge its adoption by the House.

There are many reasons that may be advanced for the approval of this resolution.

There are 43 State agencies, 14 interstate agencies, and 19 Federal agencies at the present time exercising a multiplicity of powers and duties related to the water resources of the Delaware River Basin. Each of the four States and the Federal Government have a definite interest of overwhelming importance in the Delaware River Basin. As has been well stated in the report of the committee:

The waters of the Delaware, of course, respect only their own natural boundaries. They do not respect manmade political boundaries.

As a result, it has become throughout the area increasingly more apparent that a compact such as is proposed by House Joint Resolution 225 is essential for the purpose of management of the Delaware River Basin and the general welfare of the citizens of the States which are served by the Delaware River.

There have been throughout the years many disputes arising between the various States which have given rise to lengthy and expensive Federal litigation. This compact should solve to a large measure all of the existing disputes and prevent the necessity for future disputes.

Anyone who viewed the havoc wrought by the rushing waters of the Delaware River in recent years as a result of hurricanes would recognize the great need for river control and for intensive study as to the best utilization and control of the forces of this great river.

There are many other reasons most of which have already been discussed by the members of the subcommittee which argue most forcefully for the passage of this needed legislation.

Suffice it to say that this agreement between the States and the Federal Government should aid tremendously in the dynamic growth presently being experienced in the Delaware Valley. It should insure an orderly future growth.

Mr. Chairman, I am of the opinion that the objections to this compact raised by its opponents are not well founded in fact or in law and would respectfully point to the fact that they largely emanate from Representatives of areas not directly affected by the Delaware River.

The people of the four States involved will, I am sure, welcome and applaud this much needed legislation and will observe as the future unfolds the wisdom of the Judiciary Committee on which I have the honor to serve in presenting this resolution to the Congress.

I enthusiastically support the resolution and urge the Members of the House to approve it.

Mr. POFF. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I hesitate, of course, to consider it my responsibility to differ at least in part with my very good friend, a very able Member of Congress, Mr. WALTER, and likewise differ with my distinguished colleague from Virginia. Perhaps my difference of opinion emanates largely from the fact that I have the privilege of serving on the Committee on Public Works as well as Judiciary, and this same issue has been in a very lengthy manner considered by that committee. That committee, of course, deals with authorizations and Federal participations, Federal costs in the very projects we are talking about over which this Delaware commission will have jurisdiction.

The Republican minority of that Public Works Committee last session unanimously upheld the very same position which I am voicing in this bill, and that is opposition to the voting membership, voting participation of the Federal Government in this joint Federal-State compact agency.

The gentleman from Virginia said this is a five-sided creature. Yes; as a matter of fact, this is more unusual than the duck-billed platypus. This is more unusual than the duck-billed platypus with four parts State and one part Federal. It is a new, unique creature without any precedent, and I believe it is bad as a precedent.

I will discuss briefly in a moment the precedents that were cited as such for this type of voting membership on that commission. There were four that were cited by the distinguished gentleman from Pennsylvania. I stated in the colloquy with him, and I appreciate his yielding, that all four of them can be distinguished on the facts.

What are the two fundamental issues in this point resolution? The two fundamental issues are these: No. 1, Should the Federal Government be a participating member, voting, in the makeup of a compact that has jurisdiction over water resources on a broad basis, which the

gentleman from Virginia described? All water problems in that area, which is a substantial area, would be under the jurisdiction of this commission. But the Federal member will have participation in every detail of administration involved in this commission. This is not an advisory commission. Many of the examples cited as precedents are advisory commissions. This is not an advisory commission, that is, an operating commission. The commission will have authority to hire and fire employees, set budgets and to issue bonds. They say the full faith and credit of the Federal Government will not be obligated, yet morally the Federal Government is going to be obligated at any time it votes for a bond issue as a participating member, in favor of its being issued. There is the rub.

The Federal Government is likewise morally obligated on any project that commission approves to the extent of the Federal participation; that is determined by whom? There is the second rub. Determined by the commission, not by the usual Federal agencies.

The gentleman from Virginia mentioned the fact that this is not going in any way to interfere with existing Federal law, but it is going to interfere with existing Federal policies, policies within the departments. This restriction only involves law, but as to the policy set by the departments with regard to Federal-State participation, with regard to local participation in these multiple-purpose projects, who is going to decide what the participation shall be? Not the Federal member. He is going to be outvoted four to one. The States are going to decide that in a water project, a multiple-purpose project. "Here is what the Federal share is going to be and here is what the State share is going to be." It could easily fly in the face of an established Federal policy with respect to that.

Now in distinguishing the four compacts that have been mentioned, let me say this is of greater significance than this one compact, there is already pending and it was just voted out yesterday, and I am glad to see the distinguished majority leader present because he has an interest in it, it being the gentleman's bill, the Northeast compact, H.R. 30, that is the same as the compact introduced in the last session to which I just refered that the minority objected to in the last session of the Congress which was H.R. 12647 on exactly the same basis. So this is just a foot in the door. This is a brandnew approach to get the Federal Government in to commit it in advance morally to go along with whatever the commission made up of four to one State members decides should be the Federal obligation in any given project. That is wrong because it destroys the Federal-State relationship that has existed with regard to compacts in the past. It is very interesting to note what happened with regard to the bill H.R. 30 in the Committee on Public Works. The entire committee agreed with the amendments, which are exactly the same amendments I intend to offer to this compact. They agreed one week to the amendments unanimously and then, just yesterday, turned around and disagreed to them and the bill was voted out without amendments. But the amendments so far as I am concerned have equal merit now as they had 2 weeks ago and are of the same nature as the amendments I intend to introduce today.

The other distinguishing factor and the important factor is that the cost of this is being borne one-fifth by the Federal Government. It is a blank check, open authorization for appropriations. One-fifth of the cost of the administration and of hiring bookkeepers and of keeping books and of hiring engineers and all other operating expenses is to be borne by the Federal Government, which is the same objection raised to the other compact.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Pennsylvania.

Mr. WALTER. The amount is $40,000.

Mr. CRAMER. I am not familiar with that figure. It is not limited in the bill or referred to in the committee report and I understand the amendment the gentleman intends to offer will have an open end appropriation with regard to all administrative expenses in the future. Of course, my amendment will attempt to prevent the Federal Government from participating financially in it. So this is a new precedent. There is no precedent for the Federal Government participating financially in the cost of the operation of these compacts and commissions. I think it is a bad precedent. There is no limitation with regard to what the Federal cost will be under this proposal.

Now to distinguish the four compacts that were mentioned.

The Ohio River Valley water sanitation compact is not comparable.

Mr. POFF. Mr. Chairman, will the gentleman yield on the point that he is now discussing?

Mr. CRAMER. I am delighted to yield to my colleague.

Mr. POFF. There are, of course, two budgets involved. One might be called the capital budget and the other the current expense budget. With respect to the current expense budget, the Federal representative by his vote could exercise the veto power if the allocation did not suit him.

Mr. CRAMER. But the gentleman does not deny that the Federal Government would be obligated to the expense account and the operating account once it is approved?

Mr. POFF. If it were once approved, but the Congress would yet have to act upon the appropriation which would be necessary.

Mr. CRAMER. That is correct.

Mr. POFF. The Congress would have to act upon the appropriation which would be necessary to implement the decision.

Mr. CRAMER. I know the gentleman is fully familiar with what their argument is going to be. They will argue, your Federal member voted for it up there on the commission and you are morally obligated and the machinery is all set up in the commission to spend this money and hire all these people and they have to have the money. So, actually, it is a matter that is determined by that voting and the rubberstamp ratification by the Congress means little or nothing in my opinion.

Distinguishing the Ohio River Valley sanitation water compact, the transaction of business of the commission and the issuance of orders for abatement of pollution are prerogatives of the State commissioners under that compact to the practical exclusion of the Federal commissioners.

In the Upper Colorado River Basin compact, and I do not have the time to discuss it in detail, but this is the crux of it, the compact neither requires the appointment of a Federal commissioner nor the concurrence by him if appointed in any action which is taken by the commission even though the United States has a special interest in the waters which are subject to this compact because of the treaty between the United States and Mexico.

There is a definite Federal interest to be considered as existing. In the Potomac River compact there is a Federal interest, but even in that instance of an existing Federal interest, the Federal participation is limited.

In the Yellowstone River compact the Federal representative has no vote unless the two State members should fail to agree.

So these are all very easily distinguished, and they are the only 4 instances of the 140 compacts in which the Federal representative has a limited voting right not comparable to the Delaware compact before us.

I discuss in greater detail these distinguishing features:

The Ohio River Valley water sanitation compact (54 Stat. 752) created a commission for the prevention of pollution, which commission is composed of 24 State commissioners, 3 from each of eight States, and 3 commissioners appointed by the President of the United States. Even if the Federal commissioners do vote, their votes have little, if any, significance. The Federal commissioners are not counted in establishing a quorum for the transaction of business, and the only provision of the compact relative to voting is that no order for the abatement of pollution shall go into effect unless it receives the assent of a majority of the commissioners from each of a majority of the signatory States, and that no such order upon a municipality, corporation, person or entity in any State shall go into effect unless it receives the assent of a majority of the commissioners from such State. Thus, the transaction of business of the commission and the issuance of orders for the abatement of pollution are the prerogatives of the State commissioners, to the practical exclusion of the Federal commissioners. In fact, it is difficult to visualize what purpose is served by voting of the Federal commissioners, for their voting voices are so weak as to go unheard. Whereas, the proposed compact, which would be approved by H.R. 30, establishes a commission consisting of six State members and seven Federal members, and no action can be taken by

the commission without the affirmative vote of one or more Federal members.

The Upper Colorado River Basin compact (63 Stat. 31), which provides for the equitable division and apportionment of the use of waters of the Colorado River system, established a commission composed of one commissioner from each of four of the five signatory States. The compact authorizes a Federal voting commissioner, if the President of the United States, in his discretion, should designate one. The compact neither requires the appointment of a Federal commissioner nor concurrence by him, if appointed, in any action taken by the commission, even though the United States has a special interest in the waters which are the subject of this compact, because of obligations of the United States to Mexico under a treaty between the United States of America and the United Mexican States, dated February 3, 1944, which provides for the allotment of water to Mexico. To the contrary, the commission to be created under H.R. 30 can take no action without the concurrence of one or more Federal members, in spite of the fact that the United States has no special interest in the subject of the compact.

The District of Columbia is a signatory of the Potomac River Basin compact (54 Stat. 748), and participation by Federal voting members on the commission created by this compact is directed to matters primarily of local concern because of the exclusive jurisdiction of the United States within the District of Columbia. Furthermore, voting by the Federal members could not have the effect of imposing unwanted policy decision upon any party to the compact, for no such decision of the commission is binding upon any signatory body unless a majority of the commissioners of that body vote in favor thereof. In the northeastern region the situation is entirely different, for the functions of the United States with which the proposed commission would deal are matters of national concern, not related to any limited area as to which only the United States may legislate concerning local matters. Also, under the provisions of H.R. 30, assent of some Federal members is a prerequisite to any action by the commission, and as to internal management of the commission the will of the Federal members, who constitute a majority of the commission, can prevail over the opposition of all the State members.

The Yellowstone River compact (65 Stat. 663), which provides for the equitable division and apportionment of the waters of the Yellowstone River and its tributaries, created a commission composed of one representative from each of two States and one representative selected by the Director of the U.S. Geological Survey, or whatever Federal agency shall succeed to its functions and duties. The Federal representative has no vote unless the two State members should fail to agree, in which event the Federal representative may vote upon the matters in disagreement only, to break the tie vote. The distinction between this very restricted provision and the required, if not dominant, role of the Federal members in all actions to be taken by the commission established in H.R. 30 is obvious.

What is the position of the Departments with regard to this bill? It is interesting to note that recommendations by the Departments have not been received. This is referred to on page 18 of the report. "The committee has received no reports from the Federal agencies with regard to this compact. They requested a delay in order to develop a policy position on the legislation." We will not give them an opportunity to develop that policy position.

The reason they want to develop a position is that this is one of the most complicated pieces of this type of legislation one could conceive, because it cuts across the very thing the gentleman from Pennsylvania brought out so skillfully—it cuts across the jurisdiction of some 17 or 18 Federal agencies, and in order to coordinate their thinking and write it into law, as this attempts to do with regard to all policies considering water resource matters, it obviously is going to take time to come up with a sound constructive solution that is fair to all concerned.

This bill is here prematurely. What I am trying to do is to correct obvious defects in the bill, to see that the Federal Government is not improperly obligated or committed to policies that may be at variance with Federal interests and positions.

As I say, there are 17 or 18 agencies of the Federal Government whose jurisdiction this cuts across. The Department of the Interior points out grave questions involved, and even the Department of Justice is opposed. As a matter of fact, the Department of Justice even raised what they call a constitutional question concerning it. Here is what the Department of Justice had to say.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I understand the gentleman from Pennsylvania does not believe a constitutional issue is raised. The Department of Justice said:

> The wisdom and possibly the constitutionality of such a radical departure from compact precedent which will be established by the bill—

Meaning the bill of the gentleman from Massachusetts—

> is subject to grave question when it is realized that the powers of the State representatives can derive only from the reserve powers of the States, and the powers of the Federal representative must be grounded only on the delegated powers of the United States. A State cannot bargain away its reserved powers to the National Government, nor can the United States surrender its delegated powers to State control. Similarly, it would seem equally true that neither the States nor the United States can bargain away their respective types of power to a new kind of Federal-State creature.

That was a memorandum delivered to me by the Department of Justice, and it is contained in the minority report on the bill.

Now, if the gentleman from Pennsylvania desires, I will yield to him.

Mr. WALTER. Is not the gentleman really reading from a report on a bill that was abandoned and a new bill reported?

Mr. CRAMER. It is precisely the same bill as was reported last year. It is the same language involving exactly the same issue: Should there be a Federal member on an interstate compact? And in this instance it is even more aggravated, because in this Delaware compact it is an operating compact and not as in the Northeast compact just an advisory compact. I trust that the amendments I shall offer will be adopted, because they are friendly amendments. I am for the compact, but only if in proper form.

Mr. POFF. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. RAY].

Mr. RAY. Mr. Chairman, I had expected to need quite a little time to talk about this resolution but I do not need to do that.

I agree with what the gentleman from Pennsylvania has said about interstate compact features, also with what the Members from Virginia and from Florida had to say on that same subject. It is not necessary for me to repeat what they have said, and I do not think I can add anything to their statements on what the bill is intended to do and what its language provides.

My colleague from Florida will, as he says, offer an amendment to take away voting rights from, and make sure there are no voting rights in, the commissioner appointed by the President. The amendment I intend to offer will go further. It will take the Federal Government out of the active management of the operations of this commission.

The subject matter of the joint resolution is extremely important. It provides not for Federal approval of an interstate compact, but, as the report says on page 3, would make the Federal Government a participating partner, a sort of senior partner in a single agency. By its terms the compact would continue for 100 years, subject to some reservations, and it provides for a commission of five members, one to be appointed by the President and one to come from each of the four States.

The resolution provides for planning and operation with respect to such broad subjects as water supply, pollution control, flood protection, watershed management, recreation, hydroelectric power and withdrawals and diversions of water. It also contains provisions as to intergovernmental relations, capital financing, comprehensive planning, program, budgets and many other matters.

At the appropriate time I shall offer an amendment which is designed to take the Federal Government out of the operating control of this interstate compact. It goes beyond the voting rights limitation proposed by my colleague from Florida.

Mr. POFF. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Chairman, as a matter of background and for establishing the record, I would like briefly to give some material and information on the

studies that have gone into the formation of the present compact.

Twice during the 1920's the States of New York, New Jersey, and Pennsylvania endeavored to form a tristate compact for control of the waters of the Delaware River. These efforts failed, and in the early 1930's the Corps of Army Engineers was assigned the task of making an overall survey of the waters of the Delaware River. They filed their 308 report late in 1933, and it lay dormant from that time until 1950. In 1950 the Army Engineers were asked to review and to bring up to date their 308 report on the Delaware River. It seems that just about the time the Army Engineers had their report ready to file, two tropical storms appeared in late 1955 causing untold flood damage in the Delaware River Basin. These floods and storms furnished entirely new problems and caused the Army Engineers to again ask for an extension of time to give a complete and comprehensive report. They had just about completed their work in the summer of 1957 when that area was again visited, not a flood or storm this time, but an unprecedented drought.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Pennsylvania.

Mr. WALTER. The gentleman mentioned the 308 report. Is it not a fact that the 308 report was prepared as far back as 1933?

Mr. SAYLOR. The first report was filed in 1933.

Mr. WALTER. So actually what this compact is is a revision and a review in bringing up to date the recommendations made in 1933.

Mr. SAYLOR. That is correct.

In 1957 the House Committee on Public Works again requested a review by the Army Engineers and they did file their 308 report and then again made another survey and brought that up to date.

Now, I give this background to show that the problems of the Delaware River have been studied by both the States and the Federal Government. I am satisfied that if the Governors of the four States that are involved would have only included a representative from the Federal Government when they set up the original Delaware River Basin Commission, we might have avoided a great deal of the confusion that has resulted.

The Delaware River Basin Commission is composed of six members, one appointed by each of the Governors of New York, New Jersey, Delaware, and Pennsylvania, one by the mayor of New York, and one by the mayor of Philadelphia. This commission, together with the research branch of the University of Syracuse, made studies that formed the basis of the present proposed Delaware River compact. The Members of the House will recall that earlier this month I sent to each Member of the House a letter containing 21 questions which the chairman of the House Committee on Interior and Insular Affairs and myself had raised with regard to this compact. We raised these questions because we felt that this was entirely new ground; a compact with the States and the Federal Government as equal partners. For this type of a compact there was no precedent, and each one of the cases that have been cited where the Federal Government had a representative on a commission is not analogous and therefore that we wanted to make sure that the position of the Federal Government in the Delaware River compact was clearly understood.

The chairman of the Judiciary Subcommittee [Mr. WALTER] asked his staff on the Judiciary Committee to prepare answers to the questions. In a colloquy which occurred just a few minutes ago he assured the members of this committee that the 21 questions, together with the answers, will be placed in the RECORD.

As a result of those questions, the House Judiciary Committee has a number of amendments which they will offer. These amendments, together with the answers to the questions, I think fully protect the interests of the Federal Government, the States, and the water users, and will make sure that the rights of the Federal Government and the rights of the States and the water users are clearly defined. With this, even though it is new territory, even though it is unprecedented, I think the Judiciary Committee and the Members of this House are to be commended for having had the courage to look at a new field. After all, we may live for a long period of time without food, but it is absolutely impossible to live without water. I am satisfied that the basin approach, with the cooperation of the States and Federal Government in each instance, is the only real solution to the water problems of this country.

While this is the first of the proposals which take the Federal Government in as a partner, I think that the investigation which has been done by the Judiciary Committee, the investigation which has been done by the Interior and Insular Affairs Committee, have made this a good bill, and I certainly hope that with this history that we are establishing that this bill will be passed and this commission will be able to operate.

I am interested in noting that the Delaware River Basin Commission has announced that, if authorized, the first project which it would undertake is the completion or putting into effect of the comprehensive plan which the Army Engineers have just completed for the Delaware River Basin. This is not, with the explanations that have now been presented, an abdication of authority. This is merely a cooperative movement wherein the States are exercising the rights which have been retained to them under the Constitution and cooperating with the Federal Government in the operation of those functions of the Federal Government which have been delegated to them by the Constitution.

I think the bill with the amendments is a tremendous step forward. It will mean that the States of New York and New Jersey that are now authorized by Federal court order to withdraw 900 million gallons of water a day from the Delaware River will be sure that regardless of flood or drought they will have that supply, and that the rights of the communities that depend upon the Delaware River and its tributaries for their water supply and for their industrial and municipal needs will have an assured water supply for the future, and that this great area of our country shall continue to grow—to produce—and keep pace with the rest of the country.

Mr. POFF. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. SCHWEIKER].

Mr. SCHWEIKER. Mr. Chairman, I rise in support of House Joint Resolution 225, to establish the Delaware River Basin compact.

The history and development of this compact is a long and varied one. As far back as the 1920's, people interested in water resources and conservation realized that an overall plan for water conservation and use should be developed for the Delaware River Valley. Over the decades, however, there have been a number of disputes among the States and the various regulatory bodies of the Delaware River Valley, so that no real progress in developing an overall plan for the Delaware River Basin was made until recently.

To illustrate the confusion and differences of opinion that have existed over the years, it would be well to point out that there are today 19 Federal bodies having some type of water jurisdiction in this area, 57 interstate bodies and over 250 public and private water companies. Little wonder that these groups have had difficulty agreeing on a practical program.

The area of the Delaware River Basin includes 12,765 square miles and 22 million people. It represents 1 percent of the land area of the United States, 12 percent of its population, and 20 percent of its national income.

Our great population increase in the Delaware River Basin has significantly intensified the problem. When our forefathers first came to this area, there were only about 1,000 Indians making use of its water resources and woodlands. From that sparse group, the region has grown to its present size of 22 million people. It is estimated by 1980 that it will reach the 30 million mark; and by 2010 over 40 million people will inhabit the Delaware River Valley.

The industrial growth of this area was a prime factor in our country's early leadership as an industrial nation. It is further estimated that our present rate of industrial growth will double by 1980.

With such a heavily populated area, and so many Federal and State water groups concerned, it is more logical to develop the area according to the natural unit of water supply. This natural unit of water supply is the Delaware River Basin. Of course, this transcends local and State governments and, therefore, logically calls for a joint effort on the parts of the States of New York, New Jersey, Delaware, and Pennsylvania, as well as the Federal Government. A regional solution to this problem is the only practical answer.

In the past we have seen the tremendous damage that floods and hurricanes can do to our area. As recently as 1955,

Hurricane Diane stormed up the Delaware Valley and caused $100 million of damages to homes, farms, factories, and communities and, far worse, 100 people lost their lives in this disaster. This type of flood damage has occurred eight times in this century.

In addition to floods, the Delaware River Basin has also been exposed to droughts, the more recent ones occurring in 1948, 1949, and 1957. These occurred because of the lack of development of proper plans for water conservation and flood control.

My own congressional district of Montgomery County has felt the effects of both the floods and the droughts. During Hurricane Diane, some of the people who lost their lives perished only a few miles from my home.

My home community of Lansdale was one of the worst hit in the drought of 1957. Our municipal water company was forced to drastically curtail its services and ration water as a result of the 1957 drought. Other water companies in our area had similar experiences.

My community of Lansdale always feels the first impact of a drought. This occurs because our town lies at the crest of three watersheds—the Neshaminy, the Wissahickon, and the Perkiomen. A lowering of the ground water table is felt first in our area because of its unique geographical position. Actually, my community is a harbinger of the drought for the rest of our county. Because of our county's large population and industrial growth in the past decade, our water requirements have increased many times. Our county's growth is not unique, and many communities in the Delaware Valley face similar water problems.

The Delaware River compact is the result of a joint study of the four States involved, as well as the cities of Philadelphia and New York. After many months of hard work and study by the Delaware River Basin Advisory Committee, they have produced this compact which is the best all-around answer to the situation. The compact would establish a five-member commission, comprised of a member from each of the four States, and one from the Federal Government. The compact's purpose is described as follows:

> The commission shall develop and effectuate plans, policies and projects relating to the water resources of the basin. It shall adopt and promote uniform and coordinated policies for water conservation control, use and management in the basin. It shall encourage the planning, development and financing of water resources projects according to such plans and policies.

Some Members of Congress have expressed concern at the 100-year length of the compact, but section 1.4 of the compact very clearly states "that the power and right of the Congress to withdraw the Federal Government as a party to this compact, or to revise or modify the terms, conditions and provisions under which it may remain a party, by amendment, repeal or modification of any Federal statute applicable thereto, is recognized by the signatory parties." In other words, the Congress can withdraw from the compact or change the compact at any time it desires.

Some members have suggested that the compact financially obligates the Federal Government without its knowing what the full cost of this program will be. This also is not correct. Section 12.20 of the compact clearly states:

> But nothing in this section shall be deemed to impose any monetary obligation on any of the signatory parties, other than such obligations as may be assumed by a signatory party in connection with a specific project or facility.

Some of my colleagues have argued that we are taking some power away from the States because the Federal Government is one of the five participants in the compact. Actually if this compact, which advocates a joint Federal and State approach, is defeated, then the way is open for Federal proponents to take over the entire operation. This is exactly what some Members of the other body have proposed. Defeating this compact will play into their hands and open the way to complete Federal control of the Delaware River Basin.

In my county of Montgomery, the project has been widely endorsed by county and watershed authorities. These include the Wissahickon Watershed Association, the Neshaminy Valley Watershed Association, the North Penn Water Resources Board, the Montgomery County Commissioners, whose members are of both political parties and the Montgomery County Planning Commission.

In addition the League of Women Voters has long taken a keen interest in water conservation and many of their local chapters have endorsed this project.

In summary, our Delaware Valley has been struggling for nearly 40 years to establish a coordinated plan for the development and use of our water resources. At long last we have nearly achieved success, since all four State legislatures concerned have already approved the compact. It is important to note that a total of only 11 votes have been cast against this project by the 4 State legislatures which have approved it.

It is virtually impossible to draw up a compact that would please all of the four States concerned, all of the Federal State, and local bodies, the Members of Congress and all the other people that are concerned with the development of the Delaware River Basin. Some objections can always be raised to any specific plan. However, our valley has labored for 40 years to produce a fair and practical program. This objective has been achieved by this compact. For the future health, safety and welfare of the people of the Delaware Valley, I urge your support of the Delaware River compact.

Mr. POFF. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, I rise in support of this bill (H.J. Res. 225) which is intended to grant consent on the part of Congress to the Delaware River Basin compact.

Before my election to Congress, I served in the New York State Legislature for a period of 19 years. From the year 1936 to 1950 I had the honor of serving as chairman of the New York Joint Legislative Committee on Interstate Cooperation. In that connection, it was my privilege to participate in the formulation of many interstate agreements. At that time, we formulated a commission known as the Interstate Commission on the Delaware River Basin and commonly known as Incodel. Compact legislation was proposed many times but for one reason or another, the proposal failed in one or more States each time.

Mr. Chairman, there is a great need for this interstate agency and the problems, and I mean interstate problems, that warrant attention are many. In fact, I know of no other way to solve them and the need for the creation of this interstate agency of the States is great. All of the States involved, namely, Pennsylvania, New Jersey, Delaware, and New York, have enacted this compact, and I am sure that it has the enthusiastic backing of all the States and municipalities involved.

As to the Federal Government participation in this commission, I can only say that I do not know of any previously created compact having such provisions. This may well be a departure from the basic approach and intent of interstate compacts. I am not exactly sure of the overriding reasons for the inclusion of the Federal Government. The Federal Government has cooperated and worked with many interstate commissions, but I am not aware of any direct involvement as this bill will provide.

I do know that there is a need for this compact commission and I support the plan to ratify it.

Mr. POFF. Mr. Chairman, I have no further requests for time and yield back the balance of my time.

Mr. WALTER. Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania [Mr. BYRNE].

Mr. BYRNE of Pennsylvania. Mr. Chairman, I strongly endorse this resolution establishing the Delaware River Basin compact with the Government of the United States as a participating partner. This compact is of great importance to the people I have the honor to represent in the Third District of the State of Pennsylvania in the city of Philadelphia which borders on the Delaware River.

Mr. Chairman, I take this opportunity to commend the distinguished gentleman from Pennsylvania [Mr. WALTER] for his splendid analysis of House Joint Resolution 225 and would like to associate myself with his remarks.

Mr. Chairman, I support this resolution wholeheartedly and urge the House to support it.

Mr. WALTER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Under the rule, the joint resolution is considered as having been read and is open for amendment.

The joint resolution (H.J. Res. 225) is as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent

of Congress is hereby given to the States of Delaware, New Jersey, and New York, and the Commonwealth of Pennsylvania, for the compact known as the Delaware River Basin compact, and the United States of America hereby enters into such compact, in the form as follows:

PART I

Compact

Whereas the signatory parties recognize the water and related resources of the Delaware basin as regional assets vested with local, state and national interests, for which they have a joint responsibility; and

Whereas the conservation, utilization, development, management and control of the water and related resources of the Delaware River Basin under a comprehensive multipurpose plan will bring the greatest benefits and produce the most efficient service in the public welfare; and

Whereas such a comprehensive plan administered by a basin-wide agency will provide effective flood damage reduction; conservation and development of ground and surface supply for municipal, industrial and agricultural uses; development of recreational facilities in relation to reservoirs, lakes and streams; propagation of fish and game; promotion of related forestry, soil conservation and watershed projects; protection and aid to fisheries dependent upon water resources; development of hydroelectric power potentialities; improved navigation; control of the movement of salt water; abatement and control of stream pollution; and regulation of stream flows toward the attainment of these goals; and

Whereas decisions of the United States Supreme Court relating to the waters of the basin have confirmed the interstate regional character of the water resources of the Delaware River Basin, and the United States Corps of Engineers has in a prior report on the Delaware River Basin (House Document 179, 73d Cong., 2nd Sess.) officially recognized the need for an interstate agency and the economies that can result from unified development and control of the water resources of the basin; and

Whereas the water resources of the basin are presently subject to the duplicating, overlapping and uncoordinated administration of some 43 state agencies, 14 interstate agencies and 19 federal agencies which exercise a multiplicity of powers and duties resulting in a splintering of authority and responsibilities; and

Whereas the joint advisory body known as the Interstate Commission on the Delaware River Basin (INCODEL), created by the respective commissions or committee on interstate cooperation of the States of Delaware, New Jersey, New York and Pennsylvania, has on the basis of its extensive investigations, surveys and studies concluded that regional development of the Delaware River Basin is feasible, advisable, and urgently needed; and has recommended that an interstate compact with Federal participation be consummated to this end; and

Whereas the Congress of the United States and the executive branch of the government have recognized the national interest in the Delaware River Basin by authorizing and directing the Corps of Engineers, U.S. Department of the Army, to make a comprehensive survey and report on the water and related resources of the Delaware River Basin, enlisting the technical aid and planning participation of any federal, state and municipal agencies dealing with the waters of the basin, and in particular the federal departments of Agriculture, Commerce, Health, Education and Welfare, Interior, and Federal Power Commission; and

Whereas some 22,000,000 people of the United States at present live and work in the region of the Delaware River Basin and its environs, and the government, employment, industry, and economic development of the entire region and the health, safety and general welfare of its population are and will continue to be vitally affected by the use, conservation, and management and control of the water and related resources of the Delaware River Basin; and

Whereas demands upon the waters and related resources of the basin are expected to mount rapidly because of the anticipated increase in the population of the region projected to reach 30,000,000 by 1980 and 40,000,000 by 2010, and because of the anticipated increase in industrial growth projected to double by 1980; and

Whereas water resources planning and development is technical, complex and expensive, and has often required fifteen to twenty years from the conception to the completion of a large dam and reservoir; and

Whereas the public interest requires that facilities must be ready and operative when needed, to avoid the catastrophe of unexpected floods or prolonged drought, and for other purposes; and

Whereas the Delaware River Basin Advisory Committee, a temporary body constituted by the governors of the four basin states and the mayors of the cities of New York and Philadelphia, has prepared a draft of an interstate-federal compact for the creation of a basin agency, and the signatory parties desire to effectuate the purposes thereof; Now therefore

The states of Delaware, New Jersey and New York and the Commonwealth of Pennsylvania, and the United States of America hereby solemnly covenant and agree with each other, upon the enactment of concurrent legislation by the Congress of the United States and by the respective state legislatures, having the same effect as this Part, as follows:

Article 1

Short Title, Definitions, Purpose and Limitations

Section 1.1 Short Title. This act shall be known and may be cited as the Delaware River Basin Compact.

1.2 Definitions. For the purposes of this compact, and of any supplemental or concurring legislation enacted pursuant thereto, except as may be otherwise required by the context:

(a) "Basin" shall mean the area of drainage into the Delaware River and its tributaries, including Delaware Bay;

(b) "Commission" shall mean the Delaware River Basin Commission created and constituted by this compact;

(c) "Compact" shall mean Part I of this act;

(d) "Cost" shall mean direct and indirect expenditures, commitment, and net induced adverse effects, whether or not compensated for, used or incurred in connection with the establishment, acquisition, construction, maintenance and operation of a project;

(e) "Facility" shall mean any real or personal property, within or without the basin, and improvements thereof or thereon, and any and all rights of way, water, water rights, plants, structures, machinery and equipment, acquired, constructed, operated or maintained for the beneficial use of water resources or related land uses including, without limiting the generality of the foregoing, any and all things and appurtenances necessary, useful or convenient for the control, collection, storage, withdrawal, diversion, release, treatment, transmission, sale or exchange of water; or for navigation thereon, or the development and use of hydroelectric energy and power, and public recreational facilities; or the propagation of fish and wildlife; or to conserve and protect the water resources of the basin or any existing or future water supply source, or to facilitate any other uses of any of them;

(f) "Federal government" shall mean the government of the United States of America, and any appropriate branch, department, bureau or division thereof, as the case may be;

(g) "Project" shall mean any work, service or activity which is separately planned, financed, or identified by the commission, or any separate facility undertaken or to be undertaken within a specified area, for the conservation, utilization, control, development or management of water resources which can be established and utilized independently or as an addition to an existing facility, and can be considered as a separate entity for purposes of evaluation;

(h) "Signatory party" shall mean a state or commonwealth party to this compact, and the federal government;

(i) "Water resources" shall include water and related natural resources in, on, under, or above the ground, including related uses of land, which are subject to beneficial use, ownership or control.

1.3 Purpose and Findings. The legislative bodies of the respective signatory parties hereby find and declare:

(a) The water resources of the basin are affected with a local, state, regional and national interest and their planning, conservation, utilization, development, management and control, under appropriate arrangements for intergovernmental cooperation, are public purposes of the respective signatory parties.

(b) The water resources of the basin are subject to the sovereign right and responsibility of the signatory parties, and it is the purpose of this compact to provide for a joint exercise of such powers of sovereignty in the common interests of the people of the region.

(c) The water resources of the basin are functionally inter-related, and the uses of these resources are interdependent. A single administrative agency is therefore essential for effective and economical direction, supervision and coordination of efforts and programs of federal, state and local governments and of private enterprise.

(d) The water resources of the Delaware River Basin, if properly planned and utilized, are ample to meet all presently projected demands, including existing and added diversions in future years and ever increasing economies and efficiencies in the use and reuse of water resources can be brought about by comprehensive planning, programming and management.

(e) In general, the purpose of this compact are to promote interstate comity; to remove causes of present and future controversy; to make secure and protect present developments within the states; to encourage and provide for the planning, conservation, utilization, development, management and control of the water resources of the basin; to provide for cooperative planning and action by the signatory parties with respect to such water resources; and to apply the principle of equal and uniform treatment to all water users who are similarly situated and to all users of related facilities, without regard to established political boundaries.

1.4 Powers of Congress; Withdrawal. Nothing in this compact shall be construed to relinquish the functions, powers or duties of the Congress of the United States with respect to the control of any navigable waters within the basin, nor shall any provision hereof be construed in derogation of any of the constitutional powers of the Congress to regulate commerce among the states and with foreign nations. The powers and right of the Congress to withdraw the federal government as a party to this compact or to revise or modify the terms, conditions and provisions under which it may remain a party by amendment, repeal or modification of any federal statute applicable thereto is recognized by the signatory parties.

1.5 Existing Agencies; Construction. It is the purpose of the signatory parties to preserve and utilize the functions, powers and duties of existing offices and agencies of government to the extent not inconsistent with the compact, and the commission is authorized and directed to utilize and employ such offices and agencies for the purpose of this compact to the fullest extent it finds it feasible and advantageous.

1.6 Duration of Compact.

(a) The duration of this compact shall be for an initial period of 100 years from its effective date, and it shall be continued for additional periods of 100 years if not later than 20 years nor sooner than 25 years prior to the termination of the initial period or any succeeding period none of the signatory states, by authority of an act of its legislature, notifies the commission of intention to terminate the compact at the end of the then current 100 year period.

(b) In the event that this compact should be terminated by operation of paragraph (a) above, the commission shall be dissolved, its assets and liabilities transferred, and its corporate affairs wound up, in such manner as may be provided by act of the Congress.

Article 2

Organization and Area

Section 2.1 Commission Created. The Delaware River Basin Commission is hereby created as a body politic and corporate, with succession for the duration of this compact, as an agency and instrumentality of the governments of the respective signatory parties.

2.2 Commission Membership. The commission shall consist of the Governors of the signatory states, ex officio, and one commissioner to be appointed by the President of the United States to serve during the term of office of the President.

2.3 Alternates. Each member of the commission shall appoint an alternate to act in his place and stead, with authority to attend all meetings of the commission, and with power to vote in the absence of the member. Unless otherwise provided by law of the signatory party for which he is appointed, each alternate shall serve during the term of the member appointing him, subject to removal at the pleasure of the member. In the event of a vacancy in the office of alternate, it shall be filled in the same manner as an original appointment for the unexpired term only.

2.4 Compensation. Members of the commission and alternates shall serve without compensation but may be reimbursed for necessary expenses incurred in and incident to the performance of their duties.

2.5 Voting Power. Each member shall be entitled to one vote on all matters which may come before the commission. No action of the commission shall be taken at any meeting unless a majority of the membership shall vote in favor thereof.

2.6 Organization and Procedure. The commission shall provide for its own organization and procedure, and shall adopt rules and regulations governing its meetings and transactions. It shall organize annually by the election of a chairman and vice-chairman from among its members. It shall provide by its rules for the appointment by each member in his discretion of an advisor to serve without compensation, who may attend all meetings of the commission and its committees.

2.7 Jurisdiction of the Commission. The commission shall have, exercise and discharge its functions, powers and duties within the limits of the basin, except that it may in its discretion act outside the basin whenever such action may be necessary or convenient to effectuate its powers or duties within the basin, or to sell or dispose of water, hydroelectric power or other water resources within or without the basin. The commission shall exercise such power outside the basin only upon the consent of the state in which it proposes to act.

Article 3

Powers and Duties of the Commission

Section 3.1 Purpose and Policy. The commission shall develop and effectuate plans, policies and projects relating to the water resources of the basin. It shall adopt and promote uniform and coordinated policies for water conservation, control, use and management in the basin. It shall encourage the planning, development and financing of water resources projects according to such plans and policies.

3.2 Comprehensive Plan, Program and Budgets. The commission shall, in accordance with Article 13 of this compact, formulate and adopt:

(a) A comprehensive plan, after consultation with water users and interested public bodies, for the immediate and long range development and uses of the water resources of the basin;

(b) A water resources program, based upon the comprehensive plan, which shall include a systematic presentation of the quantity and quality of water resources needs of the area to be served for such reasonably foreseeable period as the commission may determine, balanced by existing and proposed projects required to satisfy such needs, including all public and private projects affecting the basin, together with a separate statement of the projects proposed to be undertaken by the commission during such period; and

(c) An annual current expense budget, and an annual capital budget consistent with the water resources program covering the commission's projects and facilities for the budget period.

3.3 Allocations, Diversions and Releases. The commission shall have the power from time to time as need appears, in accordance with the doctrine of equitable apportionment, to allocate the waters of the basin to and among the states signatory to this compact and to and among their respective political subdivisions, and to impose conditions, obligations and release requirements related thereto, subject to the following limitations:

(a) The commission, without the unanimous consent of the parties to the United States Supreme Court decree in New Jersey v. New York, 347 U.S. 995 (1954), shall not impair, diminish or otherwise adversely affect the diversions, compensating releases, rights, conditions, obligations, and provisions for the administration thereof as provided in said decree; provided, however, that after consultation with the river master under said decree the commission may find and declare a state of emergency resulting from a drought or catastrophe and it may thereupon by unanimous consent of its members authorize and direct an increase or decrease in any allocation or diversion permitted or releases required by the decree, in such manner and for such limited time as may be necessary to meet such an emergency condition.

(b) No allocation of waters hereafter made pursuant to this section shall constitute a prior appropriation of the waters of the basin or confer any superiority of right in respect to the use of those waters, nor shall any such action be deemed to constitute an apportionment of the waters of the basin among the parties hereto; provided that this paragraph shall not be deemed to limit or restrict the power of the commission to enter into covenants with respect to water supply, with a duration not exceeding the life of this compact, as it may deem necessary for the benefit or development of the water resources of the basin.

(c) Any proper party deeming itself aggrieved by action of the commission with respect to an out-of-basin diversion or compensating releases in connection therewith, notwithstanding the powers delegated to the commission by this compact may invoke the original jurisdiction of the United States Supreme Court within one year after such action for an adjudication and determination thereof de novo. Any other action of the commission pursuant to this section shall be subject to judicial review in any court of competent jurisdiction.

3.4 Supreme Court Decree; Waivers. Each of the signatory states and their respective political subdivisions, in consideration of like action by the others, and in recognition of reciprocal benefits, hereby waives and relinquishes any right, privilege or power it may have to apply for any modification of the terms of the decree of the United States Supreme Court in New Jersey v. New York, 347 U.S. 995 (1954) which would increase or decrease the diversions authorized or increase or decrease the releases required thereunder, except that a proceeding to modify such decree to increase diversions or compensating releases in connection with such increased diversions may be prosecuted by a proper party to effectuate rights, powers, duties and obligations under Section 3.3 of this compact, and except as may be required to effectuate the provisions of paragraphs III B 3 and V B of said decree.

3.5 Supreme Court Decree; Specific Limitations on Commission. Except as specifically provided in Sections 3.3 and 3.4 of this article, nothing in this compact shall be construed in any way to impair, diminish or otherwise adversely affect the rights, powers, privileges, conditions and obligations contained in the decree of the United States Supreme Court in New Jersey v. New York, 347 U.S. 995 (1954). To this end, and without limitation thereto, the commission shall not:

(a) Acquire, construct or operate any project or facility or make any order or take any action which would impede or interfere with the rights, powers, privileges, conditions or obligations contained in said decree;

(b) Impose or collect any fee, charge or assessment with respect to diversions of waters of the basin permitted by said decree;

(c) Exercise any jurisdiction, except upon consent of all the parties to said decree, over the planning, design, construction, operation, or control of any projects, structures or facilities constructed or used in connection with withdrawals, diversions and releases of waters of the basin authorized by said decree or of the withdrawal, diversions or releases to be made thereunder; or

(d) Serve as river master under said decree, except upon consent of all the parties thereto.

3.6 General Powers. The commission may:

(a) Plan, design, acquire, construct, reconstruct, complete, own, improve, extend, develop, operate and maintain any and all projects, facilities, properties, activities and services, determined by the commission to be necessary, convenient or useful for the purposes of this compact;

(b) Establish standards of planning, design and operation of all projects and facilities in the basin which affect its water resources, including without limitation thereto water and waste treatment plants, stream and lake recreational facilities, trunk mains for water distribution, local flood protection works, small watershed management programs, and ground water recharging operations;

(c) Conduct and sponsor research on water resources, their planning, use, conservation, management, development, control and protection, and the capacity, adaptability and best utility of each facility thereof, and collect, compile, correlate, analyze, report and interpret data on water resources and uses in the basin, including without limitation thereto the relation of water to other resources, industrial water technology,

ground water movement, relation between water price and water demand, and general hydrological conditions;

(d) Compile and coordinate systematic stream stage and ground water level forecasting data, and publicize such information when and as needed for water uses, flood warning, quality maintenance or other purposes;

(e) Conduct such special ground water investigations, tests, and operations and compile such data relating thereto as may be required to formulate and administer the comprehensive plan;

(f) Prepare, publish and disseminate information and reports with respect to the water problems of the basin and for the presentation of the needs, resources and policies of the basin to executive and legislative branches of the signatory parties;

(g) Negotiate for such loans, grants, services or other aids as may be lawfully available from public or private sources to finance or assist in effectuating any of the purposes of this compact; and to receive and accept such aid upon such terms and conditions, and subject to such provisions for repayment as may be required by Federal or State law or as the commission may deem necessary or desirable;

(h) Exercise such other and different powers as may be delegated to it by this compact or otherwise pursuant to law, and have and exercise all powers necessary or convenient to carry out its express powers or which may be reasonably implied therefrom.

3.7 Rates and Charges. The commission may from time to time after public notice and hearing fix, alter and revise rates, rentals, charges and tolls and classifications thereof, for the use of facilities which it may own or operate and for products and services rendered thereby, without regulation or control by any department, office or agency of any signatory party.

3.8 Referral and Review. No project having a substantial effect on the water resources of the basin shall hereafter be undertaken by any person, corporation or governmental authority unless it shall have been first submitted to and approved by the commission, subject to the provisions of Sections 3.3 and 3.5. The commission shall approve a project whenever it finds and determines that such project would not substantially impair or conflict with the comprehensive plan and may modify and approve as modified, or may disapprove any such project whenever it finds and determines that the project would substantially impair or conflict with such plan. The commission shall provide by regulation for the procedure of submission, review and consideration of projects, and for its determinations pursuant to this section. Any determination of the commission hereunder shall be subject to judicial review in any court of competent jurisdiction.

3.9 Coordination and Cooperation. The commission shall promote and aid the coordination of the activities and programs of federal, state, municipal and private agencies concerned with water resources administration in the basin. To this end, but without limitation thereto, the commission may:

(a) Advise, consult, contract, financially assist, or otherwise cooperate with any and all such agencies;

(b) Employ any other agency or instrumentality of any of the signatory parties or of any political subdivision thereof, in the design, construction, operation and maintenance of structures, and the installation and management of river control systems, or for any other purpose;

(c) Develop and adopt plans and specifications for particular water resources projects and facilities which so far as consistent with the comprehensive plan incorporate any separate plans of other public and private organizations operating in the basin, and permit the decentralized administration thereof;

(d) Qualify as a sponsoring agency under any federal legislation heretofore or hereafter enacted to provide financial or other assistance for the planning, conservation, utilization, development, management or control of water resources.

3.10 Advisory Committees. The commission may constitute and empower advisory committees, which may be comprised of representatives of the public and of federal, state, county and municipal governments, water resources agencies, water-using industries, water-interest groups, labor and agriculture.

Article 4

Water Supply

Section 4.1 Generally. The commission shall have power to develop, implement and effectuate plans and projects for the use of the waters of the basin for domestic, municipal, agricultural and industrial water supply. To this end, without limitation thereto, it may provide for, construct, acquire, operate and maintain dams, reservoirs and other facilities for utilization of surface and ground water resources, and all related structures, appurtenances and equipment on the river and its tributaries and at such off-river sites as it may find appropriate, and may regulate and control the use thereof.

4.2 Storage and Release of Waters.

(a) The commission shall have power to acquire, operate and control projects and facilities for the storage and release of waters, for the regulation of flows and supplies of surface and ground waters of the basin, for the protection of public health, stream quality control, economic development, improvement of fisheries, recreation, dilution and abatement of pollution, the prevention of undue salinity and other purposes.

(b) No signatory party shall permit any augmentation of flow to be diminished by the diversion of any water of the basin during any period in which waters are being released from storage under the direction of the commission for the purpose of augmenting such flow, except in cases where such diversion is duly authorized by this compact, or by the commission pursuant thereto, or by the judgment, order or decree of a court of competent jurisdiction.

4.3 Assessable Improvements. The commission may undertake to provide stream regulation in the main stream or any tributary in the basin and may assess on an annual basis or otherwise the cost thereof upon water users or any classification of them specially benefited thereby to a measurable extent, provided that no such assessment shall exceed the actual benefit to any water user. Any such assessment shall follow the procedure prescribed by law for local improvement assessments and shall be subject to judicial review in any court of competent jurisdiction.

4.4 Coordination. Prior to entering upon the execution of any project authorized by this article, the commission shall review and consider all existing rights, plans and programs of the signatory parties, their political subdivisions, private parties, and water users which are pertinent to such project, and shall hold a public hearing on each proposed project.

4.5 Additional Powers. In connection with any project authorized by this article, the commission shall have power to provide storage, treatment, pumping and transmission facilities, but nothing herein shall be construed to authorize the commission to engage in the business of distributing water.

Article 5

Pollution Control

Section 5.1 General Powers. The commission may undertake investigations and surveys, and acquire, construct, operate and maintain projects and facilities to control potential pollution and abate or dilute existing pollution of the water resources of the basin. It may invoke as complainant the power and jurisdiction of water pollution abatement agencies of the signatory parties.

5.2 Policy and Standards. The commission may assume jurisdiction to control future pollution and abate existing pollution in the waters of the basin, whenever it determines after investigation and public hearing upon due notice that the effectuation of the comprehensive plan so requires. The standard of such control shall be that pollution by sewage or industrial or other waste originating within a signatory State shall not injuriously affect waters of the basin as contemplated by the comprehensive plan. The commission, after such public hearing may classify the waters of the basin and establish standards of treatment of sewage, industrial or other waste, according to such classes including allowance for the variable factors of surface and ground waters, such as size of the stream, flow, movement, location, character, self-purification, and usage of the waters affected. After such investigation, notice and hearing the commission may adopt and from time to time amend and repeal rules, regulations and standards to control such future pollution and abate existing pollution, and to require such treatment of sewage, industrial or other waste within a time reasonable for the construction of the necessary works, as may be required to protect the public health or to preserve the waters of the basin for uses in accordance with the comprehensive plan.

5.3 Cooperative Legislation and Administration. Each of the signatory parties covenants and agrees to prohibit and control pollution of the waters of the basin according to the requirements of this compact and to cooperate faithfully in the control of future pollution in and abatement of existing pollution from the rivers, streams, and waters in the basin which flow through, under, into or border upon any of such signatory states, and in order to effect such object, agrees to enact any necessary legislation to enable each such party to place and maintain the waters of said basin in a satisfactory condition, available for safe and satisfactory use as public and industrial water supplies after reasonable treatment, suitable for recreational usage, capable of maintaining fish and other aquatic life, free from unsightly or malodorous nuisances due to floating solids or sludge deposits and adaptable to such other uses as may be provided by the comprehensive plan.

5.4 Enforcement. The commission may, after investigation and hearing, issue an order or orders upon any person or public or private corporation, or other entity, to cease the discharge of sewage, industrial or other waste into waters of the basin which it determines to be in violation of such rules and regulations as it shall have adopted for the prevention and abatement of pollution. Any such order or orders may prescribe the date, including a reasonable time for the construction of any necessary works, on or before which such discharge shall be wholly or partially discontinued, modified or treated, or otherwise conformed to the requirements of such rules and regulations. Such order shall be reviewable in any court of competent jurisdiction. The courts of the signatory parties shall have jurisdiction to enforce against any person, public or private corporation, or other entity, any and all provisions of this Article or of any such order. The commission may bring an action in its own name in any such court of competent jurisdiction to compel compliance with any provision of this Article, or any rule or regulation issued pursuant thereto or of any such order, according to the practice and procedure of the court.

5.5 Further Jurisdiction. Nothing in this compact shall be construed to repeal, modify or qualify the authority of any signatory party to enact any legislation or enforce any additional conditions and restrictions to lessen or prevent the pollution of waters within its jurisdiction.

Article 6

Flood Protection

Section 6.1 General Powers. The commission may plan, design, construct and operate and maintain projects and facilities, as it may deem necessary or desirable for flood damage reduction. It shall have power to operate such facilities and to store and release waters on the Delaware River and its tributaries and elsewhere within the basin, in such manner, at such times, and under such regulations as the commission may deem appropriate to meet flood conditions as they may arise.

6.2 Flood Plain Zoning.

(a) The commission shall have power to adopt, amend and repeal recommended standards, in the manner provided by this section, relating to the nature and extent of the uses of land in areas subject to flooding by waters of the Delaware River and its tributaries. Such standards shall not be deemed to impair or restrict the power of the signatory parties or their political subdivisions to adopt zoning and other land use regulations not inconsistent therewith.

(b) The commission may study and determine the nature and extent of the flood plains of the Delaware River and its tributaries. Upon the basis of such studies, it may establish encroachment lines and delineate the areas subject to flood, including a classification of lands with reference to relative risk of flood and the establishment of standards for flood plain use which will safeguard the public health, safety and property. Prior to the adoption of any standards delineating such area or defining such use, the commission shall hold public hearings, in the manner provided by article 14, with respect to the substance of such standards. At or before such public hearings the proposed standards shall be available, and all interested persons shall be given an opportunity to be heard thereon at the hearing. Upon the adoption and promulgation of such standards, the commission may enter into agreements to provide technical and financial aid to any municipal corporation for the administration and enforcement of any local land use ordinances or regulations giving effect to such standards.

6.3 Flood Lands Acquisition. The commission shall have power to acquire the fee or any lesser interest in lands and improvements thereon within the area of a flood plain for the purpose of restricting the use of such property so as to minimize the flood hazard, converting property to uses appropriate to flood plain conditions, or preventing unwarranted constrictions that reduce the ability of the river channel to carry flood water. Any such action shall be in accord with the standards adopted and promulgated pursuant to Section 6.2.

6.4 Flood and Stream Stage Warnings and Posting. The commission may cause lands particularly subject to flood to be posted with flood hazard warnings, and may from time to time cause flood advisory notices to be published and circulated as conditions may warrant.

Article 7

Watershed Management

Section 7.1 Watersheds Generally. The commission shall promote sound practices of watershed management in the basin, including projects and facilities to retard runoff and waterflow and prevent soil erosion.

7.2 Soil Conservation and Forestry. The commission may acquire, sponsor or operate facilities and projects to encourage soil conservation, prevent and control erosion, and to promote land reclamation and sound forestry practices.

7.3 Fish and Wildlife. The commission may acquire, sponsor or operate projects and facilities for the maintenance and improvement of fish and wildlife habitats related to the water resources of the basin.

7.4 Cooperative Planning and Operation.

(a) The commission shall cooperate with the appropriate agencies of the signatory parties and with other public and private agencies in the planning and effectuation of a coordinated program of facilities and projects authorized by this Article.

(b) The commission shall not operate any such project or facility unless it has first found and determined that no other suitable unit or agency of government is available to operate the same upon reasonable conditions, in accordance with the intent and purpose expressed in Section 1.5 of this compact.

Article 8

Recreation

Section 8.1 Development. The commission shall provide for the development of water related public sports and recreational facilities. The commission on its own account or in cooperation with a signatory party, political subdivision or any agency thereof, may provide for the construction, maintenance and administration of such facilities, subject to the provisions of Section 8.2 hereof.

8.2 Cooperative Planning and Operation.

(a) The commission shall cooperate with the appropriate agencies of the signatory parties and with other public and private agencies in the planning and effectuation of a coordinated program of facilities and projects authorized by this article.

(b) The commission shall not operate any such project or facility unless it has first found and determined that no other suitable unit or agency of government is available to operate the same upon reasonable conditions, in accordance with the intent and purpose expressed in Section 1.5 of this compact.

8.3 Operation and Maintenance. The commission within limits prescribed by this article, shall:

(a) Encourage activities of other public agencies having water related recreational interests and assist in the coordination thereof;

(b) Recommend standards for the development and administration of water related recreational facilities;

(c) Provide for the administration, operation and maintenance of recreational facilities owned or controlled by the commission and for the letting and supervision of private concessions in accordance with this article.

8.4 Concessions. The commission shall after notice and public hearing provide by regulation for the award of contracts for private concessions in connection with recreational facilities, including any renewal or extension thereof, upon sealed competitive bids after public advertisement therefor.

Article 9

Hydroelectric Power

Section 9.1 Development. The waters of the Delaware River and its tributaries may be impounded and used by or under authority of the commission for the generation of hydroelectric power and hydroelectric energy, in accordance with the comprehensive plan.

9.2 Power Generation. The commission may develop and operate, or authorize to be developed and operated, dams and related facilities and appurtenances for the purpose of generating hydroelectric power and hydroelectric energy.

9.3 Transmission. The commission may provide facilities for the transmission of hydroelectric power and hydroelectric energy produced by it where such facilities are not otherwise available upon reasonable terms, for the purpose of wholesale marketing of power and nothing herein shall be construed to authorize the commission to engage in the business of direct sale to consumers.

9.4 Development Contracts. The commission may after public notice and hearing enter into contracts on reasonable terms, consideration and duration under which public utilities or public agencies may develop hydroelectric power and hydroelectric energy through the use of dams, related facilities and appurtenances.

9.5 Rates and Charges. Rates and charges fixed by the commission for power which is produced by its facilities shall be reasonable, nondiscriminatory, and just.

Article 10

Regulation of Withdrawals and Diversions

Section 10.1 Power of Regulation. The commission may regulate and control withdrawals and diversions from surface waters and ground waters of the basin, as provided by this article. The commission may enter into agreements with the signatory parties relating to the exercises of such power of regulation or control and may delegate to any of them such powers of the commission as it may deem necessary or desirable.

10.2 Determination of Protected Areas. The commission may from time to time after public hearing upon due notice determine and delineate such areas within the basin wherein the demands upon supply made by water users have developed or threaten to develop to such a degree as to create a water shortage or to impair or conflict with the requirements or effectuation of the comprehensive plan, and any such areas may be designated as "protected areas." The commission, whenever it determines that such shortage no longer exists, shall terminate the protected status of such area and shall give public notice of such termination.

10.3 Withdrawal Permits. In any protected areas so determined and delineated, no person, firm, corporation or other entity shall divert or withdraw water for domestic, municipal, agricultural or industrial uses in excess of such quantities as the commission may prescribe by general regulation, except (i) pursuant to a permit granted under this article, or (ii) pursuant to a permit or approval heretofore granted under the laws of any of the signatory states.

10.4 Emergency. In the event of a drought or other condition which may cause an actual and immediate shortage of available water supply within the basin, or within any part thereof, the commission may, after public hearing, determine and delineate the area of such shortage and declare a water supply emergency therein. For the duration of such emergency as determined by the commission no person, firm, corporation or other public or private entity shall divert or withdraw water for any purpose, in excess of such quantities as the commission may prescribe by general regulation or authorize by special permit granted hereunder.

10.5 Standards. Permits shall be granted, modified or denied as the case may be so as to avoid such depletion of the natural stream flows and ground waters in the protected area or in an emergency area as will adversely affect the comprehensive plan or the just and equitable interests and rights of other lawful users of the same source, giving due regard to the need to balance and reconcile alternative and conflicting uses in the event of an actual or threatened shortage of water of the quality required.

10.6 Judicial Review. The determinations and delineations of the commission pursuant to Section 10.2 and the granting, modification or denial of permits pursuant to Section 10.3 through 10.5 shall be subject to judicial review in any court of competent jurisdiction.

10.7 Maintenance of Records. Each state shall provide for the maintenance and preservation of such records of authorized di-

versions and withdrawals and the annual volume thereof as the commission shall prescribe. Such records and supplementary reports shall be furnished to the commission at its request.

10.8 Existing State Systems. Whenever the commission finds it necessary or desirable to exercise the powers conferred by this article any diversion or withdrawal permits authorized or issued under the laws of any of the signatory states shall be superseded to the extent of any conflict with the control and regulation exercised by the commission.

Article 11

Intergovernmental Relations

Section 11.1 Federal Agencies and Projects. For the purposes of avoiding conflicts of jurisdiction and of giving full effect to the commission as a regional agency of the signatory parties, the following rules shall govern federal projects affecting the water resources of the basin, subject in each case to the provisions of Section 1.4 of this compact:

(a) The planning of all projects related to powers delegated to the commission by this compact shall be undertaken in consultation with the commission;

(b) No expenditure or commitment shall be made for or on account of the construction, acquisition or operation of any project or facility nor shall it be deemed authorized, unless it shall have first been included by the commission in the comprehensive plan;

(c) Each federal agency otherwise authorized by law to plan, design, construct, operate or maintain any project or facility in or for the basin shall continue to have, exercise and discharge such authority except as specifically provided by this section.

11.2 State and Local Agencies and Projects. For the purposes of avoiding conflicts of jurisdiction and of giving full effect to the commission as a regional agency of the signatory parties, the following rules shall govern projects of the signatory states, their political subdivisions and public corporation affecting water resources of the basin:

(a) The planning of all projects related to powers delegated to the commission by this compact shall be undertaken in consultation with the commission;

(b) No expenditure or commitment shall be made for or on account of the construction, acquisition or operation of any project or facility unless it shall have first been included by the commission in the comprehensive plan;

(c) Each state and local agency otherwise authorized by law to plan, design, construct, operate or maintain any project or facility in or for the basin shall continue to have, exercise and discharge such authority, except as specifically provided by this section.

11.3 Reserved Taxing Powers of States. Each of the signatory parties reserves the right to levy, assess and collect fees, charges and taxes on or measured by the withdrawal or diversion of waters of the basin for use within the jurisdictions of the respective signatory parties.

11.4 Project Costs and Evaluation Standards. The commission shall establish uniform standards and procedures for the evaluation, determination of benefits, and cost allocations of projects affecting the basin, and for the determination of project priorities, pursuant to the requirements of the comprehensive plan and its water resources program. The commission shall develop equitable cost sharing and reimbursement formulas for the signatory parties including:

(a) Uniform and consistent procedures for the allocation of project costs among purposes included in multiple-purpose programs;

(b) Contracts and arrangements for sharing financial responsibility among and with signatory parties, public bodies, groups and private enterprise, and for the supervision of their performance;

(c) Establishment and supervision of a system of accounts for reimbursable purposes and directing the payments and charges to be made from such accounts;

(d) Determining the basis and apportioning amounts (i) of reimbursable revenues to be paid signatory parties or their political subdivisions, and (ii) of payments in lieu of taxes to any of them.

11.5 Cooperative Services. The commission shall furnish technical services, advice and consultation to authorized agencies of the signatory parties with respect to the water resources of the basin, and each of the signatory parties pledges itself to provide technical and administrative services to the commission upon request, within the limits of available appropriations and to cooperate generally with the commission for the purposes of this compact, and the cost of such services may be reimbursable whenever the parties deem appropriate.

Article 12

Capital Financing

Section 12.1 Borrowing Power. The commission may borrow money for any of the purposes of this compact, and may issue its negotiable bonds and other evidences of indebtedness in respect thereto. All such bonds and evidences of indebtedness shall be payable solely out of the properties and revenues of the commission without recourse to taxation. The bonds and other obligations of the commission, except as may be otherwise provided in the indenture under which they were issued, shall be direct and general obligations of the commission and the full faith and credit of the commission are hereby pledged for the prompt payment of the debt service thereon and for the fulfillment of all other undertakings of the commission assumed by it to or for the benefit of the holders thereof.

12.2 Funds and Expenses. The purposes of this compact shall include without limitation thereto all costs of any project or facility or any part thereof, including interest during a period of construction and a reasonable time thereafter and any incidental expenses (legal, engineering, fiscal, financial consultant and other expenses) connected with issuing and disposing of the bonds; all amounts required for the creation of an operating fund, construction fund, reserve fund, sinking fund, or other special fund; all other expenses connected with the planning, design, acquisition, construction, completion, improvement or reconstruction of any facility or any part thereof; and reimbursement of advances by the commission or by others for such purposes and for working capital.

12.3 Credit Excluded; Officers, State and Municipal. The commission shall have no power to pledge the credit of any signatory party, or of any county or municipality, or to impose any obligation for payment of the bonds upon any signatory party or any county or municipality. Neither the commissioners nor any person executing the bonds shall be liable personally on the bonds of the commission or be subject to any personal liability or accountability by reason of the issuance thereof.

12.4 Funding and Refunding. Whenever the commission deems it expedient, it may fund and refund its bonds and other obligations whether or not such bonds and obligations have matured. It may provide for the issuance, sale or exchange of refunding bonds for the purpose of redeeming or retiring any bonds (including the payment of any premium, duplicate interest or cash adjustment required in connection therewith) issued by the commission or issued by any other issuing body, the proceeds of the sale of which have been applied to any facility acquired by the commission or which are payable out of the revenues of any facility acquired by the commission. Bonds may be issued partly to refund bonds and other obligations then outstanding, and partly for any other purpose of the commission. All provisions of this compact applicable to the issuance of bonds are applicable to refunding bonds and to the issuance, sale or exchange thereof.

12.5 Bonds. Authorization Generally. Bonds and other indebtedness of the commission shall be authorized by resolution of the commission. The validity of the authorization and issuance of any bonds by the commission shall not be dependent upon nor affected in any way by: (i) the disposition of bond proceeds by the commission or by contract, commitment or action taken with respect to such proceeds; or (ii) the failure to complete any part of the project for which bonds are authorized to be issued. The commission may issue bonds in one or more series and may provide for one or more consolidated bond issues, in such principal amounts and with such terms and provisions as the commission may deem necessary. The bonds may be secured by a pledge of all or any part of the property, revenues and franchises under its control. Bonds may be issued by the commission in such amount, with such maturities and in such denominations and form or forms, whether coupon or registered, as to both principal and interest, as may be determined by the commission. The commission may provide for redemption of bonds prior to maturity on such notice and at such time or times and with such redemption provisions, including premiums, as the commission may determine.

12.6 Bonds. Resolutions and Indentures Generally. The commission may determine and enter into indentures providing for the principal amount, date or dates, maturities, interest rate, denominations, form, registration, transfer, interchange and other provisions of the bonds and coupons and the terms and conditions upon which the same shall be executed, issued, secured, sold, paid, redeemed, funded and refunded. The resolution of the commission authorizing any bond or any indenture so authorized under which the bonds are issued may include all such covenants and other provisions other than any restriction on the regulatory powers vested in the commission by this compact as the commission may deem necessary or desirable for the issue, payment, security, protection or marketing of the bonds, including without limitation covenants and other provisions as to the rates or amounts of fees, rents and other charges to be charged or made for use of the facilities; the use, pledge, custody, securing, application and disposition of such revenues, of the proceeds of the bonds, and of any other moneys of the commission; the operation, maintenance, repair and reconstruction of the facilities and the amounts which may be expended therefor; the sale, lease or other disposition of the facilities; the insuring of the facilities and of the revenues derived therefrom; the construction or other acquisition of other facilities; the issuance of additional bonds or other indebtedness; the rights of the bondholders and of any trustee for the bondholders upon default by the commission or otherwise; and the modification of the provisions of the indenture and of the bonds. Reference on the face of the bonds to such resolution or indenture by its date of adoption or the apparent date on the face thereof is sufficient to incorporate all of the provisions thereof and of this compact into the body of the bonds and their appurtenant coupons. Each taker and subsequent holder of the bonds or coupons, whether the coupons are attached to or detached from the bonds, has recourse to all of the provisions of the indenture and of this compact and is bound thereby.

12.7 Maximum Maturity. No bond or its terms shall mature in more than fifty years from its own date and in the event any authorized issue is divided into two or more series or divisions, the maximum maturity date herein authorized shall be calculated from the date on the face of each bond separately, irrespective of the fact that different dates may be prescribed for the bonds of each separate series or division of any authorized issue.

12.8 Tax Exemption. All bonds issued by the commission under the provisions of this compact and the interest thereof shall at all times be free and exempt from all taxation by or under authority of any of the signatory parties, except for transfer, inheritance and estate taxes.

12.9 Interest. Bonds shall bear interest at a rate of not to exceed six percent per annum, payable annually or semi-annually.

12.10 Place of Payment. The commission may provide for the payment of the principal and interest of bonds at any place or places within or without the signatory states, and in any specified lawful coin or currency of the United States of America.

12.11 Execution. The commission may provide for the execution and authentication of bonds by the manual, lithographed or printed facsimile signature of officers of the commission, and by additional authentication by a trustee or fiscal agent appointed by the commission. If any of the officers whose signatures or counter signatures appear upon the bonds or coupons cease to be officers before the delivery of the bonds or coupons, their signatures or counter signatures are nevertheless valid and of the same force and effect as if the officers had remained in office until the delivery of the bonds and coupons.

12.12 Holding Own Bonds. The commission shall have power out of any funds available therefor to purchase its bonds and may hold, cancel or resell such bonds.

12.13 Sale. The commission may fix terms and conditions for the sale or other disposition of any authorized issue of bonds. The commission may sell bonds at less than their par or face value but no issue of bonds may be sold at an aggregate price below the par or face value thereof if such sale would result in a net interest cost to the commission calculated upon the entire issue so sold of more than six percent per annum payable semi-annually, according to standard tables of bond values. All bonds issued and sold for cash pursuant to this act shall be sold on sealed proposals to the highest bidder. Prior to such sale, the commission shall advertise for bids by publication of a notice of sale not less than ten days prior to the date of sale, at least once in a newspaper of general circulation printed and published in New York City carrying municipal bond notices and devoted primarily to financial news. The commission may reject any and all bids submitted and may thereafter sell the bonds so advertised for sale at private sale to any financially responsible bidder under such terms and conditions as it deems most advantageous to the public interest, but the bonds shall not be sold at a net interest cost calculated upon the entire issue so advertised, greater than the lowest bid which was rejected. In the event the commission desires to issue its bonds in exchange for an existing facility or portion thereof, or in exchange for bonds secured by the revenues of an existing facility or portion thereof or for the bonds so secured, plus an additional amount of cash, without advertising such bonds for sale.

12.14 Negotiability. All bonds issued under the provisions of this compact are negotiable instruments, except when registered in the name of a registered owner.

12.15 Legal Investments. Bonds of the commission shall be legal investments for savings banks, fiduciaries and public funds in each of the signatory states.

12.16 Validation Proceedings. Prior to the issuance of any bonds, the commission may institute a special proceeding to determine the legality of proceedings to issue the bonds and their validity under the laws of any of the signatory parties. Such proceedings shall be instituted and prosecuted in rem and the judgment rendered therein shall be conclusive against all persons whomsoever and against each of the signatory parties.

12.17 Recording. No indenture need be recorded or filed in any public office, other than the office of the commission. The pledge of revenues provided in any indenture shall take effect forthwith as provided therein and irrespective of the date of receipt of such revenues by the commission or the indenture trustee. Such pledge shall be effective as provided in the indenture without physical delivery of the revenues to the commission or to the indenture trustee.

12.18 Pledged Revenues. Bond redemption and interest payments shall, to the extent provided in the resolution or indenture, constitute a first, direct and exclusive charge and lien on all such rates, rents, tolls, fees and charges and other revenues and interest thereon received from the use and operation of the facility, and on any sinking or other funds created therefrom. All such rates, rents, tolls, fees, charges and other revenues, together with interest thereon, shall constitute a trust fund for the security and payment of such bonds and except as and to the extent provided in the indenture with respect to the payment therefrom of expenses for other purposes including administration, operation, maintenance, improvements or extensions of the facilities or other purposes shall not be used or pledged for any other purpose so long as such bonds, or any of them, are outstanding and unpaid.

12.19 Remedies. The holder of any bond may for the equal benefit and protection of all holders of bonds similarly situated: (a) by mandamus or other appropriate proceedings require and compel the performance of any of the duties imposed upon the commission or assumed by it, its officers, agents or employees under the provisions of any indenture, in connection with the acquisition, construction, operation, maintenance, repair, reconstruction or insurance of the facilities, or in connection with the collection, deposit, investment, application, and disbursement of the rates, rents, tolls, fees, charges and other revenues derived from the operation and use of the facilities, or in connection with the deposit, investment and disbursement of the proceeds received from the sale of bonds; or (b) by action or suit in a court of competent jurisdiction of any signatory party require the commission to account as if it were the trustee of an express trust, or enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the bonds. The enumeration of such rights and remedies does not, however, exclude the exercise or prosecution of any other rights or remedies available to the holders of bonds.

12.20 Capital Financing by Signatory Parties; Guarantees.

(a) The signatory parties will provide such capital funds required for projects of the commission as may be authorized by their respective statutes in accordance with a cost sharing plan prepared pursuant to Article 11 of this compact; but nothing in this section shall be deemed to impose any mandatory obligation on any of the signatory parties other than such obligations as may be assumed by a signatory party in connection with a specific project or facility.

(b) Bonds of the commission, notwithstanding any other provision of this compact, may be executed and delivered to any duly authorized agency of any of the signatory parties without public offering and may be sold and resold with or without the guarantee of such signatory party, subject to and in accordance with the constitutions of the respective signatory parties.

(c) The commission may receive and accept, and the signatory parties may make, loans, grants, appropriations, advances and payments of reimbursable or non-reimbursable funds or property in any form for the capital or operating purposes of the commission.

Article 13

Plan, Program and Budgets

Section 13.1 Comprehensive Plan. The commission shall develop and adopt, and may from time to time review and revise, a comprehensive plan for the immediate and long range development and use of the water resources of the basin. The plan shall include all public and private projects and facilities which are required, in the judgment of the commission, for the optimum planning, development, conservation, utilization, management and control of the water resources of the basin to meet present and future needs; provided that the plan shall include any projects required to conform with any present or future decree or judgment of any court of competent jurisdiction. The commission may adopt a comprehensive plan or any revision thereof in such part or parts as it may deem appropriate, provided that before the adoption of the plan or any part or revision thereof the commission shall consult with water users and interested public bodies and public utilities and shall consider and give due regard to the findings and recommendations of the various agencies of the signatory parties and their political subdivisions. The commission shall conduct public hearings with respect to the comprehensive plan prior to the adoption of the plan or any part or revision thereof.

13.2 Water Resources Program. The commission shall annually adopt a water resources program, based upon the comprehensive plan, consisting of the projects and facilities which the commission proposes to be undertaken by the commission and by other authorized governmental and private agencies, organizations and persons during the ensuing six years or such other reasonably foreseeable period as the commission may determine. The water resources program shall include a systematic presentation of:

1) the quantity and quality of water resources needs for such period;

2) the existing and proposed projects and facilities required to satisfy such needs, including all public and private projects to be anticipated;

3) a separate statement of the projects proposed to be undertaken by the commission during such period.

13.3 Annual Current Expense and Capital Budgets.

(a) The commission shall annually adopt a capital budget including all capital projects it proposes to undertake or continue during the budget period containing a statement of the estimated cost of each project and the method of financing thereof.

(b) The commission shall annually adopt a current expense budget for each fiscal year. Such budget shall include the commission's estimated expenses for administration, operation, maintenance and repairs, including a separate statement thereof for each project, together with its cost allocation. The total of such expenses shall be balanced by the commission's estimated revenues from all sources, including the cost allocations undertaken by any of the signatory parties in connection with any project. Following the adoption of the annual current expense budget by the commission, the executive director of the commission shall:

1) certify to the respective signatory parties the amounts due in accordance with existing cost sharing established for each project; and

2) transmit certified copies of such budget to the principal budget officer of the respective signatory parties at such time and in such manner as may be required under their respective budgetary procedures. The amount required to balance the current expense budget in addition to the aggregate amount of item (1) above and all other revenues available to the commission shall be apportioned equitably among the signatory parties by unanimous vote of the commission, and the amount of such apportionment to each signatory party shall be certified together with the budget.

(c) The respective signatory parties covenant and agree to include the amounts so apportioned for the support of the current expense budget in their respective budgets next to be adopted, subject to such review and approval as may be required by their respective budgetary processes. Such amounts shall be due and payable to the commission in quarterly installments during its fiscal year, provided that the commission may draw upon its working capital to finance its current expense budget pending remittances by the signatory parties.

Article 14

General Provisions

Section 14.1 Auxiliary Powers of Commission; Functions of Commissioners.

(a) The commission, for the purposes of this compact, may:

1) Adopt and use a corporate seal, enter into contracts, sue and be sued in all courts of competent jurisdiction;

2) Receive and accept such payments, appropriations, grants, gifts, loans, advances and other funds, properties and services as may be transferred or made available to it by any signatory party or by any other public or private corpoartion or individual, and enter into agreements to make reimbursement for all or part thereof;

3) Provide for, acquire and adopt detailed engineering, administrative, financial and operating plans and specifications to effectuate, maintain or develop any facility or project;

4) Control and regulate the use of facilities owned or operated by the commission;

5) Acquire, own, operate, maintain, control, sell and convey real and personal property and any interest therein by contract, purchase, lease, license, mortgage or otherwise as it may deem necessary for any project or facility, including any and all appurtenances thereto necessary, useful or convenient for such ownership, operation, control, maintenance or conveyance;

6) Have and exercise all corporate powers essential to the declared objects and purposes of the commission.

(b) The commissioners, subject to the provisions of this compact, shall:

1) Serve as the governing body of the commission, and exercise and discharge its powers and duties except as otherwise provided by or pursuant to this compact;

2) Determine the character of and the necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, and paid subject to any provisions of law specifically applicable to agencies or instrumentalities created by compact;

3) Provide for the internal organization and administration of the commission;

4) Appoint the principal officers of the commission and delegate to and allocate among them administrative functions, powers and duties;

5) Create and abolish offices, employments and positions as it deems necessary for the purposes of the commission, and subject to the provisions of this article, fix and provide for the qualification, appointment, removal, term, tenure, compensation, pension and retirement rights of its officers and employees;

6) Let and execute contracts to carry out the powers of the commission.

14.2 Regulations; Enforcement. The commission may:

(a) Make and enforce reasonable rules and regulations for the effectuation, application and enforcement of this compact; and it may adopt and enforce practices and schedules for or in connection with the use, maintenance and administration of projects and facilities it may own or operate and any product or service rendered thereby; provided that any rule or regulation, other than one which deals solely with the internal management of the commission, shall be adopted only after public hearing and shall not be effective unless and until filed in accordance with the law of the respective signatory parties applicable to administrative rules and regulations generally; and

(b) Designate any officer, agent or employee of the commission to be an investigator or watchman and such person shall be vested with the powers of a peace officer of the state in which he is duly assigned to perform his duties.

14.3 Tax Exemption. The commission, its property, functions, and activities shall be exempt from taxation by or under the authority of any of the signatory parties or any political subdivision thereof; provided that in lieu of property taxes the commission shall, as to specific projects, make payments to local taxing districts in annual amounts which shall equal the taxes lawfully assessed upon property for the tax year next prior to its acquisition by the commission for a period of ten years. The nature and amount of such payments shall be reviewed by the commission at the end of ten years, and from time to time thereafter, upon reasonable notice and opportunity to be heard to the affected taxing district, and the payments may be thereupon terminated or continued in such reasonable amount as may be necessary or desirable to take into account hardships incurred and benefits received by the taxing jurisdiction which are attributable to the project.

14.4 Meetings; Public Hearings; Records, Minutes.

(a) All meetings of the commission shall be open to the public.

(b) The commission shall conduct at least one public hearing prior to the adoption of the comprehensive plan, water resources program, annual capital and current expense budgets, the letting of any contract for the sale or other disposition by the commission of hydroelectric energy or water resources to any person, corporation or entity, and in all other cases wherein this compact requires a public hearing. Such hearing shall be held upon at least ten days public notice given by posting at the offices of the commission. The commission shall also provide forthwith for distribution of such notice to the press and by the mailing of a copy thereof to any person who shall request such notices.

(c) The minutes of the commission shall be a public record open to inspection at its offices during regular business hours.

14.5 Officers Generally.

(a) The officers of the commission shall consist of an executive director and such additional officers, deputies and assistants as the commission may determine. The executive director shall be appointed and may be removed by the affirmative vote of a majority of the full membership of the commission. All other officers and employees shall be appointed by the executive director under such rules of procedure as the commission may determine.

(b) In the appointment and promotion of officers and employees for the commission, no political, racial, religious or residence test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be solely on the basis of merit and fitness. Any officer or employee of the commission who is found by the commission to be guilty of a violation of this section shall be removed from office by the commission.

14.6 Oath of Office. An oath of office in such form as the commission shall prescribe shall be taken, subscribed and filed with the commission by the executive director and by each officer appointed by him not later than fifteen days after the appointment.

14.7 Bond. Each officer shall give such bond and in such form and amount as the commission may require for which the commission may pay the premium.

14.8 Prohibited Activities.

(a) No commissioner, officer or employee shall:

1) be financially interested, either directly or indirectly, in any contract, sale, purchase, lease or transfer of real or personal property to which the commission is a party;

2) solicit or accept money or any other thing of value in addition to the compensation or expenses paid him by the commission for services performed within the scope of his official duties;

3) offer money or any thing of value for or in consideration of obtaining an appointment, promotion or privilege in his employment with the commission.

(b) Any officer or employee who shall willfully violate any of the provisions of this section shall forfeit his office or employment.

(c) Any contract or agreement knowingly made in contravention of this section is void.

(d) Officers and employees of the commission shall be subject in addition to the provisions of this section to such criminal and civil sanctions for misconduct in office as may be imposed by federal law and the law of the signatory state in which such misconduct occurs.

14.9 Purchasing. Contracts for the construction, reconstruction or improvement of any facility when the expenditure required exceeds ten thousand dollars and contracts for the purchase of services, supplies, equipment and materials when the expenditure required exceeds two thousand five hundred dollars shall be advertised and let upon sealed bids to the lowest responsible bidder. Notice requesting such bids shall be published in a manner reasonably likely to attract prospective bidders, which publication shall be made at least ten days before bids are received and in at least two newspapers of general circulation in the basin. The commission may reject any and all bids and readvertise in its discretion. If after rejecting bids the commission determines and resolves that in its opinion the supplies, equipment and materials may be purchased at a lower price in the open market, the commission may give each responsible bidder an opportunity to negotiate a price and may proceed to purchase the supplies, equipment and materials in the open market at a negotiated price which is lower than the lowest rejected bid of a responsible bidder, without further observance of the provisions requiring bids or notice. The commission shall adopt rules and regulations to provide for purchasing from the lowest responsible bidder when sealed bids, notice and publication are not required by this section. The commission may suspend and waive the provisions of this section requiring competitive bids whenever:

1) the purchase is to be made from or the contract to be made with the federal or any state government or any agency or political subdivision thereof or pursuant to any open end bulk purchase contract of any of them;

2) the public exigency requires the immediate delivery of the articles or performance of the service;

3) only one source of supply is available;

4) the equipment to be purchased is of a technical nature and the procurement thereof without advertising is necessary in order to assure standardization of equipment and interchangeability of parts in the public interest; or

5) services are to be provided of a specialized or professional nature.

14.10 Insurance. The commission may self-insure or purchase insurance and pay the premiums therefor against loss or damage to any of its properties; against liability for injury to persons or property; and against loss of revenue from any cause whatsoever. Such insurance coverage shall be in such form and amount as the commission may determine, subject to the requirements of any agreement arising out of the issuance of bonds by the commission.

14.11 Annual Independent Audit.

(a) As soon as practical after the closing of the fiscal year, an audit shall be made of the financial accounts of the commission. The audit shall be made by qualified certified public accountants selected by the commission, who have no personal interest direct or indirect in the financial affairs of the commission or any of its officers or employees. The report of audit shall be prepared in accordance with accepted accounting practices and shall be filed with the chairman and such other officers as the commission shall direct. Copies of the report shall be distributed to each commissioner and shall be made available for public distribution.

(b) Each signatory party by its duly authorized officers shall be entitled to examine and audit at any time all of the books, documents, records, files and accounts and all other papers, things or property of the commission. The representatives of the signatory parties shall have access to all books, documents, records, accounts, reports, files and all other papers, things or property belonging to or in use by the commission and necessary to facilitate the audit and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents and custodians.

(c) The financial transactions of the commission shall be subject to audit by the general accounting office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the comptroller general of the United States. The audit shall be conducted at the place or places where the accounts of the commission are kept.

(d) Any officer or employee who shall refuse to give all required assistance and information to the accountants selected by the commission or to the authorized officers of any signatory party or who shall refuse to submit to them for examination such books, documents, records, files, accounts, papers, things or property as may be requested shall forfeit his office.

14.12 Reports. The commission shall make and publish an annual report to the legislative bodies of the signatory parties and to the public reporting on its programs, operations and finances. It may also prepare, publish and distribute such other public reports and informational materials as it may deem necessary or desirable.

14.13 Grants, Loans or Payments by States or Political Subdivisions.

(a) Any or all of the signatory parties or any political subdivision thereof may:

1) Appropriate to the commission such funds as may be necessary to pay preliminary expenses such as the expenses incurred in the making of borings, and other studies of subsurface conditions, in the preparation of contracts for the sale of water in the preparation of detailed plans and estimates required for the financing of a project;

2) Advance to the commission, either as grants or loans, such funds as may be necessary or convenient to finance the operation and management of or construction by the commission of any facility or project;

3) Make payments to the commission for benefits received or to be received from the operation of any of the projects or facilities of the commission.

(b) Any funds which may be loaned to the commission either by a signatory party or a political subdivision thereof shall be repaid by the commission through the issuance of bonds or out of other income of the commission, such repayment to be made within such period and upon such terms as may be agreed upon between the commission and the signatory party or political subdivision making the loan.

14.14 Condemnation Proceedings.

(a) The commission shall have the power to acquire by condemnation the fee or any lesser interest in lands, lands lying under water, development rights in land, riparian rights, water rights, waters and other real or personal property within the basin for any project or facility authorized pursuant to this compact. This grant of power of eminent domain includes but is not limited to the power to condemn for the purposes of this compact any property already devoted to a public use, by whomsoever owned or held, other than property of a signatory party and any property held, constructed, operated or maintained in connection with a diversion authorized by a United States Supreme Court decree. Any condemnation of any property or franchises owned or used by a municipal or privately owned public utility, unless the affected public utility facility is to be relocated or replaced, shall be subject to the authority of such state board, commission, or other body as may have regulatory jurisdiction over such public utility.

(b) Such power of condemnation shall be exercised in accordance with the provisions of any federal law applicable to the commission; provided that if there is no such applicable federal law, condemnation proceedings shall be in accordance with the provisions of such general state condemnation law as may be in force in the signatory state in which the property is located.

(c) Any award or compensation for the taking of property pursuant to this article shall be paid by the commission, and none of the signatory parties nor any other agency; instrumentality or political subdivision thereof shall be liable for such award or compensation.

14.15 Conveyance of Lands and Relocation of Public Facilities.

(a) The respective officers, agencies, departments, commissions or bodies having jurisdiction and control over real and personal property owned by the signatory parties are authorized and empowered to transfer and convey in accordance with the laws of the respective parties to the commission any such property as may be necessary or convenient to the effectuation of the authorized purposes of the commission.

(b) Each political subdivision of each of the signatory parties is authorized and empowered, notwithstanding any contrary provision of law, to grant and convey to the commission, upon the commission's request, any real property or any interest therein owned by such political subdivision including lands lying under water and lands already devoted to public use which may be necessary or convenient to the effectuation of the authorized purposes of the commission.

(c) Any highway, public utility or other public facility which will be dislocated by reason of a project deemed necessary by the commission to effectuate the authorized purposes of this compact shall be relocated and the cost thereof shall be paid in accordance with the law of the state in which the facility is located; provided that the cost of such relocation payable by the commission shall not in any event exceed the expenditure required to serve the public convenience and necessity.

14.16 Rights of Way. Permission is hereby granted to the commission to locate, construct and maintain any aqueducts, lines, pipes, conduits and auxiliary facilities authorized to be acquired, constructed, owned, operated or maintained by the commission in, over, under or across any streets and highways now or hereafter owned, opened or dedicated to or for public use, subject to such reasonable conditions as the highway department of the signatory party may require.

14.17 Penal Sanction. Any person, association or corporation who violates or attempts or conspires to violate any provision of this compact or any rule, regulation or order of the commission duly made, promulgated or issued pursuant to the compact in addition to any other remedy, penalty or consequence provided by law shall be punishable as may be provided by statute of any of the signatory parties within which the offense is committed; provided that in the absence of such provision any such person, association or corporation shall be liable to a penalty of not less than $50 nor more than $1,000 for each such offense to be fixed by the court which the commission may recover in its own name in any court of competent jurisdiction, and in a summary proceeding where available under the practice and procedure of such court. For the purposes of this section in the event of a continuing offense each day of such violation, attempt or conspiracy shall constitute a separate offense.

14.18 Tort Liability. The commission shall be responsible for claims arising out of the negligent acts or omissions of its officers, agents and employees only to the extent and subject to the procedures prescribed by law generally with respect to officers, agents and employees of the government of the United States.

14.19 Effect on Riparian Rights. Nothing contained in this compact shall be construed as affecting or intending to affect or in any way to interfere with the law of the respective signatory parties relating to riparian rights.

14.20 Amendments and Supplements. Amendments and supplements to this compact to implement the purposes thereof may be adopted by legislative action of any of the signatory parties concurred in by all of the others.

14.21 Construction and Severability. The provisions of this act and of agreements thereunder shall be severable and if any phrase, clause, sentence or provision of this compact or such agreement is declared to be unconstitutional or the applicability thereof to any signatory party, agency or person is held invalid, the constitutionality of the remainder of this compact or such agreement and the applicability thereof to any other signatory party, agency, person or circumstance shall not be affected thereby. It is the legislative intent that the provisions of this compact be reasonably and liberally construed.

14.22 Effective Date; Execution. This compact shall become binding and effective thirty days after the enactment of concurring legislation by the federal government, the states of Delaware, New Jersey and New York, and the Commonwealth of Pennsylvania. The compact shall be signed and sealed in six duplicate original copies by the respective chief executives of the signatory parties. One such copy shall be filed with the Secretary of State of each of the signatory parties or in accordance with the laws of the state in which the filing is made, and one copy shall be filed and retained in the archives of the commission upon its or-

ganization. The signatures shall be affixed and attested under the following form:

In witness whereof, and in evidence of the adoption and enactment into law of this compact by the Congress and legislatures, respectively, of the signatory parties, the President of the United States and the respective Governors do hereby, in accordance with authority conferred by law, sign this compact in six duplicate original copies, as attested by the respective secretaries of state, and have caused the seals of the United States and of the respective states to be hereunto affixed this ——— day of ———, 19—.

PART II

Article 15

Effectuation

15.1 Reservations. (a) The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

(b) The right is hereby reserved to the Congress or any of its standing committees to require the disclosure and furnishing of such information and data by the Delaware River Basin Compact Commission as is deemed appropriate by the Congress or any such committee.

15.2 Repealer. All acts and parts of acts inconsistent with any provision of this act are to the extent of such inconsistency hereby repealed.

15.3 Effectuation by the President. The President is authorized to take such action as may be necessary and proper, in his discretion, to effectuate the compact and the initial organization and operation of the commission thereunder.

15.4 Effective Date. This act shall take effect immediately.

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER of Pennsylvania: On page 69, line 14, strike all of the language beginning with line 14 on page 69 through line 7 on page 70, and substitute the following:

"15.1 RESERVATIONS.—In the exercise of the powers reserved to the Congress, pursuant to section 1.4 of the compact, the consent to and participation in the compact by the United States is subject to the following conditions and reservations:

"(a) That provision of section 3.7 of the compact and the initial organization and commission to impose any charge for water withdrawals or diversions from the Basin if such withdrawals or diversions could lawfully have been made without charge on the effective date of the compact; or to impose any charges with respect to commercial navigation within the basin jurisdiction over which is reserved to the Federal Government: *Provided,* That this paragraph shall be applicable to the extent not inconsistent with section 1.4 of this compact.

"(b) That nothing contained in the compact shall be deemed to restrict the executive powers of the President in the event of a national emergency;

(c) That, notwithstanding the provisions of article 2, section 2.2 of the compact, the member of the commission appointed by the President of the United States and his alternate shall serve at the pleasure of the President;

"(3) That nothing contained in the compact shall be construed as impairing or in any manner affecting the applicability to all Federal funds budgeted and appropriated for use by the commission, of such authority over budgetary and appropriation matters as the President and Congress may have with respect to agencies in the executive branch of the Federal Government;

"(e) That nothing contained in the compact shall be construed as exempting from Federal taxation the interest on any bonds issued by the commission except to the same extent that interest on State bonds is or may continue to be free or exempt from Federal taxation under applicable Federal law;

"(f) That the Congress reserves the power and right to revise or modify the terms, conditions and provisions under which the United States may remain a party to the compact;

"(g) That no provision of the compact shall be construed to relinquish the functions, powers or duties of the Congress of the United States over any matters committted to it by the Constitution of the United States;

"(h) That notwithstanding the provisions of section 2 of this Act, the commission shall be subject to the provisions of the Act of June 30, 1936 (49 Stat. 2036, as amended; U.S.C., title 41, secs. 35 through 45), the Act of March 3, 1931 (46 Stat. 1494, as amended; U.S.C., title 40, secs. 276a and 276a–1); and to the provisions of the regulations of the Secretary of Labor issued pursuant to the Act of June 13, 1934 (48 Stat. 948, as amended; U.S.C., title 40, sec. 287c);

"(i) That the provisions of section 8.4 of article 8 of the compact shall not be construed to apply to facilities operated pursuant to any other Federal law;

"(j) That, notwithstanding any other provision of this Act, nothing contained in the compact shall be construed as superseding or limiting the functions, under any other law, of the Surgeon General of the United States Public Health Service, or of the Public Health Service, or of any other officer or agency of the United States, relating to water pollution, provided that the exercise of such functions shall not limit the authority of the commission to control, prevent, or abate water pollution;

"(k) That all Acts and parts of Acts inconsistent with any provision of this joint resolution are hereby amended for the purpose of this joint resolution to the extent necessary to carry out the provisions of this joint resolution; provided, however, that no act of the commission shall have the effect of repealing, modifying or amending any Federal law;

"(l) That for purposes of the Act of June 25, 1948, 62 Stat. 982, as amended (title 28, U.S. Code, chapter 171, and sections 1346(b) and 240(b) and the Act of March 3, 1887, 24 Stat. 505, as amended (title 28, U.S. Code, sections 1402, 1491, 1496, 1501, 1503, 2071, 2072, 2411, 2412, 2501), and the Act of June 11, 1946, 60 Stat. 237, as amended (title 5, U.S. Code, sections 1001 through 1011, title 50 App. U.S. Code, section 1900), the commission shall not be considered a Federal agency;

"(m) That the officers and employees of the commission (other than the United States member, alternate United States member, and advisors, and personnel employed by the United States member under direct Federal appropriation) shall not be deemed to be, for any purpose, officers or employees of the United States or to become entitled at any time by reason of employment by the commission to any compensation or benefit payable or made available by the United States solely and directly to its officers or employees;

"(n) That neither the compact nor this joint resolution shall be deemed to enlarge the authority of any Federal agency other than the commission to participate in or to provide funds for projects or activities in the Delaware River Basin.

"(o) That the United States district courts shall have original jurisdiction of all cases or controversies arising under the Compact, and this Act and any case or controversy so arising initiated in a State court shall be removable to the appropriate United States district court in the manner provided by § 1446, title 28, U.S.C. Nothing contained in the compact or elsewhere in this Act shall be construed as a waiver by the United States of its immunity from suit;

"(p) That the right to alter, amend, or repeal this joint resolution is hereby expressly reserved. The right is hereby reserved to the Congress or any of its standing committees to require the disclosure and furnishing of such information and data by the Delaware River Basin Compact Commission as is deemed appropriate by the Congress or any such committee;

"(q) That the President is authorized to take such action as may be necessary and proper, in his discretion, to effectuate the compact and the initial organization and operation of the commission thereunder;

"(r) That the provisions of sections 2.4 and 2.7 of article 2 of the compact notwithstanding, the United States member, alternate United States member, and advisers there referred to may be paid compensation by the United States, such compensation to be fixed by the President at the rates which he shall deem to prevail in respect to comparable officers in the executive branch;

"(s) That executive departments and other agencies of the executive branch of the Federal Government shall cooperate with and furnish appropriate assistance to the United States member. Such assistance shall include the furnishing of services and facilities and may include the detailing of personnel to the United States member. Appropriations are hereby authorized as necessary for the carrying out of the functions of the United States member, including appropriations for the employment of personnel by the United States member;

"(t) That the commissioner appointed by the President may, at intervals of not less than six years, suspend any provision of the comprehensive plan which substantially affects the administration of any statute of the United States, and for the duration of such suspension the provision shall not be applied under section 3.8 or section 11.1 to the compact to any other Federal department, agency or instrumentality. Such suspension may be made effective by notice given at a regular meeting of the commission. Reinstatement of a suspended provision may be made effective at any time by like notice; and

"(u) That nothing contained in the compact shall be construed as in any manner impairing or affecting the licensing and regulatory powers of any other officer, agency or instrument of the United States; provided that any exercise of such licensing or regulatory powers in the Delaware River Basin shall not substantially conflict with any portion of the comprehensive plan adopted pursuant to section 13.1 of the compact, except as the comprehensive plan or any part thereof may be suspended pursuant to paragraph '(t)' of this section.

"15.2 EFFECTIVE DATE.—This Act shall take effect immediately."

Mr. POFF (during the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. WALTER] is recognized in support of his amendment.

Mr. WALTER. Mr. Chairman, the general purpose of the amendment is to reaffirm what is, for the most part, already in the compact, and that is that the national interest of the United States is fully protected. The counsel was instructed, after we had agreed to the resolution to redraft this language.

This is merely a restatement of the language in the several sections of the resolution.

A number of items in the amendments reiterate what is in section 1.4 of the compact and are completely consistent therewith. They are by way of clarifying the basin agency as an instrumentality of the Federal Government.

Subsection (a) simply provides that nothing in the compact shall be deemed to authorize the Delaware commission to impose any charge or toll on navigation or certain water withdrawals.

Subsection (b) provides that nothing shall restrict the powers of the President during a national emergency.

Subsection (c) makes the Federal representative more accountable to the President by making his appointment term depend on the President's pleasure.

Subsection (d) provision is already in the bill, but spells it out expressly that the basin agency's budget must go through appropriate Federal departments.

Subsection (e): Assures that tax exemption on bonds would not be given basin agency bonds if the Federal law is no longer applied to municipal and other public agency bonds.

Subsection (f): Rephrases provisions contained in section 1.4 of the compact and assures that Congress is always free to withdraw or make changes if the national interest requires.

Subsection (g): Subsection is self-evident.

Subsection (h): Reassures that basin agency is subject to the labor and hour provisions of the Walsh-Healey Act; the recovery of payments under Davis-Bacon, and provisions of other Federal acts.

Subsection (i): Reassures that if Federal agencies, such as the National Park Service, have or lease concessions within the basin area; such concessions will be conducted under Federal standards rather than basin standards.

Subsection (j): Makes certain that when the Department of HEW must act to preserve health standards, there would be no doubt about its power to do so insofar as water pollution is concerned.

Subsection (k): Provides, what already is in the compact, that no act of the commission shall have the effect of repealing, modifying, or amending any Federal law.

Subsection (l) excludes the basin commission from certain Federal acts because it is more appropriate to treat it as a separate instrumentality and the Federal acts are not framed to deal with it adequately.

Subsection (m) eliminates the application of the Classification Act of 1949, so that the basin commission can have an employment merit system better fitted to its own needs as spelled out in the compact.

Subsection (n) says that nothing in the compact commits any other Federal agency to spend its own money.

Subsection (o) implements compact to make certain that U.S. district courts will be courts of competent jurisdiction under the compact.

Subsection (p) is the usual reservation which Congress places in compacts.

Subsection (q) is self-evident.

Subsection (r) is self-explanatory.

Subsection (s) is an appropriation authorization.

Subsection (t) provides that Federal representatives may, at intervals of not less than 6 years, suspend the comprehensive plan.

Subsection (u) provides that nothing in the compact can impair or affect the licensing and regulatory powers of Federal agencies.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The amendment was agreed to.

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 12, line 7, before the period insert "but the Federal Commissioner shall have no vote on the commission, and neither the United States nor any department or agency thereof shall be bound or committed by participation of such representatives as members of the Commission."

Mr. CRAMER. Mr. Chairman, my remarks will be very brief. I previously discussed this same matter with regard to Federal participation and stated that there is no precedent, in my opinion, of comparable nature for a Federal voting representative membership on the operating commission mandatorily appointed by the President which morally obligates the Federal Government to follow such policies as that voting member sets, being outvoted 4 to 1 by the States in such a compact.

I have here a memorandum summarizing the provisions of this compact bill. It most clearly points up the concern I have over the Federal Government being obligated morally by having a voting participating member in the management of this compact, the hiring and firing of engineers, of employees, personnel, the making up of the internal budget, of the bookkeeping that obligation becomes a responsibility of the Federal Government with the States, contrary to any previous precedent established. I think it is a dangerous one.

Here is what authority this commission is going to have with regard to policy matters:

The commission shall have the power of establishing a capital budget and the sharing of capital costs among the signatory parties will be proportionate to the distribution of benefits from the proposed improvements. The commission will prepare standard formulas for this.

Which hits again on the point I made just a few minutes ago, that the determination of what the proportionate part of the Federal Government in the cost of any of these projects is going to be, even though it may fly in the teeth and be contrary to Federal policy already established, is going to be set by whom? It is going to be set by the commission and not by the Federal Government, the latter being the previous policy approach.

I am in agreement with the general principles of State compacts in meeting water resource problems and I would like to be able to support this compact, but I object to it in its present form. This makes a compact with State participation unique in the history of interstate compacts, and compels the Federal Government to act in matters of State concern and thus subject the compact to serious policy, and even some have raised constitutional questions.

As a matter of fact, the Department of the Interior, which is supposed to be backing the amendments proposed that were just adopted, made this observation. This is from the working paper of the new administration with regard to this same legislation. They take precisely the same position as the previous administration, and I quote:

Basically, therefore, the compact should be revised in the following principal respects:
1. The compact should be between the States, not between the States and the United States.

That is a policy position statement by this administration, the Department of the Interior's position paper concerning this compact. My amendment puts into effect this position, taken first by the Eisenhower administration and now by the Kennedy administration.

My amendment would make this compact, I think, acceptable to all departments and would take the controversy out of it.

I mentioned that previously the departments had opposed a Federal voting membership. I have here a report on the bill I previously mentioned, involving the Northeast compact and the same problem in which the Bureau of the Budget opposed the Federal voting membership, the Federal Power Commission opposes it, the Department of the Army raises the same questions, the Department of Agriculture recommended that the commission not be made up of a Federal voting member, the Department of Commerce, the Department of the Interior, which I just mentioned, the Department of Health, Education, and Welfare, all of them citing precisely the same problem.

This is fundamentally a policy question. I trust my amendment will be adopted, and that the policy question will be settled consistent with all previously existing precedents. If it is not, this is a vote in the other direction and opens the door to further such approaches. You are going to have the Northeast compact, the Northwest, the Southwest, and every compact previously approved, where they can get Federal money to participate in the compact, where they can get a moral commitment in advance of the project approval by Congress. These other compact authorities will be coming to the Congress wanting Federal participation if this compact passes in its present form.

Mr. WALTER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Florida [Mr. CRAMER].

Mr. Chairman, it seems to me it would be a futile gesture for the United States to have a member of this commission who could not vote. The vote is not as significant as the gentleman from Florida would have you believe, because,

after all, the U.S. representative has the power to veto anything done by this commission. The advantage of giving him an opportunity to vote is to give him some standing in the meeting. In those instances where the United States has representation and the delegate has no authority to vote, frequently they do not even bother going to the meeting. This gives to the U.S. representative the dignity and the authority to express his views, with the understanding that the other members of the commission will pay attention to what the attitude of the U.S. representative is.

I am going to repeat something I said in general debate. The adoption of this compact in nowise binds the United States to any kind of project for the development of the Delaware Basin. This merely gives our approval to the overall agreement for a study and a comprehensive plan.

I urge that the amendment be defeated.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I find it a little difficult to understand why the gentleman from Florida is so disturbed about the voting formula here where four votes, as I understand it, are exercised by the States and only one by the Federal Government when it is my understanding he objects to another compact which is to come before the House shortly in which the Federal Government has one more vote than the States will have. It is impossible to devise a compact where the voting formula meets with the approval of the gentleman from Florida.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Florida.

Mr. CRAMER. My objection is not to membership by the Federal Government on a commission in an advisory capacity, the commission to work as a team, but when the Federal Government does vote, the one member, the Federal Government is morally obligated to do what? To follow through and vote in the manner that Federal member votes. Likewise, the Federal Government's policy is not set by these items in those instances, the jurisdiction over public works projects, but instead is set by this one Federal representative, who is a know-all, see-all person, who can make all the decisions that are otherwise made by all of these other Federal agencies and morally bind the Federal Government to follow through on his decision. It is a policy queston. I think it is wrong. That is the reason I raised it, whether it is seven or one.

Mr. WALTER. I find it difficult to follow the gentleman when he discusses the moral binding effect. I do not know what he means by that, because he knows full well that the representative of the United States cannot commit this Congress or the next Congress to the appropriation of one single nickel.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to know if the Federal Government is to be a full participating partner in this set-up. I would like to have some assurance that in the future, if this is a full participating partnership, we are not going to be called upon to furnish millions of dollars of the taxpayers' money from all over the country for this compact. I wonder if today anybody can give us that assurance?

Mr. WALTER. I regret very much that the gentleman from Iowa was not here when I described the compact and what it does. But, I repeat, there is nothing in the compact that obligates the United States to appropriate a penny. What we do is put the approval on this overall comprehensive program for the development of the Delaware Basin. Then, if the representatives of the States, the four Governors and the representative of the President of the United States agree that it is advisable to construct some kind of a dam, then it is necessary to submit that to the Bureau of the Budget and then to the necessary legislative committee and then to the Committee on Appropriations for approval. So, the United States, I will say to my dear friend, is not bound. I would be the last person in the world to agree to a blank check of the sort that the gentleman from Florida is trying to indicate that we are issuing. That is just not the fact.

Mr. GROSS. I am still skeptical about this compact as projected into the future.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Florida.

Mr. CRAMER. All I can do is to refer to the language of the compact itself. On page 51 under "Annual Current Expense and Capital Budgets" we find this language:

(b) The commission shall annually adopt a current expense budget for each fiscal year. Such budget shall include the commission's estimated expenses for administration, operation, maintenance and repairs, including a separate statement thereof for each project, together with its cost allocation. The total of such expenses shall be balanced by the commission's estimated revenues from all sources, including the cost allocations undertaken by any of the signatory parties in connection with any project. Following the adoption of the annual current expense budget by the commission, the executive director of the commission shall:

1) certify to the respective signatory parties the amounts due in accordance with existing cost sharing established for each project; and

2) transmit certified copies of such budget to the principal budget officer of the respective signatory parties at such time and in such manner as may be required under their respective budgetary procedures. The amount required to balance the current expense budget in addition to the aggregate amount of item (1) above and all other revenues available to the commission shall be apportioned equitably among the signatory parties by unanimous vote of the commission, and the amount of such apportionment to each signatory party shall be certified together with the budget.

Now, the gentleman raises the question that the Federal Government has to vote on it and approve it. Yes, but the Federal Government is being appointed for the express purpose and with the duty and the obligation to help administer the commission, a part of which is to approve the budgets of this commission, and he is obviously going to support it. There is no question about that. And, further, the Federal Government is obligated to pay 20 percent for all operational expenses of this commission, which is a precedent which has never before been set by this Congress on an operating basis.

Then subparagraph (c) goes on with additional expenses which the Government will be obligated to pay its proportionate share of; and the proponents say yes, but they can veto it. Who is going to believe that the Federal representative is going to veto an operational budget, which action would put the commission out of business? He is certainly not going to do that. The Federal Government will be obligated to 20 percent of the cost. The Federal Government will be obligated to a proportionate share of the cost of the projects themselves as well under the capital expenses budget.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GROSS] has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to proceed an additional half minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Chairman, I just want to say, in view of what the gentleman from Florida [Mr. CRAMER] has read, I shall support this bill with his amendment in it, but I certainly shall oppose it without his amendment. I think it is a safeguard that we must have.

Mr. SCRANTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just rise to ask the gentleman from Pennsylvania [Mr. WALTER] one question. If the amendment of the gentleman from Florida were accepted, does this mean that the legislatures of the four States would have to pass again on this compact?

Mr. WALTER. Yes, it does. The four States have already passed the compact. This is the way to administer the slow death.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SCRANTON. I yield to the gentleman.

Mr. McCORMACK. In other words, the adoption of this amendment means the nullification of this compact.

Mr. WALTER. Of course.

Mr. CRAMER. Mr. Chairman, will the gentleman yield at that point?

Mr. SCRANTON. I yield to the gentleman.

Mr. CRAMER. Of course, if what the gentleman says is true with regard to my amendment, may I say that my amendment is not intended to destroy this bill at all. It is intended to have a good operational compact that is consistent with precedent. My amendment is intended to be a friendly one. I realize there is a difference of opinion on the

policy question involved but if in fact you have to go back to the States, if my amendment were adopted, it is my opinion that the substantial nature of the 3 or 4 pages of amendments that have been offered by the gentleman from Pennsylvania [Mr. WALTER] and already adopted likewise would require you to go back to the States. And what is wrong with that?

Are you going to condone a situation where the States say to the Federal Government, "Here is the compact, these are what your duties are, here is what you are going to have to pay into it, here is what your responsibilities are; take it or leave it. If you do not like it, we are not going to go back and consider it again."

I think it is wrong to subscribe to the philosophy that the States can dictate to the Federal Government, "Here is what your responsibilities are going to be," and ask the Federal Government to take it or leave it. "If you do not like them, we are just not going to do anything about it. You take it or leave it." As I say, we have the right to exercise our own individual responsibility.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. SCRANTON. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I would suggest that we read the language in subsection (c) on the same page from which the gentleman from Florida was reading, but he stopped short of reading all of it. After saying that the parties to this agreement agree to request the funds that are agreed to in the commission findings, they shall be subject to such review and approval as may be required by their respective budgetary processes.

Very obviously no Federal representative is going to have any authority to bind the Federal Government without being subject to the full review and approval that is required in his budgetary process. That same is going to apply to the States; they are going to have to go back and get review and approval that is normal and ordinary in a budgetary process.

Mr. WALTER. Mr. Chairman, will the gentleman yield at that point?

Mr. SCRANTON. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I hope we all realize that we are talking about the operating budget of $40,000.

Mr. CRAMER. Mr. Chairman, will the gentleman yield to me for an answer to that comment?

Mr. SCRANTON. I yield.

Mr. CRAMER. Referring to what the gentleman from Oklahoma [Mr. EDMONDSON] said, I did not intend to stop at that point to which he referred. I ran out of time. The gentleman did not say that the clause he is referring to refers only to the current operating budget. It does not refer to the capital expense budget. But regardless of that, if in fact it is a 20 percent Federal cost, the Federal Government is going to have to carry it. There may be a little difference of opinion of a few thousand dollars concerning it, but the Federal Government, whatever the amount, is going to have to bear 20 percent of it. That is what is wrong with it. I think the amendment should be agreed to.

Mr. TOLL. May I call the attention of the gentleman from Florida to Section 12.20, on page 48:

> Nothing in this section shall be deemed to impose any mandatory obligation on any of the signatory parties other than such obligations as may be assumed by a signatory party in connection with a specific project or facility.

So there you have the section which applies to capital funds, and then there is the other section which relates to maintenance and operation. On top of that you have section 1.4 on page 9, which permits modification for everything. The U.S. Government has no obligation here at all.

Mr. CRAMER. Can the gentleman cite an example where there is any precedent for the Federal Government paying any share of the operating expense in such a situation?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. CRAMER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WALTER and Mr. CRAMER.

The Committee divided, and the tellers reported that there were—ayes 58, noes 92.

So the amendment was rejected.

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CRAMER of Florida: On page 51, line 23. and on page 52, line 8 and line 11, after the word "parties" insert "except the Federal Government."

Mr. CRAMER. Mr. Chairman, this relates to the very matter we previously discussed and my remarks will be short.

As appears on pages 51 and 52 of the bill, what this does is to insert on line 23, after the word "parties" on line 8, page 52, after the word "parties" and on line 11, page 52, after the word "parties" the words "except the Federal Government." The obvious objective of the amendment is to eliminate Federal cost sharing in the operation of the commission, and to permit the Federal Government to do in these public works projects the same as it does in all other public works projects. That is, for these agencies involved, meaning the Corps of Army Engineers, the Department of the Interior, and so forth, the Federal Power Commission, to determine what the Federal Government cost sharing should be in these individual projects on the basis of established formulas and policies set up by the Federal Government and by these agencies as they relate to these specific projects rather than permitting the commission itself to make these decisions and which may in many instances be contrary to present Federal policy.

Secondly, of course, it would require that the Delaware commission finance its own operational expenses and, I repeat, there is no precedent for the Federal Government participating costwise in the actual operational expenses of such a commission. The committee report and the majority report itself spells out the matters which we were discussing just a few minutes ago with regard to what the Federal cost sharing shall be. As to the Federal cost sharing in operational expenses alone and current expense item, that estimate is not contained anywhere in the committee report. It is not contained as a limitation in the bill.

As a matter of fact, the amendment which was passed, which was offered by the gentleman from Pennsylvania, provides for an open end authorization and an open end appropriation for the cost of operating this compact. As appears on page 11 of the committee report:

> The compact agency will have a current expense budget and a capital budget. The current expense budget is to be apportioned among the signatory parties (of which the Federal Government is one) by unanimous vote of the agency's members; each signatory party, of course, reserving its usual budget review and approval of the amount so apportioned (sec. 13.3(b)). The capital budgets are to be negotiated by the agency representatives at such times as capital improvements are undertaken, and the sharing of capital costs among the signatory partners will be proportionate to the distribution of benefits from the proposed improvement. The commission will prepare standard formulas for this purpose (secs. 13.3(a), 12.20, 11.4), but nothing in these provisions imposes any mandatory obligations on any of the signatory parties (12.20).

The committee report itself clearly shows that the commission will be taking over the functions that are now and presently the responsibility of the interstate and regional government agencies involved in these multiple purpose and other public works projects, in water pollution and so forth. All of the agencies of Government have consistently opposed resolutions of this nature. That is why there is no precedent for the Federal Government being a participant and paying a share of the costs of operating such a compact as this because it is against the basic Federal-State relationship and contrary to established Federal-State relationships historically and contrary to all precedent.

Mr. Chairman, I ask that the amendment be adopted.

It will be my intention to offer a motion to recommit should this amendment not be approved, containing this amendment and the amendment I previously offered for the purpose of making a Federal member nonvoting and, secondly, to take out the Federal cost sharing in the operation of the commission.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I favor House Joint Resolution 225, to grant the consent of Congress to the Delaware River Basin

compact and to enter into such compact on behalf of the United States, and for related purposes.

I would like to join with the remarks of the distinguished gentlemen from Pennsylvania [Messrs. WALTER and SCHWEIKER] and my other distinguished colleagues from the Delaware River Basin. I think this bill will be good not only for the basin but for the general economy of the United States, and be a real step forward.

Mr. WALTER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. WALTER. Mr. Chairman, the amendment under consideration is substantially related to the amendment just defeated.

I think it is important to bear in mind the fact that in order to bind anybody there must be a unanimous vote. It certainly seems to those of us who have been working on this compact, having in mind the protection of the United States, that we could not conceive of any stronger protection than that.

The United States is not obliged to go along because four of the members of the commission do not think they should on any particular project.

In addition to that if you will look at page 52, section 11(c) you will find that:

(c) The respective signatory parties covenant and agree to include the amounts so apportioned for the support of the current expense budget in their respective budgets next to be adopted, subject to such review and approval as may be required by their respective budgetary processes.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Iowa.

Mr. GROSS. Running all through this, it seems to me, is a moral obligation on the part of the Federal Government, and I do not like it.

Mr. WALTER. May I answer the gentleman from Iowa by asking him if he would recognize such an obligation? I know that I would not. I know that if a representative of the President of the United States sat down with four Governors and committed my Government to something that I did not think was proper I would not feel bound, and this Congress would not feel that it was bound by any action taken by the representative of the President of the United States.

Mr. GROSS. Mr. Chairman, will the gentleman yield further?

Mr. WALTER. Gladly.

Mr. GROSS. The gentleman speaks of what the executive branch of the Government or somebody else ought not to do. Only a few days ago the United Nations, using most of our money, made a loan to Cuba, to Castro. It is going there.

Mr. WALTER. I have not gotten over it since.

Mr. GROSS. Neither have I, but it does not seem to make any difference.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The question was taken; and on a division (demanded by Mr. CRAMER) there were ayes 38, noes 87.

So the amendment was rejected.

Mr. RAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAY of New York:

Page 1, lines 6 and 7: strike the words "and the United States of America hereby enters into such compact,".

Page 3, lines 24 and 25: strike the words "with Federal participation".

Page 5, lines 16 and 17: strike the words "interstate-Federal" and insert the word "interstate".

Page 5, lines 21 and 22: strike the words "and the United States of America".

Page 5, line 23: strike the word "concurrent" and insert the word "appropriate".

Page 7, strike subparagraph (f), lines 12 through 14.

Page 7, line 24, strike the words "and the Federal Government".

Page 8, line 21: strike the word "Federal".

Page 9, lines 23 and 24: strike the words "to withdraw the Federal Government as a party to this compact or".

Page 10, lines 1 to 3: strike the words "under which it may remain a party by amendment, repeal, or modification of any Federal statute applicable thereto" and insert on line 1, after the word "provisions" the words "of this compact".

Page 11, strike lines 12 through 14.

Page 68, line 13: strike the words "the Federal Government".

Page 69, line 3: strike the words "Congress and".

Page 69, line 4: strike the words "the President of the United States and".

Page 69, line 8: strike the words "of the United States and".

Mr. RAY. Mr. Chairman, the issue has been adequately defined by those who have spoken. My amendment would take the Federal Government out as an operating partner. That is all it does.

Mr. Chairman, I ask for a favorable vote on my amendment.

Mr. POFF. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. RAY].

Mr. Chairman, it grieves me to find myself in opposition to my distinguished colleague from New York.

I must confess, Mr. Chairman, that at one time I entertained rather serious reservations about the constitutionality of an interstate compact to which the Federal Government is a functional signatory party. While I still hold some misgivings about certain policy matters, I have satisfied myself that no constitutional violation is involved.

The constitutional challenge abides in the argument that the Federal Government cannot "bargain away" the powers delegated to it by the Constitution and the State governments cannot "bargain away" the powers reserved to them by the Constitution. If the words "bargain away" mean the same as "surrender title," then this argument is perfectly sound. Manifestly, the Federal Government cannot surrender any power or repudiate any responsibility vouchsafed to it under the instrument which brought the Federal Government into existence. By the same token, the State governments cannot surrender something which they reserved to themselves when they created the limited federation. But a contract—which is all a compact is—does not necessarily involve a surrender of powers or responsibilities on the part of any contracting party. Rather, a contract may involve mutual commitments to make affirmative exercises of acknowledged powers of each of the contracting parties. That is what is involved here. There is no "bargaining away," no surrender of powers, Federal or State, delegated or reserved; there is simply an agreement that the respective powers will be exercised jointly in the joint discharge of respective responsibilities.

It has been suggested that this compact is an assault on the Federal system and a trespass upon States rights. In the defense of States rights, I acknowledge no criticism of my record. In my devotion to the doctrine of delegated, reserved, and separated powers, I make no apology. Yet, while I do not subscribe to everything stated in the majority report of the committee, I consider this compact neither an assault on the Federal system nor a trespass upon States rights. For their part, the States have requested Federal partnership and Federal participation. For its part, the Federal Government has retained the power to modify the compact and if deemed advisable by the Congress to withdraw from it altogether. It seems to me that such a contract does not deny but rather affirms the concept of dual sovereignty and preserves intact the Federal-State system of checks and balances.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. RAY].

The amendment was rejected.

Mr. McDOWELL. Mr. Chairman, I rise in support of House Joint Resolution 225, a companion measure to one which I introduced as House Joint Resolution 231, to grant the consent of Congress to the Delaware River Basin compact and to enter into such compact on behalf of the United States.

The purpose of this legislation is to grant the consent of Congress to an interstate-Federal compact providing for the creation of a regional governmental commission to administer in a comprehensive manner the water resources of the Delaware River Basin.

Parties to the compact are the Federal Government and the States of Delaware, Pennsylvania, New Jersey, and New York.

The compact commission itself will consist of five persons—a Federal representative appointed by the President of the United States and one member by each of the Governors of the four States.

This commission will be charged with the adoption and operation of a single overall plan for the immediate and long-range development and uses of the water resources of the Delaware River.

The rationale for a compact of this nature is clear after one examines the unwieldy apparatus that exists today. There are presently 19 Federal agencies

that are involved with the problems of the Delaware Basin. Moreover, there are 57 State and interstate departments, boards, and commissions, as well as some 250 public and private water companies which are directly concerned with water problems stemming from the Delaware River Basin.

Repeated efforts have been made since the 1920's to coordinate the water functions of this multiplicity of agencies, Federal, State, local, and private industry.

A tristate compact was put forward at that time, and in 1934 the Corps of Engineers, after a survey of the Delaware River, recommended the establishment of an interstate agency. In 1953 an interstate commission known as Incodel came close to adoption, but failed because one of the four States involved did not join in the agreement.

In 1955, in still another attempt to reach an agreement, the Governors of Delaware, Pennsylvania, New Jersey, and New York, as well as the mayors of New York City and Philadelphia, established the Delaware River Basin Advisory Committee to review the water resources of the Delaware River Basin.

The present compact set forth in House Joint Resolution 225 is based on the extensive efforts of the Delaware River Basin Advisory Committee. An information bulletin published in May 1961 by the U.S. Army district engineer, Philadelphia, and the U.S. Army division engineer, North Atlantic, pages 5 and 6, lists the governments and their agencies which devoted considerable planning effort in preparing the instant legislation, to wit: Department of the Army, Corps of Engineers; Department of Agriculture; Department of Commerce; Department of Health, Education, and Welfare; Department of the Interior; Department of Labor; Federal Power Commission; Commonwealth of Pennsylvania; State of Delaware; State of New Jersey; State of New York; city of New York; city of Philadelphia.

In his February 23, 1961, message on our natural resources, President Kennedy declared that "our entire society rests upon—and is dependent upon—our water, our land, our forests, and our minerals. How we use these resources influences our health, security, economy, and well-being."

Water is a vital necessity for life. The archives of history prove that civilizations depended upon this basic compound for survival—and abundant evidence exists through the centuries of mankind which demonstrates the shortcomings that can occur to man when the water balance of nature is destroyed or unheeded.

Citizen interest in water resources planning is far more extensive than might be expected. There are many different groups concerned about water. Chambers of commerce feel a stake in industrial water supply. Sportsmen actively promote stream protection for the advantage of fish life. Conservationists and small watershed groups have a variety of interests, including an aesthetic one. Farmers want and need water for irrigation. Cities and their civic agencies are concerned with adequate municipal supplies. Those groups devoting their energies to promoting the general welfare, such as the League of Women Voters, are very responsive to many issues relating to water resources. This subject has been one of two major topics on the agenda of the League of Women Voters throughout the United States for the past several years and has been of very special interest to the chapters of the league in the Delaware River Basin. There are 163 leagues with 23,000 members in the Delaware River Service Area, which includes the States of Delaware, Pennsylvania, New Jersey, and New York, who joined to form the Inter-League Council of the Delaware River Basin. Reading widely on the economic, constitutional, social, and administrative aspects relative to the creation and operation of a suitable legal and administrative organization for water and related resource development in the Delaware River Basin, the Inter-League Council, in September, 1959, published a trenchant and scholarly pamphlet entitled, "Man and the River." In addition, the League of Women Voters of the State of Delaware has devoted 5 years of intensive study of the overall water resources problem in the United States with special emphasis on the role of the State of Delaware and the interdependence of her sister States, New Jersey, Pennsylvania, and New York, in resolving their water problems which stem from the Delaware River. In four special articles written and published in the Wilmington, Del., Evening Journal in May, 1961, Mesdames Norma Handloff, Catharina R. Groot, and Rose S. Mather, of the Delaware League of Women Voters, demonstrated their scholarly work and the serious public deliberation and expression that are invaluable in providing a factual and logical foundation for sound and positive water conservation in the years ahead. On May 26, 1961, when Gov. Elbert N. Carvel signed into law a bill passed by the General Assembly of the State of Delaware granting the consent of the first State to the Delaware River Basin compact, four members of the Delaware League were present to witness this ceremony.

The new industries that mark out the line of our industrial growth—aviation, chemicals, alloys, electronics, atomic energy—are insatiable consumers of power. To meet their demands, and at the same time to meet the problems of the whole Delaware River Basin and its needs, is one of the new imperatives of the American place and life. America has the resources for its present and future needs, if it has the will to use them fully and the social imagination to use them equitably. What it is in danger of neglecting is that, whether in an industrial or agrarian society, in an age of massive power or of forest clearings, the web between man and his environment is broken only at his peril. There is a balance of nature and man, by which man is sustained by the environment but only on condition that he should not capriciously waste his great estate but nurture and keep it.

The CHAIRMAN. If there are no further amendments, under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BASS of Tennessee, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H.J. Res. 225) to grant the consent of Congress to the Delaware River Basin Compact and to enter into such compact on behalf of the United States, and for related purposes, pursuant to House Resolution 263, he reported the resolution back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

Mr. CRAMER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the joint resolution?

Mr. CRAMER. I am, Mr. Speaker.

The SPEAKER. The clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CRAMER moves to recommit the resolution (H.J. Res. 225) to the Committee on the Judiciary with instructions to report the same back forthwith with the following amendment:

Page 12, line 7, before the period insert "but the Federal Commissioner shall have no vote on the commission, and neither the United States nor any department or agency thereof shall be bound or committed by participation of such representatives as members of the commission."

On page 51, line 23, and line 11 on page 52, lines 8 and 11 after the word "parties" insert "except the Federal Government."

The SPEAKER. The question is on the motion to recommit.

Mr. CRAMER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 92, nays 257, answered "present" 1, not voting 87, as follows:

[Roll No. 108]

YEAS—92

Adair	Cramer	Laird
Andersen, Minn.	Cunningham	Langen
Anderson, Ill.	Curtis, Mo.	Latta
Arends	Derwinski	McCulloch
Ashbrook	Devine	McDonough
Auchincloss	Dingell	McIntire
Avery	Dole	McVey
Ayres	Dominick	MacGregor
Baldwin	Ellsworth	Mathias
Bass, N.H.	Findley	Meader
Beermann	Ford	Michel
Bell	Goodell	Minshall
Berry	Griffin	Moorehead, Ohio
Betts	Gross	Mosher
Bolton	Gubser	Nelsen
Bromwell	Harrison, Wyo.	Nygaard
Broomfield	Harsha	O'Konski
Brown	Harvey, Mich.	Osmers
Broyhill	Hiestand	Pelly
Byrnes, Wis.	Hoffman, Ill.	Poff
Cederberg	Johansen	Quie
Chamberlain	Jonas	Ray
Church	Judd	Reece
Clancy	Kearns	Robison
Collier	King, N.Y.	Rousselot
	Knox	

Schadeberg	Sibal	Utt
Schenck	Siler	Westland
Schwengel	Taber	Wilson, Calif.
Seely-Brown	Teague, Calif.	Younger
Short	Thomson, Wis.	
Shriver	Tollefson	

NAYS—257

Abbitt	Granahan	O'Neill
Addabbo	Grant	Ostertag
Addonizio	Gray	Passman
Albert	Green, Pa.	Patman
Alexander	Griffiths	Perkins
Alford	Hagan, Ga.	Pfost
Andrews	Hagen, Calif.	Philbin
Ashley	Haley	Pike
Ashmore	Halpern	Pirnie
Aspinall	Hansen	Poage
Bailey	Harding	Price
Baring	Hardy	Pucinski
Barrett	Harris	Rabaut
Barry	Harvey, Ind.	Randall
Bass, Tenn.	Hays	Reuss
Bates	Healey	Rhodes, Ariz.
Becker	Hébert	Rhodes, Pa.
Beckworth	Hechler	Riehlman
Belcher	Hemphill	Rivers, Alaska
Bennett, Fla.	Henderson	Rodino
Bennett, Mich.	Holifield	Rogers, Colo.
Blatnik	Holland	Rogers, Fla.
Boggs	Holtzman	Rogers, Tex.
Boland	Horan	Roosevelt
Bolling	Huddleston	Rostenkowski
Bonner	Hull	Roush
Boykin	Ichord, Mo.	Rutherford
Brademas	Ikard, Tex.	Ryan
Bray	Jarman	St. George
Breeding	Jennings	St. Germain
Brewster	Joelson	Santangelo
Brooks, Tex.	Johnson, Calif.	Saund
Burke, Ky.	Johnson, Md.	Saylor
Burke, Mass.	Johnson, Wis.	Schneebeli
Burleson	Karsten	Schweiker
Byrne, Pa.	Karth	Scott
Cahill	Kastenmeier	Scranton
Casey	Kee	Selden
Celler	Keith	Shelley
Chelf	Kilday	Shipley
Chenoweth	Kilgore	Sikes
Clark	King, Utah	Sisk
Cohelan	Kitchin	Slack
Conte	Kornegay	Smith, Calif.
Cook	Kowalski	Smith, Iowa
Cooley	Kunkel	Smith, Miss.
Corbett	Lane	Spence
Curtin	Lankford	Stafford
Daddario	Lennon	Staggers
Dague	Lesinski	Steed
Davis, John W.	Lindsay	Stephens
Delaney	Loser	Stratton
Denton	McCormack	Stubblefield
Derounian	McDowell	Sullivan
Donohue	McFall	Taylor
Dorn	McMillan	Teague, Tex.
Dowdy	Macdonald	Thomas
Downing	Machrowicz	Thompson, La.
Doyle	Mack	Thompson, N.J.
Dulski	Magnuson	Thompson, Tex.
Durno	Mahon	Thornberry
Dwyer	Matthews	Toll
Edmondson	May	Trimble
Elliott	Merrow	Tuck
Everett	Miller, George P.	Tupper
Fallon	Miller, N.Y.	Udall, Morris K.
Farbstein	Milliken	Ullman
Fascell	Mills	Vanik
Feighan	Moeller	Van Zandt
Fenton	Moore	Wallhauser
Finnegan	Moorhead, Pa.	Walter
Fisher	Morgan	Watts
Flood	Morris	Weaver
Forrester	Morse	Weis
Fountain	Moss	Whalley
Frazier	Moulder	Whitener
Frelinghuysen	Murphy	Whitten
Friedel	Murray	Wickersham
Fulton	Natcher	Widnall
Garmatz	Nix	Willis
Gary	Norblad	Wilson, Ind.
Gathings	O'Brien, Ill.	Winstead
Gavin	O'Hara, Ill.	Wright
Giaimo	O'Hara, Mich.	Yates
Gilbert	Olsen	Young
Goodling		Zablocki

ANSWERED "PRESENT"—1

Gallagher

NOT VOTING—87

Abernethy	Brooks, La.	Colmer
Alger	Bruce	Corman
Anfuso	Buckley	Curtis, Mass.
Baker	Cannon	Daniels
Battin	Carey	Davis,
Blitch	Chiperfield	James C.
Bow	Coad	Davis, Tenn.
Dawson	Kelly	Norrell
Dent	Keogh	O'Brien, N.Y.
Diggs	Kilburn	Peterson
Dooley	King, Calif.	Pilcher
Evins	Kirwan	Pillion
Fino	Kluczynski	Powell
Flynt	Kyl	Rains
Fogarty	Landrum	Reifel
Garland	Libonati	Riley
Glenn	Lipscomb	Rivers, S.C.
Green, Oreg.	McSween	Roberts
Hall	Madden	Rooney
Halleck	Mailliard	Roudebush
Harrison, Va.	Marshall	Scherer
Herlong	Martin, Mass.	Sheppard
Hoeven	Martin, Nebr.	Smith, Va.
Hoffman, Mich.	Mason	Springer
Hosmer	Miller, Clem	Van Pelt
Inouye	Monagan	Vinson
Jensen	Montoya	Wharton
Jones, Ala.	Morrison	Williams
Jones, Mo.	Multer	Zelenko

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hosmer for, with Mrs. Kelly against.

Mr. Reifel for, with Mr. Glenn against.

Mr. Martin of Nebraska for, with Mr. Daniels against.

Mr. Bow for, with Mr. Dent against.

Mr. Hoeven for, with Mr. Kirwan against.

Mr. Garland for, with Mr. Libonati against.

Mr. Battin for, with Mr. Corman against.

Mr. Van Pelt for, with Mr. Monagan against.

Mr. Alger for, with Mr. Dawson against.

Mr. Halleck for, with Mr. King of California against.

Mr. Hall for, with Mr. Fogarty against.

Mr. Kyl for, with Mr. Inouye against.

Mr. Chiperfield for, with Mr. Riley against.

Until further notice:

Mr. Buckley with Mr. Baker.

Mr. Zelenko with Mr. Wharton.

Mr. Keogh with Mr. Bruce.

Mr. Anfuso with Mr. Pillion.

Mr. Carey with Mr. Mason.

Mr. Multer with Mr. Jensen.

Mr. Rooney with Mr. Roudebush.

Mr. O'Brien of New York with Mr. Curtis of Massachusetts.

Mr. Powell with Mr. Fino.

Mr. Williams with Mr. Mailliard.

Mr. Madden with Mr. Lipscomb.

Mr. Brooks of Louisiana with Mr. Kilburn.

Mr. Morrison with Mr. Hoffman of Michigan.

Mr. Evins with Mr. Springer.

Mr. Herlong with Mr. Dooley.

Mr. Peterson with Mr. Martin of Massachusetts

Messrs. McDOWELL, BARRY, and CORBETT changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the joint resolution.

The joint resolution was passed.

A motion to reconsider was laid on the table.

LEAVE TO EXTEND

Mr. WALTER. Mr. Speaker, I ask unanimous consent to insert in the RECORD immediately following the remarks I made on the bill just passed some questions and answers concerning the effects of the compact.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

U.S. DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

Mr. SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KASTENMEIER. Mr. Speaker, I take this time to say that at least 48 Members of the House, headed by our distinguished colleague from Pennsylvania, the chairman of the House Committee on Foreign Affairs, are today introducing legislation to create a U.S. Disarmament Agency for World Peace and Security—which proposal this noon accompanied the President's message.

This bill is the bill that the President's special adviser on disarmament, John McCloy, has been working on for many months and I commend him and his staff for the excellent proposal produced, for I feel it fully meets the objectives of the National Peace Agency bill which 33 Members and myself introduced early in this session. I urge that other Members join in giving full and bipartisan support to this new legislation to implement American policy in the quest for a peaceful and secure world.

Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks on the same subject at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, yesterday I supported the largest peacetime appropriation ever voted for the Defense Department. Today I join my colleagues in introducing the administration's bill to create a U.S. Disarmament Agency for World Peace and Security.

This is perfectly consistent. We must be militarily strong before we can negotiate with the Communists. Yet, as leader of the free world we must always be ready to negotiate. In the words of President Kennedy, "We dare not tempt them with weakness. For only when our arms are sufficient beyond doubt can we be certain beyond doubt that they will never be employed."

This bill provides us with the diplomatic, scientific, and technical organization to beat the Communists at the conference table.

This bill will be a means of regaining our lost diplomatic initiative. It will provide the team to take the battle to the Communists and, with research and knowledge enter into disarmament negotiations which are so important to survival of the world.

This bill and the Defense Department appropriation give us the means to carry out the President's pledge in his inaugural address, when he said, "Let us never negotiate out of fear. But let us never fear to negotiate."

Mr. RODINO. Mr. Speaker, the most serious problem that faces our Nation today is that of preserving the precarious balance of peace.

It was because of this thinking that a few years ago, I introduced a bill for the creation of a National Peace Agency.

To my mind, if we hope to create a better world in which mankind may live free from the threat of wholesale destruction then it becomes imperative that we focus our energies and efforts in that direction.

An agency able to devote its time entirely to the solution of the many faceted problems of disarmament, security, and world peace, would be a great step forward. The slow, tortuous path toward disarmament for world peace and security must be backed by a thorough technical and scientific preparation on our part. Whatever the cost of such an agency, the total expenditure would seem small when our immense military budget is considered.

For some years now, I have advocated that the achievement of peace and disarmament should be the mission of a separate, single agency. This agency devoting its time and resources to the solution of such problems would be an immeasurable contribution to the creation of world peace.

Such an agency would create a very favorable impression abroad as to our concern with world peace. We would be demonstrating by the creation of such a peace agency that the United States is ready to take the initiative in preserving peace, procuring disarmament and arms litigation agreements.

The President's message today proposing the establishment of a U.S. Disarmament Agency for World Peace and Security shows dramatically and forthrightly to the people of the world our belief and our faith in the possibility of disarmament for world peace. The President's proposal should generate a strong impulse to awaken people to the need for preventing world destruction and creating a climate for world peace.

Our great President has once again spoken with wisdom, courage, and strong feeling on the subject of disarmament and world peace. His voice should give hope to people all over the world.

Recognizing the full import of the President's message dealing with this proposal, I am privileged, Mr. Speaker, to add my voice urging the establishment of a U.S. Disarmament Agency for World Peace and Security by sponsorship of a bill covering the President's proposal.

Mr. MOELLER. Mr. Speaker, I wish to express my great satisfaction and pleasure in joining my colleagues today in sponsoring the administration bill to establish a U.S. Disarmament Agency for World Peace and Security. As you know, on February 17 of this year I introduced H.R. 2267 to create a National Peace Agency. In addition, on March 6, I wrote to Mr. Kennedy urging his most careful and expeditious consideration to the creation of an effective peace agency within the Federal Government. Permit me to quote from that letter:

I will not soon forget the stirring words with which you characterized the task before us:

"But neither can two great and powerful groups of nations take comfort from our present course—both sides overburdened by the cost of modern weapons, both rightly alarmed by the steady spread of this deadly atom, yet both racing to alter that uncertain balance of terror that stays the hand of mankind's final war. * * * Let both sides, for the first time, formulate serious and precise proposals for the inspection and control of arms—and bring the absolute control of all nations. Let both sides seek to invoke the wonders of science instead of its terrors. Together let us explore the stars, conquer the deserts, eradicate disease, tap the ocean depths, and encourage the arts and commerce. Let both sides unite to heed in all corners of the earth the command of Isaiah—to 'undo the heavy burdens * * * (and) let the oppressed go free.' And if a beachhead of cooperation may push back the jungle of suspicion, let both sides join in creating a new endeavor, not a new balance of power, but a new world of law, where the strong are just and the weak secure and the peace preserved."

Mr. President, the spontaneous and tremendous response you have received from the American people on your projected Peace Corps is proof enough of the wholehearted support you may expect to receive in your efforts to work out effective programs for arms limitation. This support will come from men of good will throughout the Nation and from the Congress.

As evidence of this support from the legislative branch of the Government I might cite the many bills to establish a National Peace Agency introduced during the current session of Congress.

It is imperative that the task be initiated with vigor and without delay. I am confident that the Congress will respond to your call.

It is no small satisfaction to me and to many millions of Americans that we are able to rely on thoughtful and decisive Executive action in these difficult times. I urge you, therefore, Mr. President, to give the problem of planning for peace your most careful and expeditious consideration so that your recommendations to the Congress may be made in the near future.

Mr. Speaker, I have been most gratified that the President and his chief disarmament adviser, Mr. John J. McCloy, have given this matter their wholehearted and enthusiastic support. The administration bill not only fully meets the objectives of my Peace Agency bill but it goes a step further and contemplates that the new Disarmament Agency, besides being a vital institute for research into the many and difficult problems surrounding this grand quest for peace on earth, will be the governmental agency charged with the primary responsibiliity for conducting actual disarmament negotiations. The Director of the Agency will have direct access to the President. The weighty responsibilities he will bear include the formulation of policy recommendations for the President, the Secretary of State, and the Congress as well as intensive research to determine methods to keep the peace in a disarmed world.

I strongly urge Republicans and Democrats of both House and Senate to join in supporting this momentous endeavor. The quest for peace is a long and tortuous journey, the goal will not be achieved overnight, but I feel that the establishment of a National Disarmament Agency, such as outlined in this bill, will constitute a real milestone. It will serve notice to the world of our sincere intentions in the current negotiations on disarmament and on an enforcible nuclear test ban. It will show that we are prepared for all the eventualities and consequences of disarmament—which according to thoughtful men, will be far reaching, to say the least.

But, above all, it will serve to unite the free world, and attract the sympathy and understanding of the uncommitted world to work with us for genuine and assured disarmament—the sine qua non of a world in which our posterity may live in peace.

Mr. RYAN. Mr. Speaker, today I have the privilege of cosponsoring the bill to establish a U.S. Disarmament Agency for World Peace and Security which has the support of the President, the Secretary of State, the Secretary of Defense, and the President's special adviser on disarmament.

The problem of disarmament is perhaps the gravest challenge facing the world. If we are to survive, the arms race must be brought under effective international control, and we must plan for peace. In the past insufficient consideration has been given to this question. The President's special adviser on disarmament, John J. McCloy, has been obliged to enter disarmament negotiations without the benefit of studies in depth and the necessary planning which should have been undertaken during past years. Today there are only between 65 and 85 Government employees engaged in this vital area. The annual budget for disarmament study has been around $1 million. Compare that with the $42 billion we voted yesterday for defense.

Trevor Gardiner, Assistant Secretary of the Air Force during the Eisenhower administration, stated:

Most of our notions on the subject of disarmament have been developed by essentially part-time people, who are busy with defense, state, or some other interest so that they don't really have the time to think full time on the subject.

On January 24, 1961, along with other Members, I introduced a bill (H.R. 3203) to create a National Peace Agency. Since then several of us have been consulting with officials of the U.S. Disarmament Agency and the President's advisers in an effort to obtain administration support for a broadly conceived bill, which would create a new agency for peace directly responsible to the President and Secretary of State with its own facilities to conduct both negotiations and research on a wide range of questions. Yesterday we conferred with the President and Mr. McCloy and were impressed with their understanding of the problem and their approach. The administration proposal which I am cosponsoring is similar in its essentials to H.R. 3203.

I should like to take this occasion to commend the gentleman from Wisconsin [Mr. KASTENMEIER] for the leadership and vision which he has shown on this crucial issue.

The new measure would establish the U.S. Disarmament Agency for World Peace and Security. The Agency is to be headed by a Director who, under the direction of the President and the Secretary of State, shall have primary re-

sponsibility within the Government for disarmament matters. The Agency would be concerned with the following functions: the conduct, support, and coordination of research for the formulation of disarmament policy; the preparation for and direction of U.S. participation in international negotiations in the disarmament field; the dissemination and coordination of public information concerning disarmament; the preparation for, operation of, or, as appropriate, direction of U.S. participation in such control systems as may become part of U.S. disarmament activities.

This bill takes cognizance of the fact that the question of disarmament is closely related to the broader questions of war and peace. The Agency would conduct research in such areas as the reduction and elimination of the danger of war resulting from accident, including improvements in the methods of communications between nations; the economic and political consequences of disarmament; and the scientific, economic, political, legal, social, psychological, military, and technological factors related to the prevention of war. These problems would be explored with a view to a better understanding of how the basic structure of a lasting peace may be established. It would be authorized to maintain its own research facilities and also utilize the facilities of other Government agencies or outside organizations.

Although disarmament has been a major topic of international discussion since the Baruch plan in 1946, little progress has been achieved. By the time of the Geneva Summit Conference of 1955 both the United States and the Soviet Union possessed nuclear stockpiles. The prevention of surprise attack took precedence over the detection of surreptitious atomic production. The United States presented the open skies plan whereby the United States and the Soviet Union would exchange blueprints of their military establishments and provide for mutual aerial reconnaissance. This plan would have provided an effective early warning system against massive surprise attack. But the Soviets rejected it.

The United States has continued to press for a plan to safeguard against surprise attack. The Geneva negotiations on an agreement for the cessation of nuclear testing have become deadlocked. The situation is quite discouraging. However, we must continue to search for a way to bring about arms control. We must organize and coordinate our efforts toward peace and disarmament within the Government in a way not previously attempted. And we must be prepared for the next session of the United Nations where the matter of disarmament will be of great concern to all nations.

The establishment of the U.S. Disarmament Agency for World Peace and Security would be a concrete step toward the goal of bringing "the absolute power to destroy other nations under the absolute control of all nations"—President Kennedy's inaugural address, January 20, 1961.

Mr. O'HARA of Illinois. Mr. Speaker, I commend the distinguished gentleman from Wisconsin [Mr. KASTENMEIER] for the great time and effort he has put into this proposed legislation for a Peace and Disarmament Agency. I was happy to join with him as a sponsor when the bill was introduced some time ago and I am glad of the opportunity now to be one of the sponsors of the bill that has just come from the White House and which has been introduced by the outstanding chairman of the Committee on Foreign Affairs, the Honorable THOMAS E. MORGAN.

It was my privilege yesterday to be a member of the group from this body with whom President Kennedy met and made very clear to us his deep interest in this measure. Peace and disarmament, with foolproof inspection, are closest to the hearts of the American people than anything else. Attainment of world peace and of disarmament, protected by inspections against violations, can be accomplished, and to that end President Kennedy has dedicated his heart, his mind, and all the industry that one can put in a task he is determined shall be done. I have the confidence that he will have the full support of the Congress.

This month was passed a bill that is now Public Law 53. It authorizes expenditures of almost $13 billion for ships, missiles, and aircraft for the year 1962. If through our efforts and our prayers peace is accomplished and the nations of the world have disarmed, these billions of dollars, now used to build arms to kill people, can be used to make richer the lives of our people and to broaden the horizons of human contentment. I trust that when the bill introduced today by Chairman MORGAN and by many others as sponsors reaches the floor of the House, it will pass unanimously.

POSTAL RATE BILL

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HENDERSON. Mr. Speaker, I am today introducing legislation which I had intended to propose as a substitute for the postal rate bill H.R. 6418 now before the House Post Office and Civil Service Committee.

I am gratified that the committee took from the table H.R.6418 and that the bill is again under active consideration. Further than that, we have set a specific date, July 11, for resumption of this consideration.

The bill which I am introducing contains what the Postmaster General considers to be the very minimum increases which should be enacted. In my judgment, these proposed minimum increases take into consideration the many issues developed in the public hearings on the postal rate question.

My purpose in introducing this legislation at this time is to provide the Members with an opportunity to study it between now and July 11.

I hope that favorable action can be taken on that date and that final action will be taken on the postal rate question by both Houses of Congress.

This new bill (H.R. 7929) makes changes in the existing provisions of H.R. 6418. These changes fall into two categories.

First, changes are made in postal policy and certain related matters. Second, based primarily upon such changes in postal policy, downward revisions are made in the specific rate-increase proposals now contained in H.R. 6418, as introduced. The provisions of my new bill are as follows:

SHORT TITLE

Section 1 of the new bill, providing a short title, is the same as section 1 of H.R. 6418.

POSTAL POLICY

Section 2 of the bill contains important changes in postal policy. It is the purpose of this section finally to establish a workable and working public service postal policy by clarifying and strengthening those parts of the Postal Policy Act of 1958 relating to public service and by correcting inadequacies and shortcomings of the public service provisions now contained in that act.

Subsection (a) of the new section 2 replaces the existing indefinite and vague provision for determining and applying the principle of public service by specific and definitive language for making an absolute and accurate determination under section 2303 of the Postal Code—title 39, United States Code—to accomplish the full intent and purpose of the Postal Policy Act of 1958, relating to public services.

Subsection (b) of the new section 2 makes the implementing changes in the provisions of the Postal Policy Act of 1958 which are necessary to provide a means for absolute and accurate determinations of the cost of public services for the present and in the future.

This subsection first eliminates from the public service provisions of the Postal Policy Act of 1958 those provisions which declare the "loss" on star routes and third- and fourth-class post offices to be public service costs. This change is recommended on the basis that it is illogical and an unfair reflection on these fine and necessary parts of our postal service to set their operations apart from other equally—but no more—valuable or essential services (such as city delivery) and to place them in the unfavorable light of charges to the taxpayers while other postal activities of comparable value are not so designated.

Subsection (b) of section 2 also firms up beyond any possible question or doubt the true meaning of the words "total loss" and "loss" as used in the Postal Policy Act of 1958.

This change will remove, once and for all, any argument as to the use of the "revenue foregone" theory in computing public service costs. With this change, costs of the public service items enumerated in the law will definitely have to be

fixed at the difference between income and outgo on each such public service item.

Although the amount will differ each year as costs and revenues vary, the requirement for estimates by the Postmaster General, together with the redefinition of "total loss" and "loss," will automatically provide a firm dollar figure each year.

It is to be noted that subsection (c) of section 2 also provides for the exclusion from total postal operating costs, for purposes of adjusting postal rates and fees, of the public service costs which are to be reported by the Postmaster General each year.

Subsection (d) of section 2 merely makes a technical change in the table of contents of chapter 27 of title 39 of the United States Code—the Postal Code.

FIRST-CLASS MAIL

Section 3 of the new bill is the same as section 2 of H.R. 6418. The new section 3 makes no change in the provisions of section 2 of H.R. 6418, relating to first-class mail, which proposes to increase the rate on first-class letter mail from 4 cents to 5 cents for each ounce or fraction of an ounce and increase the rate from 3 cents to 4 cents on drop letters, post and postal cards, each portion of double post cards, and private mailing cards.

AIRMAIL

Section 4 of the new bill is the same as section 3 of H.R. 6418. The new section 4 makes no change in the provisions of section 3 of H.R. 6418, relating to airmail, which proposed to increase the rate on domestic airmail from 7 cents to 8 cents and increase the rate from 5 cents to 6 cents on airmail postal cards and private mailing or post cards.

SECOND-CLASS MAIL WITHIN COUNTY

The new bill eliminates all of the increases on publications delivered within county of publication that were proposed in section 4 of H.R. 6418. In other words, existing free-in-county and 1-cent per pound incounty rates will not be increased at all.

SECOND-CLASS MAIL BEYOND COUNTY

Unlike section 5 of H.R. 6418, section 5 of the new bill contains no rate increases for publications of qualified nonprofit organizations and classroom publications. This is accomplished by restoring an appropriate reference to section 4360 of the Postal Code—title 39, United States Code—which would have been repealed by H.R. 6418 and providing for continuance of existing minimum second-class postage rates for qualified nonprofit organizations and classroom publications at a later point in the new bill.

The provisions of H.R. 6418 for a per piece charge to be added to the pound rates on publications of qualified nonprofit organizations and on classroom publications is eliminated.

Section 5 of the new bill does, however, provide a moderate and equitable upward adjustment in the existing second-class rates for other publications. Provision of H.R. 6418 for a 1½-cent charge per piece to be added to the pound rates on such other publications is replaced by two step increases of one-half cent each, eventually totaling 1 cent—that is, the final charge per piece will be only two-thirds of the charge per piece provided by H.R. 6418. The first one-half cent added charge will be effective January 1, 1962, and the second will be effective a year later, on January 1, 1963.

These changes proposed by the new bill in the proposed rates on publications—other than qualified nonprofit organizations and classroom publications—are believed sufficiently moderate and so fairly spaced that the users of the mail can readily adjust to them without undue hardship. At the same time, there is a considerable weight of evidence gained during the hearings that many qualified nonprofit organizations and publishers of classroom publications would be unable to absorb any increase, at least for the present.

Section 6 of the new bill in effect continues the existing minimum second-class rates on publications of qualified nonprofit organizations and classroom publications, since rates on these publications will not be increased at all under the new bill.

CONTROLLED CIRCULATION PUBLICATIONS

Section 7 of H.R. 6418, which proposed to increase both the pound rate and the minimum charge per piece on controlled circulation publications is replaced by section 7 of the new bill which proposes to continue the present pound rate of 12 cents but adopt the increase—provided by H.R. 6418—from 1 to 3 cents in the minimum per piece charge on such publications.

THIRD-CLASS MAIL

Section 8(a) of the new bill is a postal operating policy change. The net effect is to exclude third-class matter from the mails from December 15 through December 25 of each year in the interests of efficiency in the postal service. This is accomplished by adding a new paragraph to the existing definition of third-class mail in the Postal Code.

Section 8(b) of the new bill has the effect of sharply reducing several postage rates on third-class matter as provided in H.R. 6418.

The table amended by section 8(b) shows the changes in individual piece and bulk pound rates.

The change in the individual piece rate is a reduction from 2 cents to 1½ cents in the rate provided by H.R. 6418 for each additional ounce after the first ounce.

The changes in bulk pound rates are first, on books, catalogs, and so forth, the 18-cent pound rate in H.R. 6418 is reduced to 12 cents for bulk mailings of such items by other than qualified nonprofit organizations; and second, bulk mailings of books, catalogs, and so forth, by qualified nonprofit organizations will continue to be at the existing rate of 10 cents a pound—that is, there will be no pound rate increase for such mailings.

The 21-cent pound rate provided by H.R. 6418 for bulk mailings of "other matters"—circulars, and so forth—is reduced to 16 cents per pound by the new bill; that is, the existing rate is unchanged.

The small table in section 8(b) makes two changes in rates proposed by H.R. 6418.

First, it provides a 3-cent minimum per piece charge for bulk third-class mailings of other than qualified nonprofit organizations—in lieu of the 3½ cents minimum charge per piece in H.R. 6418.

Second, it provides for continuance of the existing 1¼-cent per piece minimum charge on bulk third-class mailings by qualified nonprofit organizations—in lieu of the 1¾-cent minimum charge provided by H.R. 6418.

EDUCATIONAL AND LIBRARY MATERIALS

The amendment made by section 9 of the new bill makes two types of changes—one as to rates and one as to materials mailable under existing provisions of law which define the educational and library materials which may be mailed at preferential rates.

The change in rates is accomplished, as follows:

First, the existing "book" rates of 9 cents for the first pound or fraction and 5 cents for each additional pound or fraction is restored, in lieu of the 10-cent and 6-cent rates in H.R. 6418.

Second, the existing "library book" rates of 4 cents for the first pound or fraction and 1 cent for each additional pound or fraction are restored, in lieu of the 5-cent and 3-cent rates provided in H.R. 6418.

The effect of section 9 of the new bill is to make no increase in existing rates on educational and library materials and to clarify the application of existing laws as they specify conditions for mailing educational and library materials at preferential rates.

EFFECTIVE DATES

Section 11 of the new bill contains the effective date provisions of the bill. The proposed effective dates reflect certain postponed and staggered rate adjustments and certain changes in postal policy provided for by the new bill.

PERSONAL EXPLANATION

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, on the record vote concerning the Delaware River compact I voted "present." My reason for doing so involved the fact that I might immediately in the future have a personal interest affected. For this reason, in the exercise of my conscience, I have disqualified myself from expressing my opinion or casting my vote.

THE QUESTION BEFORE THE AMERICAN PEOPLE TODAY IS WHETHER TO RESUME THE TESTING OF NUCLEAR DEVICES IN THE INTEREST OF OUR NATIONAL SECURITY

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks in the Appendix.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, we are faced today with one of the most crucial decisions in our country's history. The question before us is simply whether to resume the testing of nuclear devices or not. The choice between the two alternatives may be the difference between war and peace or between survival of our Western civilization or the defeat and inglorious end of freedom as we have known it for the last two centuries.

The reasons for finding ourselves in this position are understandable. As a nation we have, since our inception, relied upon our ability to react, sometimes slowly, to extreme aggression. We have had to endure injustice, to suffer tyranny, to absorb abuse, but in the end as a united country we have risen up to defeat the enemy.

The repetition of this pattern today is dangerous and if pursued long enough could lead to national disaster. We must eliminate any lag in our reactions to our adversaries.

In our recent history we have been involved in two World Wars. In both World War I and II, we had three advantages—time, in which to gather our military strength; space, which prevented direct attack in the period of our military weaknesses; and a buffer, in our British cousins and the French who served to hold the enemy at bay. Thus we had the luxury of being able to almost at leisure prepare for the decisive battles—and to win them.

Today we have complacently retained this concept which is out of touch with the current geopolitical facts of life. Time has been compressed from months to minutes, space to less time than it takes for a satellite to circle the world and our buffer has been bypassed in this new era of the megaton missile.

And yet with these facts a reality—our country voluntarily, on October 31, 1958, stopped testing nuclear weapons. We did this out of a sincere effort to reduce world tension and eliminate, if possible, the dangers of an arms race. We asked only that there be adequate inspection and controls to insure that all parties to the treaty would not be able to test weapons clandestinely.

The Soviets responded to our self-imposed moratorium of October 31, 1958, by continuing their atmospheric testing of nuclear weapons into the month of November. Notwithstanding this, we continued to negotiate at Geneva for a treaty on the discontinuance of nuclear weapons tests.

Basically the Western position has been to get a treaty with the Soviets which would provide for safeguards against clandestine testing to prevent any signatory from gaining a military advantage over the other.

To this end the United States and the United Kingdom have negotiated for almost 3 years, made some 13 concessions to the Soviets, and tabled a treaty. The Soviets answer has been to propose a three-man administration—troika—which in effort eliminates all controls and creates self inspection.

What then has happened since October 1958, in the balance of nuclear power between the United States and the U.S.S.R.?

In the case of the United States the answer is simple. We have not tested, and, further, the free world, the uncommitted nations and the Soviets are aware of this. In our free society no nuclear detonation—no matter how small—could be conducted in this country and go undetected or unreported in the next day's newspapers.

The situation in the Soviet Union presents a different case. The Soviet people live in an almost inpenetrably closed society. We all acknowledge that we presently have no instruments for detecting and identifying underground or outerspace nuclear explosions emanating from the Soviet Union. Due to the controls in a police state, information particularly on such a sensitive subject as nuclear weapons, is almost nil. So it would appear that we are proceeding on the basis of the absence of information and ignorance of the Soviets nuclear testing program.

In connection with a comparison of the relative advantages to the United States of testing or not testing, I have read articles which suggest that perhaps the odds favor the position that the Soviets have not been testing and that a resumption of nuclear tests would be an advantage to them and not to us.

It seems to me that such an argument is fallacious and I remember when the same sort of argument was made in 1950 during the debate on whether or not to build the hydrogen bomb. I shudder to think of the peril our Nation would be in if we had not gone ahead with that development.

We have listened carefully to both sides of the argument on the question of testing or not testing and we have weighed the needs of national security against the arguments of those who wished us to exhaust all avenues of rapprochement with the Soviets before we resumed testing nuclear devices.

I say that we have done everything we possibly could to reach an agreement with the Soviets which would provide safeguards for the American people—except to blindly agree with the Soviets on their terms.

Mr. Chamberlain made this mistake with the Nazis at Munich and it appeared to lessen tension—only to lead to war.

Today is the time to demonstrate our strength and unity, not to vacillate.

Let us not show indecision which our opponents could mistake for weakness.

Let us avoid miscalculation by our foes—by being resolute.

Let us look to the need to provide for the security of the American people.

As we all remember, the United States had a definite lead over the Soviets in the development of the A bomb. Our first atomic device was exploded at Alamagordo, N. Mex., in July 1945. We did not detect the first Soviet explosion until 1949. Our first hydrogen device was exploded in November 1952. The Soviet breakthrough occurred shortly thereafter in August 1953.

In this area where they were clearly behind us but catching up, I would like to raise this rhetorical question: Do we wish to risk our national security on the basis that those who control the Soviet system have not tried to bridge the gap between us in an area as vital as weapons development? I think that before we answer this question we should look at our potential adversary. Without going too far back in the history of the U.S.S.R., we note that the Communists found it expedient in 1939 to sign a nonaggression pact with Nazi Germany. More recently, we find that the Russians ruthlessly sent their tanks against the defenseless Hungarian people. And can we forget Premier Khrushchev's own statement that he was going to bury us?

With the knowledge of the goals of the Communists who are dedicated to world domination, and remembering that the people who control their closed society from the Kremlin were the same who made peace with the Nazi's so that they could divide up Poland, I wonder whether we should risk our national destiny on the hope that they would abide by an unpoliced moratorium on nuclear weapons test—I say "No."

In this regard, I would like to call attention to the excellent speech that Congressman HOLIFIELD made on the Geneva test ban negotiations on the floor of the House on June 14, 1961. CHET HOLIFIELD, chairman of the Joint Committee on Atomic Energy, of which I am a member, attended the Geneva Conference on the Discontinuance of Nuclear Weapons Tests as a congressional adviser last month and had the opportunity to see firsthand the progress—or rather the lack of progress—going on there. He eloquently set forth the dilemma in which we find ourselves in these negotiations.

His speech, entitled "Where We Stand on the Nuclear Test Ban Negotiations," is one that I commend to you all. In this speech Congressman HOLIFIELD said:

> We must carefully consider our position relative to the Soviets. Most experts believe that we were ahead of the Soviets in weapon technology in the fall of 1958. If the Soviets have honored the moratorium as we have, it can be assumed that our technology still has an advantage. If the Soviets have not honored the moratorium, it is possible that they have overcome such advantage as we had.
>
> But we do have knowledge of Soviet Communist ideology. We know their goal is world domination. We know they preach the Communist dogma that the "end justifies the means." We know that secrecy and covert violation of agreements is in line with the communistic doctrine.
>
> So it seems to me that we must assume that the Soviets have tested, or will test, if they think they can get away with it. And since our detection system is not adequate to detect and/or identify small underground disturbances it is quite possible for the Soviets to conclude that they could get away with clandestine tests.
>
> Thus in reappraising our position on the test ban, I believe the United States must assume the possibility or probability that the Soviets have been testing or will be

shortly. In any event we cannot continue to gamble our destiny, when we base such a gamble on ignorance of our opponent's actions.

I fully subscribe to Congressman HOLIFIELD's statement on this most important subject. The decision on the resumption of testing is, in the final analysis, up to the President. I believe that this issue is far too important to the country to be other than bipartisan. I agree with Chairman HOLIFIELD when he said in his speech that regarding the test ban negotiations with the Soviets, we have gone the last mile.

According to the New York Times, speaking before the Soviet people, bemedaled in his military uniform, Mr Khrushchev said:

> Just as soon as the United States resumes nuclear explosions, the Soviet Union will start testing its nuclear weapons.

My answer to Mr. Khrushchev is, "You already are testing."

We should now get on with the business of protecting our own national security.

ADJOURNMENT TO MONDAY, JULY 3, AND MEETING DAYS THE WEEK OF JULY 3

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next; that when it meets on Monday next, it adjourn to meet on the following Thursday, and that when the House meets on the following Thursday, it adjourn to meet on Monday, July 10.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORITY TO PERFORM CERTAIN DUTIES DURING RECESS OF THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournments of the House until Monday, July 10, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found to be truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SECRETARY OF THE AIR FORCE ZUCKERT: "AMERICA'S PEACEFUL OBJECTIVES IN SPACE MUST NOT BE SUBJECT TO INTERDICTION BY AN UNFRIENDLY POWER"

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, on June 27, Secretary of the Air Force Eugene M. Zuckert gave an outstanding address to the Aero Club of Washington. Secretary Zuckert's remarks put into proper perspective the Air Force mission as he sees it existing today, and as he sees it existing for at least the next decade. Amplifying the importance of the peaceful exploration of space, the mission of NASA, Secretary Zuckert reminds us that America's peaceful objectives in space must not be subject to interdiction by an unfriendly power.

As you know, Mr. Zuckert brought to his present assignment a wealth of experience both in public and private life. A prominent lawyer, he served for 3 years with the U.S. Securities and Exchange Commission; 3 years in the Office of the Chief of Naval Operations; 3 years as one of the first Assistant Secretaries of the Air Force and 2½ years as a member of the U.S. Atomic Energy Commission. His remarks of June 27 are indeed a tribute to his knowledge and keen appreciation of the requirements of aerospace power.

I have known Mr. Zuckert for 15 years. During this time, he has appeared often before the House Armed Services Committee and the Joint Committee on Atomic Energy. I have served through the years on both of these committees, and along with the other members, I have been greatly impressed by Mr. Zuckert's sincerity and ability.

Under unanimous consent I include his remarks of June 27, entitled "Tomorrow's Job Is Today," at this point in the RECORD:

TOMORROW'S JOB IS TODAY

(Address by Honorable Eugene M. Zuckert, Secretary of the Air Force, Aero Club of Washington, Tuesday, June 27, 1961.)

I am very happy to have an opportunity to speak to the Aero Club of Washington for two reasons:

First, because I feel at home here; second, because this is an influential group.

On the other hand, the pleasure is diluted a bit by the sobering knowledge that this is a tough audience, not cynical, just tough—because you understand the facts of life, political, financial and technological.

But you are also an understanding audience, and a sympathetic one. You have knowledge of the problems of the Nation, and particularly the Air Force, as the aerospace age unfolds, and you are willing to help solve them.

Since I know you are realistic people, I want to be realistic today. I know you can take it, and I know that you are interested in the unglamorous, long-haul problems which confront the Air Force. And when I say long haul, I mean just that. We have a long way to go, and we must carry a heavy burden.

One reason the burden is heavy is that we work continuously in three time periods. What we do in one affects the others, even though our military posture changes from one period to the other.

The three periods are today, tomorrow, and the day after tomorrow.

They overlap. What we do today determines what we can do tomorrow as well as the day after. The things we do today, in maintaining the strength of the Air Force, were determined by what we did yesterday. But they are not only complementary in their cause and effect relation—they are highly competitive for critical resources.

Today's current job is an operating job. Today's job for tomorrow's Air Force is to bring into being—qualified for inventory and application—the things now in development. Today's job for the Air Force of the day after tomorrow is considerably more difficult, and the decisions are critical.

Our survival, and even the survival of freedom, may depend upon how well we do at any one, and all three, of these stages of defense preparation.

The operating job for today's posture involves the management of tremendous resources. We have a very powerful Air Force. I believe its strength is increasing continuously. None of us is ready to say the Air Force is as strong as we would like it to be, but we know it becomes stronger each day.

The Air Force has necessarily been, and continues to be, the main bulwark for deterrence and aggression against the United States. That strategic element of deterrence is being broadened by entry into the force in being of the Navy's Polaris and the Air Force's Titan and Minuteman.

Another element of deterrence is being strengthened and extended by the Army's many improvements, with more precise fitting of the aerial transport and air support of ground operations roles to meet Army's changing needs.

Strategic deterrence as embodied in the powerful manned bomber is being strengthened by the beginnings of a missile force, but many aspects of deterrence are expanding with the Army's improved capabilities and the Air Force preparations in support thereof.

Air defense, tactical support, long range and combat zone transport, all augmented by upgraded National Guard and Reserve forces and the Civil Air Patrol—these too become integral parts of the concept of total deterrence.

The state of readiness of these forces, with the high alert status of our bombers, is a marvel of military enterprise and an unprecedented example of devotion to duty on the part of incredibly skilled men.

This is the posture of today. But tomorrow's posture, at least in part, is already determined as far into tomorrow as the first half of the sixties. There is little change that can be made now except in numbers through the normal improvement in quality of existing weapons and equipment, and in our ability to think the problems better—to design improved strategics and tactics.

If we think of tomorrow, however, as extending through half of the sixties, the next few years form a period of vital choices, of choices among the weapons systems which are in or near the development stage. But it is also the period of decisions as to what will come the day after tomorrow—what we want to come. That "day after" is certainly not much further away than the very early seventies.

It is too early, for example, to decide the extent to which manned bombers in the air ambient may be displaced. That is why we are continuing work on the B–70 as a flying machine and have urged its development—in the national interest—as a weapon system. The air frame and engine technology will contribute to still newer systems.

The differences of opinion as to the need for a particular type of aircraft are both understandable and acceptable—even though these differences are characterized by varying degrees of "expertise"—but there is no question as to the value of the technology which necessarily accompanies its development.

Historians may see the line of demarcation between tomorrow and the day after as sharp and clear. It is not sharp and clear to us because we must prepare for both at the same time. The day after tomorrow is upon us.

We must make decisions before today is ended, certainly while tomorrow is young, as to how and how fast we move into space. The Air Force of the day after tomorrow

must be truly an aerospace force, unrestrained in its operations by earth's gravity bond and fully clear of the atmospheric runway.

We do not have a choice as to whether or not we invest in aerospace military forces. That decision is no longer subject to our shaping. It has been shaped by world events and by pressures beyond our control.

This Nation must drive ahead with the peaceful exploration of space. We have no choice but to prepare for every possible peaceful and constructive exploitation of space—research, communication, meteorology, astronomical knowledge, even travel and transport. In short, NASA must succeed.

But for NASA to succeed, America's peaceful objectives in space must not be subject to interdiction by an unfriendly power. The challenge of nature is sufficient.

And for America to succeed—in preservation of the Nation in freedom, in furtherance of the welfare of men on earth, in exploiting the knowledge of ourselves and our surroundings for man's good—our peaceful objectives on earth must not be subject to interdiction from space.

We must not delude ourselves. Earth can be dominated from space. Reduced to the scale of a 16-inch globe, a vehicle in 300-mile orbit passes over Cleveland, Pittsburgh, and Washington, for example, just six-tenths of an inch above the surface.

The lesson is clear that a vehicle in an Earth orbit which can launch a missile up and away toward Venus is not limited as to aiming points on Earth close below.

We are determined not to be disfranchised in space, and we are determined that no nation shall be disfranchised on earth by a threat from space.

Our national policy therefore is and will continue to be to avoid as well as to deter aggression through space.

Our space effort for now must be concentrated on boosters, sensors, and power sources.

The Air Force has precise responsibilities within the military realm. All services have requirements utilizing space. The Department of Defense must approve them and it determines funding. The Air Force provides boosters and launch facilities—for example to Navy's Transit navigational system and the Army's Advent communications system. Incidentally, we also serve NASA in the same way for many projects such as the first Tiros weather reconnaissance satellite.

Boosters, sensors and power sources are, in the sense, common items. Progress is being made in all three areas. A half-million pound thrust solid propellant was fired successfully this month. It promises both dependability and flexibility as well as growth potential.

Improvements are coming in optical sensors for the visible light segment of the electro-magnetic spectrum, infrared sensors for the heat bands, and electronic sensors for the radio frequency emissions.

Auxiliary power, as distinct from propulsion power, is needed to operate all the gear that goes into a space vehicle. Chemical batteries and solar generators have carried the load thus far, but they weigh too much or don't last long enough. Nuclear fueled systems are the next step.

All of these things reflect our developing aerospace force. I thought the change was rapid when I served in the Air Force during its first 4 years as a separate service, but that was nothing compared to now. We thought we had a management problem then, but the job of the late forties and early fifties, anticipating the sixties, pales beside the business of preparing for the seventies.

This is the area of the unglamorous problems I mentioned. The future of the Air Force and of its continuing contribution to the Nation's defense depends upon how well we handle such problems as the management and direction of research and development, the administration of personnel policies adapted to the new requirements, and the utilization of resources—human, financial, and material—both within and available from outside the Air Force.

I don't believe there is any reason to doubt our ability to manage the combat area of military enterprise. It is the business end that challenges our imagination, our energy and our skills.

As the Air Force mission develops and the nature of our work changes, we will need more and better technically trained people. We will need, and need now, better management controls and direction of the expenditure of funds amounting to almost 25 cents out of every dollar the American people pay in taxes each year.

In addition to the scientists of unique competence and unstinting devotion to their disciplines, and the engineers and technicians of all levels of knowledge and skill, we need engineering managers and management engineers. We need educators and training specialists—as well as procurement specialists, fiscal specialists, labor relations, specialists, and construction specialists, and contract specialists. Above all, perhaps, we need men with ideas, vision, and the courage to think as big as the future promises to be.

This is the same Air Force which needs men who can, for example, pilot machines that travel faster than a mile a second. There is reason for encouragement, no matter how tough the job, when you have an Air Force which produces men like Maj. Bob White and Gen. Tommy White.

These two men exemplify the vast numbers in the Air Force on whom we depend for the long haul job. In closing, I will acknowledge the service of all the thousands by a tribute to these two and one other:

To Maj. Bob White for his work with the X–15, marked by the new speed record of 3,690 miles an hour last week;

To Gen. Thomas D. White, who retires Friday as Chief of Staff of the Air Force, after 41 years of service to his country, service of a character which will stand for all time as an honor to a Nation which produces such men, and;

To Gen. Curtis LeMay, who comes to the post of Chief of Staff after an unprecedented record of accomplishment in the Air Force.

General LeMay has my confidence and he will earn yours in the Chief's spot. He continues the standard set by General White in full acknowledgment of the proper role of the military in a free society, with complete understanding and close working relationship between the military and civilian leaders of the Nation.

REPORT OF AMERICAN EDUCATION

The SPEAKER. Under previous order of the House, the gentleman from New Jersey [Mr. FRELINGHUYSEN], is recognized for 2 hours.

Mr. FRELINGHUYSEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter and tables in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FRELINGHUYSEN. Mr. Speaker, the primary reason why I have requested recognition today is to submit, for the consideration of my colleagues, and I trust also the public at large, a "Report on American Education." As this body approaches what may be momentous debates on a variety of legislative proposals affecting the educational system of this country, I am hopeful that this report will prove constructive and helpful.

Preliminary discussions regarding this report, I might add, were held this morning at a press conference. It is my hope that more discussion on the important, and often controversial, issues involved can be stimulated in the weeks ahead. To that end I am confident of the value of both the report itself and the supporting material which I shall ask to have appended herewith.

Benjamin Disraeli, nearly a century ago, noted that "upon the education of the people of this country the fate of this country depends." His statement is equally true of the United States, and is especially appropriate in this day and age when technological change, world leadership and the welfare of our own citizenry are strongly dependent upon an educated populace. Certainly in America we can point to education as a major factor in our past success, our present strivings, and our future destiny.

The subcommittee on special projects of the House Republican policy committee is greatly concerned about the future of American education. This is a subject of particular interest in view of the pending debates on the subject before the Congress of the United States. Committees of both the House and Senate have heard testimony concerning the need or lack of need for Federal aid to general public education, to private schools, to colleges and universities, to impacted areas and to areas vital to the national defense. However, nowhere has there been a clear and conscious attempt to collect background materials from experts in the field and subsequently to formulate a concise statement on American education and the related role of the Federal Government.

Beginning in January of this year, the subcommittee staff solicited, received, and analyzed papers from academic and professional experts in the field of education. The response has been excellent. No attempt was made to include a large number of scholars, but the staff did seek to collect opinions from a diverse group of experts who had some particular talent to lend the committee in this regard. Neither did they limit their attempts to those of a single philosophy or orientation. They asked for papers from those favoring and opposing Federal aid to education—those for and against Federal aid to nonpublic schools—those feeling Federal aid did, or did not, lead ultimately to Federal control. Democrats and Republicans alike contributed to the study, which is perhaps the first ever conducted by a political party policy group in such an all-inclusive and nonpartisan manner.

Before debate ensues in this body on proposed legislation dealing with education, the Members should be well versed in the issues facing the American people, their children, and their children's children. A task force of Republican Congressmen has analyzed these papers, studied hearings before appropriate committees, and other facts and factors

available to them in preparing this report and consolidating their recommendations. However, it is for each Member of Congress and for each American to reach his own judgments. We hope the material we have here assembled will be helpful.

In an earlier task force report on "American Strategy and Strength," presented on June 20, 1960, on the floor of the House, Representative GERALD R. FORD, of Michigan, stated that—

> A national strategy should not be tucked away in a national security document. To be a public affair, it must be readily understood and enthusiastically supported by the scientist, the educator, the reporter, the engineer, the Congressman, and the housewife. Such an understanding would enormously refortify our present position of strength.

So, too, should education and all its ramifications be discussed and debated in every school district in the Nation. In this way, goals of education, curricular content, the extent of Federal aid, if any, and the importance of increased incentive will become a matter of public debate. In this way solutions to these and other problems will be determined by people on the basis of need rather than politics. Thus, we emphasize the responsibility of citizens in our Republic to demand factual background on a given problem, accompanied by clear and specific alternatives, in order that our ultimate educational decisions are understood and supported enthusiastically by people in all walks of life.

The "Metaphysics" of Aristotle opens with the well-known statement, "All men by nature desire to know." Aristotle states elsewhere that man is a social animal. Therefore, his desire to know does not begin and end in himself. Clifton Fadiman has commented that man "socializes and finally systematizes his desire to know. This socialization and systemization are what we mean by education. The main, though not the only, instrument of education is an odd invention, only 3,000 years old, called the school. The primary job of the school is the efficient transmission and continual reappraisal of what we call tradition. Tradition is the mechanism by which all past men teach all future men."

This definition and amplification of education leads us to pose and consider many questions. If man by nature desires to know, what should be the character of education and the content of tradition? Who shall determine the character of and content of education? How, in a modern society such as ours, shall the cost of this education be met? As Members of Congress, what concerns shall we have and what measures shall we take in relating the Federal Government to public education?

To the end of exploring these issues in public education, and better to relate them to the practical measures currently before Congress, the subcommittee on special projects of the House Republican policy committee has undertaken this study of American education. A task force of Congressmen, consisting of Representatives FRELINGHUYSEN, LAIRD, GOODELL, RHODES, GARLAND, QUIE, and GRIFFIN, has examined background papers and other material and has compiled this report.

We wish to acknowledge the kind cooperation of the academic and professional experts who have prepared papers, either in the original or as revisions of their prior publications. Organizations as diverse as the National Education Association and the Council for Basic Education; individuals as oppositely oriented as Father Blum and Dean Rogers on the subject of Federal aid to nonpublic schools; and individuals poles apart on the matter of proper Federal responsibility in education have all used our inquiry as a forum and market for their ideas. Some thoughts we would wish to modify—others we accept, and some, inevitably, we reject. However, all papers will be included for the perusal of Members in order that the differing thoughts of experts might be placed on the record for the public to analyze.

The following experts have prepared papers as background material for this report:

"Education without Federal Aid," M. Norvel Young, president, Pepperdine College.

"Fallacies of Federal Aid to Education," Ernest Wilkinson, president, Brigham Young University.

"Political Action Resulting From Fear," John Stambaugh, vice chancellor, Vanderbilt University.

"Increasing and Improving the Efficiency and Effectiveness of our Educational System," Alvin Eurich, vice president, Fund for Advancement of Education.

"Diffusion of Authority and Control of Education," Carl B. Munck, former chairman, National School Boards Association.

"Major Issues in Public Education Related to Federal Legislative Policy," Research Division, National Education Association.

"Civil Rights in Education," Father Virgil C. Blum, Marquette University.

"The Cooperative Research Program of the U.S. Office of Education," Dean Lindley Stiles, School of Education, University of Wisconsin, and Dean Alonzo Grace, School of Education, University of Illinois.

"Federal Aid for What?" Mortimer Smith, Council for Basic Education.

"Investment of Human Capital," Prof. Theodore Schultz, University of Chicago.

"Program for Educational Leadership by Procter and Gamble," Bryce N. Harlow.

"Shall Public Funds Be Used To Aid Nonpublic School Students," Dean Virgil Rogers, Syracuse University School of Education.

"Construction of Public Schools," Walter T. Anicka, A.I.A., Ann Arbor, Mich.

"Education—The Foundation of Freedom and Modern Technology," Hollis L. Caswell, president, Columbia University Teachers' College.

"The School Lunch Program and Federal Controls," Dr. Donald Ackerman, House Republican policy committee.

"School Needs and Federal Aid to Education," Prof. Roger Freeman, Claremont Men's College.

I would like at this time to ask unanimous consent to insert in the RECORD immediately following this report the background study papers and certain tables by academic and professional experts on which we have based our findings.

In these 17 papers, the subcommittee has found facts and ideas on varied elements of educational thought which have indeed proved most useful as we developed our ultimate conclusions. However, we must emphasize that the opinions which follow and the recommendations which we make are our own, though based on the background material here presented. We have attempted to formulate reasonable views on a most vital issue on which more heat than light has ordinarily been shed. As H. G. Wells wrote in the Outline of History, "human history becomes more and more a race between education and catastrophe." In striving to avert catastrophe, we have here examined American education—its history, its current status, its needs and its future. It is to be hoped that this will help set the stage for the beginning of a reasoned study and debate as to education and its relation to Federal policies.

1. HISTORIC TRENDS IN AMERICAN EDUCATION AND GOVERNMENTAL POLICIES

Samuel Butler once asserted that "although God cannot alter the past, historians can." Judging from various viewpoints as to the history of Federal assistance to education and the constitutional requirements regarding schools and their support, there is a wide divergence in this regard at least concerning interpretation of clauses and events. An example can be shown by quoting two authorities on the subject of Federal aid to education.

On March 13, 1961, Hon. Abraham Ribicoff, Secretary of Health, Education, and Welfare, stated before the General Subcommittee on Education of the House of Representatives that—

> Programs of Federal assistance to schools and school systems have existed since the beginning of our national life. * * * The Federal role has been an accepted part of the American educational experience since the founding of the Republic. For 175 years Federal aid to education has helped to serve the national interest. These Federal activities have not come about by accident, or to demonstrate a theory. The Congress has authorized Federal aid to meet certain specific needs, when other solutions were not deemed adequate or sufficiently timely.
>
> These programs of Federal assistance to education have, in my judgment, been administered without evidencing one shred of Federal control. * * * In my 6 years as Governor of Connecticut, not once has the Federal Government exercised control directly or indirectly over education in my State. I doubt whether you will find any such control in any of our 50 States.

A widely divergent view is held by Senator BARRY GOLDWATER, of Arizona, who states in his book "The Conscience of a Conservative":

> I agree with lobbyists for Federal school aid that education is one of the great problems of our day. I am afraid, however, that their views and mine regarding the nature of the problem are many miles apart. They tend to see the problem in quantitative

terms—not enough schools, not enough teachers, not enough equipment. I think it has to do with quality—how good are the schools we have? Their solution is to spend more money. Mine is to raise standards. Their recourse is to the Federal Government. Mine is to the local public school board, the private school, the individual citizen—as far away from the Federal Government as one can possibly go. And I suspect that, if we knew which of these two views on education will eventually prevail, we would know also whether Western civilization is due to survive or will pass away.

Our country's past progress has been the result, not of the mass mind applying average intelligence to the problems of the day, but of the brilliance and dedication of wise individuals who applied their wisdom to advance the freedom and the material well-being of all of our people. And so if we would improve education in America—and advance the fortunes of freedom—we will not rush to the Federal Treasury with requests for money. We will focus attention on our local community, and make sure that our schools, private and public, are performing the job the Nation has the right to expect of them.

These views contrast not only the Federal with the local role, but also point up issues of spending Federal money as against improving schools by local incentive. They touch also on the problem of Federal control as related to Federal aid. In exploring the historical development of Federal assistance to education, we have noted that these problems are in no sense new ones, but have repeatedly been faced by Congress and by administrative departments and agencies since the beginning of our Republic.

In May of 1961 the House Committee on Education and Labor issued a publication, "Federal Aid for Education," which consisted of a history of proposals along this line which have received consideration by the Congress of the United States. The first such measures dealt with a national university and national bank profits and land grants for education. Other than land grant college bills and a public land proceeds for education act, no bill even remotely concerned with education was enacted into law until the 64th Congress, which passed a vocational education act. In 171 years no Federal aid proposal for elementary and secondary schools has ever been passed, though such bills have been considered in all but 1 of the past 14 Congresses.

Below is a list of education proposals which have been enacted. The subcommittee finds that in almost every instance a special case or an emergency was involved, and that in no instance was there an intention to provide Federal support for education on a secondary or primary level:

First. Land-grant colleges.

Second. Surplus revenues for education—only considered educational in that it offered States the opportunity to use funds for the promotion of education.

Third. Vocational education.

Fourth. Loans by RFC for public schools and teachers' salaries.

Fifth. Veterans' education and training.

Sixth. International educational exchange of persons—Fulbright Act and Smith-Mundt Act.

Seventh. Library services in rural areas.

Eighth. National School Lunch Act.

Ninth. Federally impacted areas legislation.

Tenth. College housing loans.

Eleventh. Cooperative research.

Twelfth. White House Conference on Education.

Thirteenth. President's Committee on Education Beyond High School.

Fourteenth. Teachers of mentally retarded children.

Fifteenth. War orphan's education assistance.

Sixteenth. National Defense Education Act.

No educational powers were specifically granted the Federal Government under the Constitution. In fact, some have interpreted the 10th amendment, which states that "the powers not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States respectively, or to the people," as expressly forbidding such aid. On the other hand, as Chief Justice Warren said in Brown against Board of Education, 1954:

> We must consider public education in the light of its full development and in its present place in American life throughout the Nation.

Those who feel that the Federal Government has had an accepted role in American education can look back to the Northwest Ordinance, 1787, and the Survey Ordinance, 1785, where land was reserved for the maintenance of public schools. The Federal Government organized school systems in territories. Public lands were set aside in 1862 for the original endowment of land-grant colleges and universities. The Smith-Hughes Act of 1917 established a Federal program of assistance for vocational education. Finally the GI bills following World War II and the Korean conflict have contributed to the education of American youth deprived of opportunities because of their wartime service to their country.

More recently, the concern of the American public following the Soviet launching of sputnik resulted in the National Defense Education Act of 1958, primarily dedicated to improvement of programs in mathematics, science, and modern languages. The Federal Government has also been active in research—Office of Education, National Science Foundation, and so forth. Under the Eisenhower administration consideration was given to meeting specific needs in classroom construction for elementary and secondary schools where a need existed despite the fact that maximum possible local effort had been exerted.

In examining these examples, however, we find that most were geared to concepts recognizing the importance of public education and encouraging its improvement, rather than to overall Federal financial support. Some programs of financial assistance have been developed for higher education, but here we deal with students who want to continue their training at a level beyond the point or obligatory education, where general public support is given.

It is quite obvious that the history of Federal support in the field of education has been marked by national concern for the broad significance of American education, but coupled with an overriding interest in maintaining local control and direction of educational resources.

Oftstated provisions in the Northwest Ordinance of 1787 indicate that the importance of education was recognized at the time of the Constitutional Convention, and yet the Constitution nowhere refers to education. Carter Davidson, president of Union College, believes education was omitted "because they felt this was one of the concerns that must be left at the grassroots level; therefore, it is the States, the local governments, and private philanthropy which were intended to be the support of education in America."

From that we have come to the 20th century America, in which Federal activities in education have been multiplying. The Library of Congress listed in 1952 some 298 educational activities of Federal agencies at a cost of $3.6 billion. By 1960 a revised edition of this report showed some 440 Federal educational programs at a cost of at least $3.8 billion. The U.S. Office of Education has had to hire more than 300 persons just to administer the National Defense Education Act within a year of its passage. With the exception of the Morrill Act, Smith-Hughes Act, and NDEA, all of which were enacted in an atmosphere of emergency and aimed to promote specific subjects which Congress felt were being neglected, none of these activities can be classed as general Federal aid to education. However, 1961 has become the year Roger Freeman speaks of in his paper when he remarks, "The war over the approval of general—rather than special and earmarked—school aid and over the big sums, from $5 billion on up, still lies ahead."

Our task force is convinced that the National Government must encourage American education. Congress and the administration must work closely to stress the importance of a sound, effective educational system. In some selective instances, it may well be that Federal assistance to research and specific activities in education will continue to be necessary and prudent. However, we feel that great care must be taken not to disrupt traditional local incentive, concern, control and support of American public education at the elementary and secondary level.

Thus we must investigate not only the historical development, pro and con alike, of Federal assistance to public education, but also the actual need which is so often used as the overriding rationalization for proposals advocating general Federal aid.

2. NEED AS A FACTOR IN FEDERAL AID TO EDUCATION

This task force group is concerned that no attempt has been made to equate actual need to the provisions for general Federal aid to education now before Congress. During the Eisenhower administration, the bills recommended by department heads and by the President had provisions tying in need and

local effort in determining where aid for school construction would go. Arguments made by the administration before congressional committees made the point that there were areas in the Nation in which maximum local effort had been made but where genuine classroom shortage still existed.

In testimony this March, Secretary Ribicoff told the House General Subcommittee on Education—page 29 of hearings—that "many States do not have the commitment toward education that they should have." Instead of need, Secretary Ribicoff talked about Federal responsibility. Statements such as "the Federal Government can and should make a substantial contribution to assist the States and local communities in meeting their goals," and "there are many responsibilities that Government has to supply and the amount suggested in this bill takes into account the other responsibilities that this administration has in many other lines of endeavor"—see pages 10 and 28—indicate strongly that Federal responsibility has replaced local needs as a justification for general programs of Federal aid to education.

During the White House Conference on Education, held in 1955, one of the group's recommendations was for more Federal aid to education. However, another conclusion stated that—

> No State represented has a demonstrated financial incapacity to build the schools they will need during the next 5 years. * * * What is lacking is not money, but a political determination powerful enough to overcome all the obstacles.

Just last year, in response to questioning before the Senate Committee on Labor and Public Welfare, Secretary Flemming stated that there were 237 school districts out of about 42,000—one-half of 1 percent—which have reached their bonded limit. Of these, many may have reached their limit because they have kept their assessed valuations low, resulting in a high mill rate. This survey indicates at the very least that the areas of actual need can be defined with greater accuracy than has yet been attempted.

We have studied statistics gathered by organizations both for and against general Federal aid to education and have attempted to determine the need in both school construction and teachers' salaries as it exists today. A paper submitted to us by the National Education Association states that—

> to move salaries (of teachers) upward to the level required to staff the schools with professionally trained and personally qualified teachers will require the concerted financial support of all three levels of government—local, State, and National—and that another perplexing problem of the 1960's is how to build the classrooms which are needed now and which will be required for the 8.1 million additional pupils by 1969–70, one-half of whom are going to be in the secondary grades.

Using NEA and Office of Education figures, however, Dr. Ernest Wilkinson, president of Brigham Young University, traces the construction needs which have been estimated in recent years. His paper makes the point that in 1954 the U.S. Commissioner of Education testified to a deficiency of 370,000 classrooms in our elementary and secondary schools. A year later the chairman of the Senate Labor and Public Welfare Committee predicted that this would grow to 600,000 by 1958.

By 1959, however, Dr. Wilkinson testified that this figure had shrunk to an annual shortage of 132,400, according to a canvass of State departments of education by the U.S. Office of Education. The shortage, according to the NEA paper, is currently estimated at 142,100 rooms. Regardless of what conflict ensues between other figures presented, both sides of this controversy admit that the classroom shortage today is far less serious than that which existed 7 years ago.

We feel that the American people should be commended for the strides they have made in giving support to public education, especially in the past decade. As Dr. Freeman states in his paper:

> The emerging picture is clear cut and unequivocal. The American people have loyally and faithfully supported their schools. The record of steeply increasing school revenues is nothing short of spectacular and makes no persuasive case for holding insufficient funds responsible for shortcomings in the product of our public school system.

Aided by the statistical analysis conducted by some experts in the field, we have attempted to reconcile the mountains of figures collected by proponents and opponents of Federal aid insofar as the progress to date and the picture at present are concerned.

In the realm of the alleged classroom shortage, we find that the number of pupils has increased 15.2 percent and the number of classrooms in use 23.2 percent over the past 4 years. This has resulted in a decrease from 29 to 27.1 in the number of pupils per classroom. Given the additional of over 4½ million children between 1956 and 1960, we would have required the addition of 170,000 classrooms to stay even. Instead, the number of classrooms in use increased 251,794—leaving a surplus of 81,000 to apply against the shortage existing in 1956. We seem to have "passed the hump."

From the year 1956 to 1957 to the year 1960 to 1961 the average annual construction of new classrooms reached 69,860. According to a report released by the Secretary of Health, Education, and Welfare on January 19, 1961, entitled "Staffing and Constructing Public Elementary and Secondary Schools, 1959–1969," there should be built during the decade of the 1960's 607,600 classrooms to take care of added enrollment, existing backlogs and replacement of obsolete facilities. This would average to 60,760 classrooms annually, almost 10,000 short of our current construction effort. We find it difficult to see how a national emergency in classroom construction can now be justified when current construction will produce extra classrooms during the decade ahead.

In fact it may well not be as difficult to raise needed revenues during the last half of the sixties as is currently the case. For one thing, while the average annual increase in the school-age population will reach 1,145,000 from 1960 to 1965, this increase will only reach a figure of 644,000 from 1965 to 1970. Also, reputable economists have projected our gross national product to rise from $500 billion to over $700 billion by 1970.

Most figures indicate that a similar situation exists in the teaching profession. In the last 30 years, employment in public education has increased by 140 percent as compared to 45 percent in private industry. As the turn of the century, the pupil-per-teacher ratio was 35.6 and is currently 24.4. In actual dollars, the increase in teacher earnings has been phenomenal over the past 30 years, and even in constant dollars teachers have received a salary increase of 106 percent in this period as compared to 91 percent for all persons works for wages or salaries and 73 percent for civilian employees of the Federal Government. The NEA booklet, "Teacher Supply and Demand Report," for 1956, predicted an end to the teacher shortage by the early 1960's.

The U.S. Office of Education has projected an 82 percent increase in earned college degrees for the 1958 to 1968 period. The present level of college students preparing for teachers' certificates is expected to maintain its present level, which is 31 percent. So, in the next 10 years, the number of certified teachers is expected to double, but the school age population is expected to increase by only 20 percent. It is possible that in 10 years there could be a surplus of teachers.

There is no question that in some areas teachers' salaries are still inadequate, however, in the past 5 years, teachers' salaries have increased on the average of $250 per year.

We find a disturbing trend today to disparage the strides which have been made in the fields of school construction and teacher recruitment and salaries. Professor Schultz explains in his paper on "Capital Formation by Education" that—

> Between 1900 and 1956 the total resources committed to education in the United States rose about 3½ times relative to consumer income in dollars and relative to the gross formation of physical capital in dollars.

Enrollment in our public schools and private schools alike has increased by 57 percent since 1940, but educational expenditures have increased by 642 percent during the same timespan. As a percentage of our national income, expenditures for education have increased from 1.4 percent in 1890 to 3.7 percent in 1930, 4.1 percent in 1950, and are currently 6 percent.

The statistics available to us indicate strongly that State and local communities have made increasing funds available to the schools; that educational funds have risen at a much more rapid rate than national income or corporate profits; and that the task of financing the public schools appears to be an easier one in the 1960's than in the previous decade.

The current controversy over Federal aid to education must involve the question of Federal responsibility for public

education. However, it appears to our task force that the concept of needs has gradually disappeared from the controversy due to the emerging image of local incentive and concern which has supported American public education at a level unparalleled in history.

3. LOCAL INCENTIVE IN THE FINANCING OF EDUCATION

We have previously touched on the record growth of American public education and the part which local financing has played. This task force maintains a grave concern that local school districts may reduce their efforts if general Federal aid to education were to become an actuality at this time.

Letters are on file with Congressman after Congressman testifying to just what a mere debate on Federal aid proposals has already done to local incentive. School superintendents have recommended defeat of local bond issues and local citizens have testified that their community should defeat increases in local taxation for the simple reason that "next year the Federal Government will pay for our new building, or swimming pool, or additional school buses." To us, this is a strong warning that Federal aid might well mean a significant weakening of local concern and incentive for public education.

In his paper, Dr. Norvel Young points out that the history of 19 of 21 notable civilizations studied by Arnold Toynbee shows that "they died from within and not by conquest from without." To Dr. Young, this indicates that "great republics like those of Greece and Rome gradually exchanged their local freedom and its responsibilities for more and more centralized control and its promised protection and aid."

As Dr. Ernest Wilkinson puts it:

> With taxes raised at home, the people know how our money is spent rather than in Washington, where bureaucracy has grown so big that even the Congress often cannot find out how it is spent.

The ability of local school districts to pay for needed improvements in their educational systems has often been underestimated. In even the one-half of 1 percent of school districts where classrooms were needed and where the districts were "borrowed up" with no access to State or other funds to build them there is sometimes a mere appearance of having reached a legal tax or debt limit by assessing property at a fraction of traditional value. Most legal restrictions on taxes and public debt were imposed by the people themselves or by their elected representatives, and can be amended or repealed by the same process.

Economically, we here in Washington are often shocked by the extent to which Federal taxes have increased, becoming more burdensome than State and local taxes by their higher rates. Federal income taxes range from 20 to 91 percent—personal—and 52 percent corporate—while most State income taxes are around 3 to 4 percent, and most sales taxes vary from 2 to 4 percent. Prior to the depression of 1929, State and local taxes constituted 7.4 percent of national income, and increased only to 8.4 percent by 1959. In contrast, Federal taxes, which reached 4.1 percent of national income in 1927, had risen to 17.5 percent by 1959. Comparable figures exist for interest on Federal and State and local debts and for trends in the burden of the respective debts as a percent of national income.

Some State and local bond issues have been turned down, it is true. This often occurs where the need for additional facilities has not been demonstrated or where the actual plans of the new school, for example, have been considered overly ostentatious by the voters. Nonetheless, sales of State and local bonds averaged over $7 billion per year from 1957 through 1960, and the percentage of bond issues approved in public school bond issue elections reached a record high of 82 percent in 1960, as compared to 61 percent just the year before. In fact, during January of 1961, $157 million of $170 million was voted favorably, 92 percent. Annual new educational construction has almost tripled since 1950.

The proponents of Federal aid argue that standards should be raised in the poorer States and that it is not the overall support but the divergence in support from State to State that matters. Be that as it may, differences among the States have also narrowed in the past three decades. While the 12 highest income States showed an increase of 61 percent in per capita income since 1929, the 12 lowest income States increased 131 percent. The high-income States will provide four-fifths of the increase in school enrollment up to 1970, with the 12 low-income States accounting for only 6 percent of the national total. Thus we question the widely held and espoused notion that we should merely play Robin Hood and rob from the rich to pay the poor without regard for need or local effort.

In fact, the point could well be taken that school districts or States which hold back on tax revenue in order to pirate industry from other States, and those wasting staff or funds, or refusing to operate more efficiently or consolidate districts are precisely the States or districts which weaken their own fiscal capacity to finance their schools. To give Federal aid under these circumstances would be indeed questionable.

We have great faith in the American people. Our citizens have always placed a high value on public education and have successfully adapted local schools to the challenges and problems of their local environment. American education has been most successful when incentive has struck home—at PTA meetings, at the school board, and at local industrial and business conferences. The deficiencies of American education are no longer explored and corrected in the woodshed, perhaps, but are evaluated in community centers, and in school elections.

We cannot stress enough our belief that parents and the public at large have kept faith with the citizens of tomorrow. The problems of American education today are a reflection of its past successes and not its failures. By increasing to a high degree the level of learning of the average American, we have also increased the demand for more and more education of a high quality for all. What better way to meet this demand than by continuing to unleash and expand the very forces that have made our educational system what it is today—diligent and wise Americans of every walk of life in every section of the Nation?

Walter Anicka states in his paper that the "construction of an economical school must take into consideration budget, local materials at hand, local needs, weather requirements and functional design."

Dr. Mortimer Smith indicates that—

> Without careful definition of, and insistence on, what is worthy in education, more money may simply serve to perpetuate and entrench an unsatisfactory status quo.

It seems to us that these and other definitions must be made by those who care enough and know enough about them—Johnny's father and mother, his teachers, his neighbors.

4. FEDERAL AID AND FEDERAL CONTROL IN EDUCATION

Secretary Ribicoff, this March, told the House Subcommittee on Education that present programs of Federal assistance to education have, in his opinion, been administered "without evidencing one shred of Federal control." Advocates of Federal aid constantly demand a single example of a Federal program bringing one shred of control to any aspect of education. After examining many existing Federal programs, we find even those of the most innocuous type have been accompanied by an increasing degree of Federal controls.

For example, Dr. Ackerman's paper on controls in the Federal school lunch program reveals that participation in the Federal school lunch program has been discontinued by high schools in the Phoenix School District—Arizona—and the elementary schools under the jurisdiction of the Los Angeles City Board of Education—California—because Federal regulations were not appropriate to the specific local situation encountered. In Los Angeles, for example, portions served were considered too generous and the protein requirements for each meal were ordered increased by the Government to a point where added costs reduced the benefits of the Federal subsidy. In Phoenix, a la carte items were forbidden as an alternative for plate lunches under penalty of disqualification from the Federal school lunch program. The school system had a choice between compliance and losing the students who would not eat plate lunches.

Commenting on the issue of Federal control of education, William G. Carr, executive secretary of the NEA, expressed the following thoughts in a letter to the staff director of the House Republican policy committee:

> What I can neither understand, nor agree to, is the position that, although the Federal Government has a responsibility, and although the State governments should control education, nevertheless, Federal funds must be used only for purposes deemed most necessary by the State and local school authorities. It seems to me that a policy of "Washington knows best," weakens State and local control of education.

Father Blum states that "the complete subversion of the individual into the mass state—this is the danger of the welfare state," and quotes John Stuart Mill that "a general state education is a mere contrivance for molding people to be exactly like one another."

Dr. Freeman insists that there has been "so much ink spilled over this question that we do not want to restate the arguments pro and con." However, we have noted the comments of those whose knowledge and experience in the area of education or legislation should indicate their basic familiarity with the problem, and have been concerned by quotations such as these:

You will hear it said there has not been any Federal control or interference through Public Law 815, the Federal impacted area bill. I tell you there has been some of the most horrible illustrations of interference and wrongdoing under that bill that you can imagine, and I challenge anyone to deny that statement.—Representative Graham Barden, Democrat, of North Carolina, former chairman of the House Education and Labor Committee.

Can any jurisdiction take responsibility for levying the taxes for any particular purpose without sooner or later being forced to take the responsibility for defending that expenditure and without being asked to answer taxpayers that the money is being spent in a proper manner * * * Sooner or later the jurisdiction which imposes the taxes will exercise real control.—Robert Murray Haig of Columbia University.

To imagine that recurring appropriations of this magnitude can be made without careful budgeting on the part of the administration seems to me to be the equivalent of imagining completely irresponsible government. Careful budgeting will mean, in turn, a strong executive agency which must have access to a mass of factual information about the educational situation in every State. The educational committees of the House and Senate will have every reason to examine into details of curricula and school organization.—James Bryant Conant, Harvard University.

We feel that this issue is somewhat different from the ordinary nonearmarked grants-in-aid. Proponents of Federal aid to education insist that the funds be channeled through the U.S. Office of Education and the State departments of education. Proposals to earmark a specific tax so that its yield would return to the States of origin additional revenue, to return to the States a small share of the income tax collections, or to allow increases in State and local school taxes as a credit on the Federal income tax would all bypass the Federal and State offices of education, and thus have been opposed by the proponents of general Federal aid to education.

Dr. Smith points out in his paper that—

State departments of education can be infiltrated by advocates of the kind of education-for-adjustment which has landed us in the mess we are now in.

A quotation by Max Lerner included in our Freeman paper states that—

The choice before us is not the choice between the control of education by local officials and by National Government officials. That is not the choice and don't let anyone tell us it is. The choice is between control by people who have not given their lives to education and control by people who have given their lives to it.

We strongly oppose the use of the resources of the Federal Government to interfere in any actual or supposed battle between professional educators and laymen. If Federal aid is to be used to decide any struggle between the public and the educators, this is no justification for expending public funds without regard for need, local effort, local incentive or possible Federal control.

When we closely examine large Federal programs in highways, urban renewal, agriculture, welfare, and similar matters, we find that controls generally tighten as the Federal share increases. Each conflict between Federal and local officials, as seen by recent scandals in the interstate highway program and rigid farm controls, leads to quarrels over the most effective use of funds, and almost inevitably is decided by the power of the purse strings held by the Federal Government.

Even should Federal aid without Federal control somehow be possible, the fact that decisionmaking is taken away from parents, communities and legislatures, since a share of the funds does not depend upon their direct approval and control, in effect is a shifting of effective control. Independence of the educational administrator from legislators, boards and the lay public would result, even if Federal control per se did not.

The power of the purse strings is well known and well documented over recorded history. We are concerned over possible positive control of education from the Federal level, but even more dangerous are the possibilities of a more insidious abdication of concern and incentive for citizens at the local level.

5. QUALITY OF EDUCATION AS A POSITIVE GOAL

Papers by the Council for Basic Education and the National Education Association represent opposite poles of thought as to the efficiency and quality of modern education. We refer any more interested in this particular subject to the papers inserted in the RECORD following this report.

However, we positively feel that whatever constitutes quality of education should be practiced in every possible school district in the United States. To that end, the Federal Government must cooperate where necessary in support of basic research and in encouraging experimentation in education. The Amidon School, here in Washington, D.C., has thus far set a commendable record in basic education and could well be emulated in those localities where this particular approach would be of benefit in preparation for future skills and competence.

We do feel that local boards and citizens are best prepared to know just what so-called frills and extras they are prepared to accept and pay for. It would seem that some areas of the United States are more in need of solid, substantial classroom buildings than the swimming pools, gardens, and auditorium facilities demanded in other areas. If citizens in any school district in this Nation wish to approve and support what Anicka calls dream school types, this is all well and good, but under any program of Federal aid to classroom construction, this would be also paid for by those districts striving to raise teachers' salaries from a $3,000 level, or fighting to build one small classroom for essential English instruction as an addition to their small schoolhouse.

We commend the increasing number of school districts the country over which are paying teachers at a scale deserved by the profession. Just as conscious of education, however, are the voters of the overwhelming majority of school districts who have recently approved bond issues for construction and salaries and general budgets which they feel to be representative of their area, their wealth, and their tax base.

We encourage educational research, by laymen, educators, parents, and others alike, to determine what role consolidation, curricular revision, and administrative reforms would make in their area to the raising of standards of learning and to the elimination of wasteful use of resources. This is the only practical way in which State and local units, judging the extent of school needs, can raise the required funds without the material deficiencies which now arise from time to time.

6. FEDERAL AID TO NONPUBLIC SCHOOLS

Today, private elementary and high schools now enroll about 16 percent of total school enrollment, as compared to 9 percent 20 years ago. Thus, the controversy over distribution of Federal school aid to private as well as public schools has reached a fever pitch during the current session of Congress.

Some parents of children in private schools feel they are subjected to double taxation, even though they estimate they are saving taxpayers between $2 billion and $3 billion a year through the operation of private schools. On the other hand, opponents cite constitutional provisions relating to the separation of church and state. They point out that parents who prefer private schools do so at their own choice and should do so at their own expense.

At this time, this issue has been entirely too much one of emotion and too little one of carefully conceived points on either side of the issue. Thus, our group requested and received papers on this matter from two of the leading educators in the United States—Virgil Rogers, dean of the Syracuse University School of Education, and Father Virgil C. Blum, of Marquette University.

Father Blum argues that—

The child as citizen is protected by the Constitution and is the primary recipient of educational benefits; the school is but a suitable means to assist in the education of the child. Thus, the individual child clothed in all his constitutional rights must be the primary concern of the Federal Government if and when the national interest urged Federal allocation of tax moneys to aid in the education of the children of the Nation.

On the other hand, answering the question, "Shall public funds be used to

aid them—non-public-school students?" Dean Rogers states that—

> If we accept the American tradition concerning the relationship of church and state, which grew out of 250 years of painful experimentation in the Thirteen Colonies and later in the States, there can logically be only one answer to the question posed in the title above—no.

These diametrically opposed viewpoints highlight a situation in which more study from a legal, practical, and ethical basis must surely be presented. Issues like aid to nonpublic schools should not obscure the fundamental issues—that of general Federal aid to public elementary and secondary schools. The major question is what, if anything, should be done for our public schools. If there must be such aid, we can then delve further into these related matters. However, we are not convinced that there has yet been a case made, be it need, local effort, or another reason, for Federal aid to public education.

7. FINAL RECOMMENDATIONS AND CONCLUSIONS

Our congressional team, having the benefit of background knowledge supplied by academic and professional experts in education and related fields, would advance the following as general recommendations on the subject of American education and the specific issue of Federal aid, realizing that our recommendations form only a beginning step on the road to the ultimate formulation of positive Republican Party policy on this issue.

First. We feel that Federal aid to impacted areas and Federal assistance for the construction of college classrooms and housing facilities should be separated from the area of general Federal aid to elementary and secondary education. We hope that our colleagues will treat sympathetically the special problem of areas affected adversely by Federal military installations, and that the Congress will approve Federal assistance for the construction of academic facilities in institutions of higher education—so essential if the Nation's colleges and universities are to expand their physical capacities sufficiently to produce the trained manpower our national interest requires.

Second. We find numerous essential programs in the field of Federal assistance to basic research in education, such as the National Science Foundation and the Cooperative Research Plan. Programs to assist in specific fields like the mentally retarded, vocational education, loans for college housing and war orphans' education contain meritorious provisions wherever a true need exists and where a true Federal responsibility can be found. Care must be taken that provisions of the National Defense Education Act do not go afield from the original purpose of the law, and that local sensitivities are not disturbed by the administration of testing and guidance sections of the act.

Third. American education should be a vital concern of the National, State, and local branches of our government. It is a vital force in the continuing progress of our Nation, and a necessary element in the culture of coming generations. The Federal Government should, consistent with constitutional and traditional standards, encourage and promote the most adequate school system possible in our Republic.

Fourth. However, it is an established and sound principle that the control and direction of educational resources in America belongs on a local level. We commend this for future times as well, and we strongly oppose any proposal to shift the responsibility for the maintenance and operation of schools to the Federal Government.

Fifth. It is clear that the advocates of general Federal aid for education have made no successful effort to justify current legislation on the basis of either need or local effort or both. The Eisenhower administration wished only to aid those districts in true need, and those which had also exerted all possible local effort. We feel that the present administration has equated Federal aid to Federal responsibility for all school districts; regardless of these important factors. This would constitute a foot in the door, or, more accurately, a finger released from the dike for all time to come.

Sixth. The proposals for Federal aid to education now before Congress would do much, in our judgment, to curtail the very factors now promoting a healthy and sound educational system. Local citizens, including parents and teachers alike, would lose the incentive which comes with knowledge, concern, and physical presence on the local scene. Controls from Washington would certainly increase, coupled with the void caused by the abandonment of decision-making powers of parents, communities, and legislatures.

Seventh. We suggest that experimentation with so-called progressive education, already underway for some years, be matched with comparable experimentation with basic, fundamental education, such as is now being attempted with the Amidon School here in Washington. Many of us feel that the primary function of the schools is intellectual training and discipline, and that the school should be a place where the individual learns to know the trees so well he will be able in later years to see the beauty of the forest.

Eighth. While Federal aid to nonpublic schools is an issue at present, we would here concern ourselves with the overall issue of "Should there be general Federal aid to elementary and secondary education?" leaving related issues for subsequent resolution to this and similar problems. Nevertheless, we commend those who seek to find an ultimate solution.

Ninth. After reading the suggestions of Walter Anicka on constructing sound and practical public schools, we feel that taxpayers should be especially diligent in expenditure of their moneys for this purpose. As he points out, with Federal aid the temptation is to go out for fads and frills, but when each expenditure must be justified to the taxpayers of the community, school officials quickly get down to their basic needs. We wish that every school architect would view limited budgets as an opportunity rather than a handicap.

Tenth. We urge our colleagues to exert every effort in influencing their constituents in all sections of the country to exert leadership in matters relating to schools—their improvement, their control, their financing, and their importance. This marks a positive force by which we in Congress can actively see to it that our homes and the homes of our neighbors will have the benefits of sound and efficient schools appropriate to the local situation and its needs.

Eleventh. Experimentation with educational television, homogeneous classes, teaching machines, computer aids in marking and other bookkeeping functions now occupying the time of teachers should all continue in order to get more education for our money rather than necessarily demanding more money for our education. Insofar as 20th century improvements are concerned, education may well be in its infancy.

Twelfth. It is time that we begin to consider maximum utilization, where possible, of our educational facilities on a more regular basis than 6½ hours per day—5 days per week—9 months per year. Fewer areas of our country now require high school boys to work on farms. A 12-month school year with staggered vacations might well be instituted on an experimental basis. For example, in Montgomery County, Md., officials are talking about three 12-week semesters separated by 4-week vacations—with only one-fourth of the students on vacation at once. Certainly night adult classes, particularly to coincide with industrial retraining in some locales, and expanded summer school opportunities should now be instituted.

Thirteenth. We again would emphasize the positive accomplishments of the American educational system in meeting every challenge by mobilizing community support and concern. The launching of the Soviet sputnik in 1957 caused little or no panic, but provided further incentive for an all-out, continuing effort that drastically improved our record of classroom construction and teachers' salaries despite the moaning and groaning of those who saw no help but from the "magic money tree" in Washington.

Fourteenth. Current news stories emphasize the amount of money Federal aid to education would bring to each State under the provisions of the administration school bills. We would recommend that every citizen understand that the magical and mystical entity called government is composed of every one of us, and that every State must pay a goodly proportion of what they receive in the form of taxes. In fact, one-third of the States will pay more in their share of Federal taxes than they will receive under the provisions of this bill. This is perhaps not a vital argument on the subject of Federal aid, but we do feel that the public should have information as to where the money comes from and the meaning of each person's sacrifice in terms of their financial standing, resulting inflation, and the size of the national debt. Congress, we need not point out, has recently increased the national debt ceiling once more to a figure of $298 billion.

Fifteenth. In summing up, we have tried to be positive in studying Federal aid to education and in making concrete recommendations on this subject. The American public should also analyze the issue and make their views known to their elected Representatives in the U.S. House of Representatives. We are disturbed by the complete absence of justification for this bill on a basis of need or any other criteria.

As an alternative, we would hope that the House Ways and Means Committee would consider the return of a portion of revenues to State and local jurisdiction, or the proposals such as those advocated by Representative POFF to authorize credits against the Federal income tax for new prospective State and local taxes imposed for school purposes. One or more of these alternatives might well stimulate additional effort in the educational field at the local level with the Federal Government standing by only as an assisting partner.

John Ruskin once said that:

I hold it for indisputable, that the first duty of a State is to see that every child born therein shall be well housed, clothed, fed and educated, till it attain years of discretion. But in order to the effecting of this the Government must have an authority over the people of which we now do not so much as dream.

We strongly oppose such authority. We firmly support local control of education, in light of past experience, present needs, and future prospects in America. In this way, we will continue to have an educated populace as well as a free citizenry.

Following are the prepared papers used as background material for this report:

EDUCATION WITHOUT FEDERAL AID

(By M. Norvel Young, president, Pepperdine College, Los Angeles, Calif.)

Pepperdine College has rejected financing for our dormitories available through the Federal Government at 4⅛ percent interest over 40 years and is instead financing two new dormitories by private bond issues to our friends at 6 percent interest over 20 years. Our board of trustees has taken this stand because of its belief in the value of maintaining freedom from eventual centralized control of higher education in the United States. Let me read you a portion of the statement which the board issued at the time it reached this decision which has attracted wide editorial comment:

"Believing in the fundamentals of personal initiative, decentralization of Government, personal integrity, and in opposition to the growing trends toward collectivism, the board of trustees rejects the concept of Government loans for financing college construction and chooses to meet the needs of the increasing student body with private financing." The board went on to state that although the cost of interest financing would be higher through private sources, it was believed the cost would be justified if this action "encourages other institutions to reject the increasing trend of dependence upon the Federal Government to solve education's problems."

What will education be profited if it gains billions of dollars in Federal aid and loses its own freedom? What should a teacher or a school give in exchange for its freedom? The history of 19 out of 21 notable civilizations studied by Arnold Toynbee points out that "they died from within and not by conquest from without." Great Republics like those of Greece and Rome gradually exchanged their local freedom and its responsibilities for more and more centralized control and its promised protection and aid. They became less and less free and finally they lost both freedom and aid.

Of course, this is not to minimize the tremendous needs of higher education and of education at the secondary and elementary levels. Reliable estimates indicate that college enrollment will increase from 3,800,000 to 6,500,000 by 1970 if not a year or two sooner. These projections are made on the basis of students already in elementary and secondary schools. New construction is needed and more teachers are needed. Teachers' salaries are low compared with the income of those with equivalent training and experience in other fields. We are in a keenly competitive race with the Communist countries and America needs the best education possible for its youth. This is all granted, but does it add up to the necessity of taking our educational problems to Washington for solution? No. I believe that this critical problem needs more creative thinking and more dedicated effort on the part of all segments of our great society.

Money alone is not the whole answer. The solution must be consistent with the values we Americans hold dear. The answer or answers we find must preserve and enlarge our individual freedom, maintain the important place of the family in our educational process, respect the rights of the individual teacher and student and parent. Federal aid may appear to be an easy answer to the need for immediate funds, but is it the answer that will improve our education in the long run, i.e., education for freedom?

Here are some specific reasons why we believe in improving our educational process without Federal aid:

1. Basically Federal aid always means Federal control. In the face of increasing Federal controls in so many aspects of our personal lives, we would be naive indeed to think that the Federal Government can appropriate the more than $9 billion which is currently being proposed for the next 4 years and not regulate how it is spent. As Justice Jackson stated in a Supreme Court decision regarding controls in agriculture: "It is hardly lack of due process for the Government to regulate that which it subsidizes."

There are, for example, 12 direct controls under the National Defense Education Act of 1958 and this is but a drop in the bucket of the amount of money and of the extent of controls which will be forthcoming in the decades ahead if we do not reverse the present trend. The National Defense Education Act definitely affects the curriculum and the emphasis of the schools which are aided. The granting or withholding of large amounts of money has a way of influencing the thinking of the most resolute and independent administrator.

In fact even the prospect of billions in Federal aid has influenced educational leaders to begin setting up more powerful machinery to influence Congress and to insist on more conformity by the rank and file of educators. In a recent issue of Higher Education and National Affairs issued by the American Council on Education, it is stated that there are difficulties in projecting the impression of unity among educators to Members of Congress: "Congressman interested in specific pieces of legislation frequently appeal directly to college and university presidents for opinions. Unfortunately, many of the presidents are so pressed with other business that they neglect to read the bulletins and newsletters that come to their offices; hence they do not know that higher education has a position on the issue, even if all the national organizations, through their existing machinery, have actually reached agreement. It is easy for any individual Congressman or group of Congressmen to secure large numbers of letters that make the record of a committee hearing seem utterly chaotic." [1]

If this trend toward conformity is evident prior to the substantial new Federal aid to education which is being promoted at the present time, how much more pressure to conform can be expected 10 or 20 years from now when $5 or $10 billion a year may be dispensed from Washington? Let us not forget that education is reserved to the States by the 10th amendment to the Constitution.

In the midst of our current crisis I fear many sincere educators are like the lady who came to her butcher late one day just prior to a long weekend. She wanted a fryer and the butcher had only one picked-over fryer left. He put it on the scales and said: "Two and a quarter pounds, how is that?" She said: "I must have one a little bigger." He took the same fryer, thrust it under the counter for a moment, then brought it up again and put it on the scales. "Two and a half pounds," he said. "Fine," she said. "I'll take them both." In like manner, many in education want both our freedom and billions in Federal aid, but we may find in the years ahead that only one without the other was attainable.

2. Federal aid is objectionable because it will reduce local and private responsibility for the education of our children and our young men and women at the college and university level. There is a kind of "Parkinson's law" that "interest diminishes as responsibility is removed." The primary responsibility for the education of our youth is upon the home. The family is still the basic unit of our society. The closer the education of our youth can be kept to the home, the longer we will preserve our freedom. The trend has already developed for the average American parent to take little or no responsibility for the normal education of his children. This, the average parent has come to believe, is instead a job solely for the "professionals." More responsibility is ultimately being transferred from the local school board and placed in the hands of the State. Ultimately, this trends toward removing responsibility from the State and placing it upon the Federal Government.

3. The prospect of Federal aid also undermines and deactivates interest in solving the problem at the local level. The White House Conference on Education in 1955 found that "No State represented has a demonstrated financial incapacity to build the schools it will need during the next 5 years." Approximately 230 of the more than 42,000 school districts in America have reached their bonded limit. Our citizens are taking responsibility at the local level and would do more with the proper public promotional effort and if the prospect of the Federal Government stepping in to assume these responsibilities were not an inducement to inaction at the local level. Between 1949–50 and 1959–60 there was an increase of 38 percent in school population and an increase of 124 percent in revenues raised for schools. Let us stimulate and encourage local and private responsibility rather than discourage it by saying to those citizens who are willing to sacrifice for their children's education: "You are foolish. Why don't you relax and let the Federal Government do this for you."

Of course we all know that the Federal Government has no money which does not come from taxing citizens. It is more expensive as well as more dangerous to our freedom to tax and spend from Washington than from the local levels. It is interesting that some of the most avid proponents of Federal aid are from the States with higher incomes. They claim that they must have it for their own State even though they recognize that their States will not get back

[1] Higher Education and National Affairs, vol. X, No. 1, Jan. 6, 1961.

in grants anything comparable to the amount of additional taxes the citizens must pay. If their interest is in the low-income States it is not apparent from their arguments. Surely some way can be found to help those States or communities which need more than others without shackling our entire Nation with a system of support for education which holds such dangers as Federal aid.

4. The last objection which I will mention, although certainly these are not the only ones which could be listed, is this: Federal aid will tend to break down our historic separation of public and privately supported education or it will further increase the disparity between the support of the two systems. I believe in the values of our dual system of education. We need the tax-supported and the voluntarily supported schools and colleges. They complement each other and serve as a check upon each other and help to assure our continuing freedom of speech, of religion, of education. The wide variety of educational opportunities possible under our dual system is calculated to serve us well in the changing world we face.

Federal aid which is restricted only to tax-supported schools will increase on individuals and corporations which are now voluntarily supporting both tax-supported and voluntarily supported schools. Private education needs more voluntary support, and such support is growing. In 1960 corporate aid to education topped $150 million, and it is growing rapidly. If this aid is restricted to tax-supported institutions, it will add impetus to the present trend for more and more education to rely upon tax support.

A few years ago 80 percent of our higher education in the United States was supported by voluntary support. Today in California 80 percent of our higher education is paid for by taxation, and the trend indicates that this will soon be the picture for the entire Nation. Within 20 years some students of our educational picture predict that no more than 10 percent of higher education will be independently supported. We believe in our dual system and believe it is to the best interest of our Nation for a healthy balance between tax-supported and voluntarily supported education to be maintained.

On the other hand, if Federal aid is given to both tax-supported and independently supported institutions, we run the grave danger of breaching the historic wall which separates church and state in the case of the church-related schools. We also run the grave risk of robbing the private institutions of their independence as they become more and more dependent upon more and more Federal aid. The economic pressure upon private schools and colleges is tremendous today. What will it be in the decades ahead if Federal aid is granted in billions of dollars to those institutions which are willing to submit to Federal control?

Now let us turn to a few suggestions as to what can be done to help solve our problems in education without Federal aid. Time forbids that we go into detail, but here are a few suggestions:

1. Parents can become more concerned about the needs of schools in their own districts and take more interest in school board elections, in PTA work, in support of local or State bond issues. Businessmen need to be alerted to the importance of more support for teachers and proper housing for an expanding army of students.

School revenues have increased three times as fast as school population in the last decade and we have not begun to exert the influence which can be exerted to do a better job at the local level. If the same amount of time and effort were expended to stir up concern at the local level as has been spent to stir up pressure for Federal aid we would be showing much greater progress. It is easy to pass the buck to Washington, but it is much safer and more in harmony with our American ideals to let down our buckets where we are. The money can come from no other source than the taxpayer. Let's raise it at home and spend it there so that we can see the results and receive the satisfaction of seeing it improve the quality of instruction.

Money alone, of course, will not do all that is needed to make our educational system what it should be. We need the dedicated and inspired teacher working with the devoted parent in a teamwork situation which will emphasize personal initiative and individual achievement on the part of the student.

2. Much more voluntary support needs to be given by individuals and corporations and foundations. Irving S. Olds has expressed the growing conviction of more and more businessmen: "Unless American business recognizes and meets its obligation to higher education, it is not properly protecting the long-range interest of its stockholders, its employees and its customers." More and more corporations are recognizing the enlightened self-interest of voluntary corporate support of higher education. Many have set a goal of 1 percent of income before taxes as was first proposed by a group of corporate heads in Cleveland, Ohio. This could bring in $500 million each year.

The Council for Financial Aid to Education has done an outstanding job of stimulating concern for voluntary support to education. This type of activity could be multiplied with the wholehearted cooperation of teachers, parents, and professional leaders, labor leaders as well as leaders in industry. It is not as easy to do as to pressure for Federal aid, but freedom is never easy nor cheap. There is more money in the stewardship of foundations than ever before. Bequests for education are at an alltime high. Surely we can step up this voluntary support. If any action is undertaken at the national level, why not let it be the encouragement of voluntary support by giving tax credit or tax exemption for larger gifts by corporations and for tuition paid by individuals. Surely there are ways of stimulating more voluntary aid that can result in more funds being made available to schools without opening the door to control by the Federal bureaucracy.

President Eisenhower, in his farewell address, stressed the danger of our Nation's scholars being dominated by the Federal Government through the necessity for large sums of money for research: "The prospect of domination of the Nation's scholars by Federal employment, project allocations, and the power of money is ever present—and is gravely to be regarded. Yet, in holding scientific research and discovery in respect, as we should, we must also be alert to the equal and opposite danger that public policy could itself become the captive of a scientific-technological elite."

3. If there are, as contended by some, those school districts that are too poor to do an adequate job of education, may we suggest that aid be given by a concerted effort on the part of foundations and corporations and possibly even by direct aid from wealthy districts or States. This may sound unrealistic, but Americans are spending millions for causes that are no more worthy. The proper promotion of an aid to underprivileged school districts could result in millions of dollars in support without Federal control. Many of the school districts which are not giving adequate support would take a searching new look if they realized that their needs were the concern of others. Many of them could do better if they would. There is room here for some creative thinking and the challenge can be met without sacrificing local control and undermining local responsibility.

The battle for freedom is being fought with ideas and ideals. It is not now a battle of military strategems and objectives so much as it is a battle for the minds of men. Our Nation has led the world in producing products for a better life. We must lead out in the realm of ideas and ideals. As Dr. Laurence Gould has aptly stated it: "I do not believe the greatest threat to our future is from bombs or guided missiles. I don't think that our civilization will die that way. I think it will die when we no longer care—when the spiritual forces which make us wish to be right and noble die in the hearts of men." We can provide the best education in the world for our youth and we can do it without sacrificing our traditional freedoms and opportunities for personal achievement. We can maintain and enlarge our freedom as we meet the challenge of educating the youth God has given us.

Pepperdine College turned its back on Federal financing because it hoped that it could by so doing "light a candle" in the encircling gloom of increasing Federal intervention. It is "better to light a candle than to curse the darkness." It is hoped that this action will set a precedent which might cause others to rely on their own resources and initiative rather than resort to the sometimes easier but infinitely more potentially hazardous route of Federal subsidization. If this action helps to lead others toward the traditional course of self-reliance and away from the proliferation of Federal bureaucracy and Federal supervision, we shall have been amply repaid for our course of action.

Fallacies of Federal Aid to Education

(Address by Ernest L. Wilkinson)

In addressing the subject of Federal aid today, I must state at the outset, as ought to be evident from my position, that I oppose a mammoth program of Federal aid, not because I am opposed to furthering our educational opportunities and institutions, but because in the long run I believe Federal aid would be injurious to our Nation and to our educational advancement as well. I propose, therefore, in the short time at my disposal, to show that the reasons advanced for Federal aid are largely fictitious; that Federal aid is not necessary; and finally, that there are great dangers in Federal aid.

Mammoth need for Federal aid

The case for a mammoth program of Federal aid for elementary and secondary schools is based upon the theory that there is a growing need for Federal aid to take care of classroom shortages and to increase the number of teachers. The facts are, however, that contrary to a lot of propaganda, the deficiency of both classrooms and teachers is diminishing. (See Roger A. Freeman, "D-Day for Federal School Aid?" Social Order, April 1960.) Let us examine first the alleged increasing classroom shortage.

In 1954 the U.S. Commissioner of Education, relying chiefly upon a wildly exaggerated school facilities survey conducted under President Truman's order in 1951 and finished in 1953, testified to a deficiency of 370,000 classrooms in our elementary and secondary schools—a deficiency which he expected would increase. Not to be outdone, in 1955 the Democratic chairman of the Senate Committee on Labor and Public Welfare predicted that by 1958 there would be a shortage of 600,000 classrooms.

In 1959, however, the U.S. Office of Education canvassed the State departments of education regarding the existing shortage. The replies showed a shortage of only 132,400 classrooms. This certainly was not understated, because the replies came from State superintendents of public instruction. While there may have been some variance in the way they were made up in the various States, they certainly do not show a declining shortage. Further evidence shows that during 1954–59, while enrollments in our

secondary and elementary schools increased 20 percent, the number of available classrooms increased 30 percent (an increase of classrooms in use from 983,000 to 1,279,000).

In December 1959, the Chief of the Projection Section of the Office of Education estimated the construction need in the ensuing 10 years at 61,000 classrooms annually, whereas over the past 5 years we have built 66,740 classrooms per year. And of even more importance, the evidence is clear that within 2 years the annual enrollment increases in the elementary and secondary schools will begin to decline. These figures cannot be challenged, for the children are already born. These facts, I submit, demonstrate that the propaganda that our classroom deficiency is increasing is nothing but a myth.

Now let us examine the claim that the dearth of teachers is inevitable and that Federal aid is necessary to obtain teachers. On this assertion the first fact we should notice is that the student enrollment curve is flattening out, and we shall not need the same increase of teachers as we have needed. The average annual increase in school-age population (5 to 17 years) from 1955 to 1960 was 1,494,000; but from 1960 to 1965, this rate is expected to drop to 1,145,000; and from 1965 to 1970, the rate is predicted to fall to 644,000 or less than one-half our present rate of increase. Obviously, with fewer children, fewer teachers will be needed in the future.

The second fact to notice is that the teacher shortage is directly related to the attitude on class size. In 1900, a teacher taught 36 pupils; by 1930, the ratio had declined to 29; and in 1958 it was estimated at 25. By 1970, if present trends continue, the ratio will go to 23 or lower. So far there is no authoritative proof that this diminution of class size is necessary.

In the third place, the U.S. Office of Education has varied its teacher shortage estimates so much that their accuracy is subject to serious question. For 1958 to 1959 the U.S. Office estimated a shortage of only 132,000. But this was later revised to 182,000.

For 1959 to 1960 the U.S. Office estimated a total of 195,000. We do not know whether this will be revised. But we do know that between 1953 and 1959 when, according to the Office of Education the teacher shortage grew from 72,000 to 195,000, the certified staff in the public schools increased 34 percent, the number of children increased only 25 percent. When we know that the certified staff increased much faster than the number of students, it is difficult to believe the shortage is increasing.

In the fourth place we should note that the outlook for the teacher supply is highly reassuring. The percentage of all college graduates who prepared for teaching has risen from 21 percent in 1948 to 32 percent in 1959, and the number of college graduates is projected to double between 1958 and 1970. So if the percentage of students choosing a teaching career is only maintained, we shall double the supply of new teacher graduates.

On the other hand, the annual pupil enrollment increases will shrink to half during the 1960's. This means, then, that the demand to meet higher enrollments will be cut in half, while the supply of new teachers will double. On these facts I submit that there is no need for the great alarm that lies at the basis of the present drive for Federal aid.

EQUALIZATION OF EDUCATIONAL OPPORTUNITY

The second reason advanced for Federal aid is that such aid will equalize the educational opportunities among the various States, which at the present differ widely in their economic ability to provide proper education for elementary and secondary students. This, I should state, was the original theory advanced for Federal aid. But this type of Federal aid—aid to poor States or poor districts, without any Federal aid to the rich States or rich districts—is politically impossible.

Congressmen will never pass a general Federal aid act which will tax the citizens of their own States to pay the educational bills of other States. Bills for Federal aid have been pending in Congress since 1875, but none has every been enacted.

Methods to aid the low-income States were developed in the famous Taft bill (S. 472, 80th Congress) and in formulas devised in 1954 by the Legislative Reference Service of the Library of Congress. But the Taft bill did not reach the floor until a flat per-pupil grant to all States had been added. And if Federal legislation granting the same amount to every student in every State is passed, obviously it does nothing to equalize educational opportunities.

Representative CARROLL KEARNS, of Pennsylvania, stated a realistic legislative situation in January 1955, by pointing out that flat-grant Federal aid plans are not efforts to help some boys and girls in areas with insufficient educational opportunities, to eliminate some of the educational slums, or to provide assistance to States which are unable to provide schools, but are pork barrel schemes, plain and simple. ("Emergency Federal Aid for School Construction," hearings, Committee on Labor and Public Welfare, U.S. Senate, 84th Cong., Jan. 25, 28, 31, p. 202.)

Roger Freeman, in writing of the Kelley bill before Congress in 1955, a bill which would have allocated $11.30 per school-age child per year to all States, asserted: "If enacted, this bill would do little to help cure school building shortages. About half the Federal appropriations—$764 million—would go to the 14 wealthiest States. Only one-fourth—$412 million—would go to the poorest States. This method of allocation obviously is motivated not by the extent of school building needs, but perhaps by a strategic consideration: the 14 wealthiest States control 53 percent of the votes in the House of Representatives, the 14 poorest States only 23 percent." (Roger A. Freeman, "Federal Aid to Education—Boon or Bane?" American Enterprise Association, Washington, D.C., 1955.)

In January of 1961 a special education task force, appointed by President-elect Kennedy and headed by President Frederick L. Hovde of Purdue University, attempted to solve this dilemma by proposing the following equalization scheme ("Here's the Latest on Aid to Schools," U.S. News & World Report, Jan. 23, 1960, p. 59):

1. Each State would get a flat grant of $30 per pupil per year.

2. States where personal income is less than 70 percent of the national average would get supplementary grants of $20 per pupil per year.

3. At the same rate ($20 per pupil per year), supplementary grants would be given to cities of more than 300,000 population with grave and unique educational problems.

As to this proposal, it is of course self-evident that the basic grant of $30 for every pupil in every State would do nothing to equalize educational opportunities. And based on 85 years of history in the Congress, the effort to give a supplementary grant to States of lower income has doubtful chance of passage.

If it should pass the Congress, this program would cost the taxpayers the staggering total of $9.2 billion over the projected 4-year period. Of this sum about $6 billion would be earmarked for school buildings and teachers' salaries.

In the next place, it should be noted that the need for attempting to equalize the economic income of the various States is fast diminishing. Granted that at one time there was a great difference in the per capita wealth and in the economic productivity of our various States, our modern industrial development and the increasing mobility of our population is fast doing away with these differences. The fact is that the variations in capacity to pay among the States is being constantly narrowed. Between 1940 and 1953 the per capita income in the 12 top income States rose 37 percent in dollars of constant value; in the lowest income States it increased 96 percent. (In 1940 the per capita income in the highest income States was 4¾ times what it was in the lowest income States. As of 1954 there were still some States in which the per capita income was 2¾ times what it was in other States, but the margin is being constantly reduced.) (See Roger A. Freeman, "Taxes for the Schools," Institute for Social Science Research, Washington, D.C., 1960, pp. 126–142.)

Between 1940 and 1953, two-thirds of the 3.3 million increase in school-age children were concentrated in the 12 top income States; half of the lowest-income States had decreases in the number of children, while the other half had only slight increases. This was due to two facts:

1. There has been a vast migration from the poorer regions to the wealthier sections of the country;

2. The birthrate rose almost three times faster in the high-income States than in the low-income States.

School conditions improved much faster in low-income States. Between 1938 and 1954 teachers' salaries rose only 28 percent in dollars of constant value in the 12 top States; they rose 101 percent in the 12 lowest States.

Current school expenditures in the 12 top income States in 1953 equaled 3.4 percent of the total income after taxes; in the 12 lowest States the comparable figure was only 4.2 percent of the total income after taxes, a difference of only eight-tenths of 1 percent. Considering the fact that in the wealthier States a large percentage of students were educated in private schools, the overall educational effect was just as great in the wealthier States.

The total State and local tax burden is about the same in the high-income and the low-income States. In 1953 State and local taxes in the 12 top-income States equaled 9.4 percent of their disposable income (income after taxes), and in the 12 lowest income States 9.6 percent of their disposable income—a difference of two-tenths of 1 percent.

Moreover, Federal grants to States would not solve the educational inequality existing within the respective States, for even in the wealthy and poor States, equalization within their boundaries is not and, in the nature of things, cannot be practiced. In every State a substantial share of State school funds is now distributed to all areas of the State regardless of the fiscal capacity of the various school districts. Here also prospects for improvement are not bright. Even in the so-called wealthy States equalization becomes a political football and no legislator will support any State-aid program which gives State aid to other districts and does not give the same aid to his own district or constituency. (Roger A. Freeman, "Taxes for the Schools," Institute for Social Science Research, Washington, D.C., 1960, pp. 328–348.)

Because of these political and practical difficulties of equalizing educational opportunities by Federal aid, the modern theory advanced for Federal aid is that the Federal Government has a broader taxing power and can better afford to finance our schools than can the States. A twin sister of this reason, which really motivates educational administrators, is that it is easier to persuade national legislators (who are 2,500 miles away and while they don't know local needs are nevertheless more interested in education) than it is to persuade State

legislators (who, while they know the local needs, are presumably less interested in education, or at least not as willing to put up as much money). In a recent debate which I had with Mr. Allan West, executive secretary of the UEA, he founded his plea for Federal aid, not on equalizing opportunity, but on this political basis. (Bountiful PTA, Jan. 19, 1961.) This, of course, is an abandonment of the original premise for Federal aid; namely, that it would equalize educational opportunity.

At the October 1954, school construction hearings of the House Education and Labor Committee, the executive secretary of the Council of Chief State School Officers, who was one of those writing the White House Conference report favoring Federal aid, testified, "* * * the trend of thinking is toward the flat-grant idea and away from the other idea of extreme equalization." When asked how he rationalized this position, he replied, "We all rationalize, but I hate to admit it."

THE FEDERAL GOVERNMENT HAS "MORE MONEY"

Now let us examine the argument that the Federal Government can better afford to pay our educational costs than the States. Before getting to the facts, let me state at the outset that no more specious argument has ever been made in our political history.

Many of us are not yet fully aware of the serious plight of our Federal Government. For example, at the present time, the Federal indebtedness of our country for present and accrued liabilities exceeds $750 billion—the equivalent of $4,100 for every man, woman, and child in the United States. (Address of Hon. Maurice Stans, Director of the Budget, before the Executive Club of Chicago, Jan. 29, 1960.)

Obviously, it is high time the Federal Government put its own financial house in order before assuming untold new financial responsibilities. We are rapidly doing exactly what Stalin and Khrushchev have told us we would do; namely, spend ourselves into bankruptcy. Lenin, the interpreter of Marx has said, "The way to destroy capitalism is to debauch currency. Through a continuing process of inflation a government can quietly and unobservedly confiscate the wealth of its citizens." In 1923 he further said, "* * * first we will take Eastern Europe, then we will organize the masses of Asia, and finally the United States, the last bastion of capitalism, will be surrounded and we will not have to take it. It will fall into our outstretched hands like over-ripe fruit." ("Communism on the Map," National Education Program, Searcy, Arkansas, 1960.)

More recently, in commenting on the future of America, Mr. Khrushchev, the latest Soviet dictator, said, "Your grandchildren will live under socialism." Previous to that statement, he said, "We will bury you," to a group of Western diplomats in Moscow. ("Khrushchev's Purge and Our Grandchildren," New York Times magazine, July 14, 1957, p. 5.)

In contrast to the Federal picture, total State and local indebtedness now amounts to only $62 billion, and some States have no indebtedness of any kind. This is less than 10 percent of the present and accrued liabilities of the Federal Government. (See Roger A. Freeman, "Taxes for the Schools," Institute for Social Science Research, Washington, D.C., 1960, pp. 179–199.)

In 1932 (the year F.D.R. was elected) the Federal debt was equal to only 20 percent of the national income; today it is equal to 80 percent of the national income. This debt, based on national income, has multiplied four times. Also, in 1932 the combined State and local debts were equal to 20 percent of the national income; today they are equal to only 14 percent of the national income; the debts of the States have decreased percentagewise 30 percent. But in 1958 the Federal Government debt, amounting to 80 percent of the national income, was nearly six times as high as the combined State and local debts. Note that there has been a great change in debt positions. In 1932 each owed 20 percent of the amount of our national income; now the Federal Government owes 80 percent; the States onl 14 percent. Which is, therefore, in a better position to pay?

A comparison of Federal and State taxes tells the same story. During the 1930's the Federal taxes averaged only 6.8 percent of the national income; at the end of 1958, even though the national income had more than tripled, the annual Federal taxes were 19 percent of the national income—an increase percentagewise of roughly 300 percent. In dollars and cents it represented an increase of $65 billion.

During the 1930's the State and local taxes averaged 11.3 percent of the national income; in 1953 they equaled only 11.4 percent or essentially the same. Stated in round figures, the Federal Government in the 1930's collected less than two-thirds as much in taxes as the States and local governments; in 1958 the Federal Government collected nearly twice as many taxes as all the States and local governments.

With this increased indebtedness and taxes on the part of the Federal Government, we have the following significant results:

1. The interest paid on the national debt by the Federal Government represents 11 percent of the entire national budget. The interest paid on State debts represents only 1 percent of all State budgets and only 3 percent of all local budgets.

2. During the 1930's State and local taxes on property equaled 12 percent of the national income; today they represent only 3.8 percent of the national income. We can afford to pay more this way than formerly.

3. There were times when the States had to borrow from the Federal Government. Now this is reversed. On June 30, 1954, State and local governments had loaned nearly $14 billion to the Federal Government.

When the U.S. Office of Education canvassed the chief State school officers in January 1960, it discovered that out of a total of 40,600 school districts in the country, only 237 (which needed 3,086 classrooms) reported to be borrowed up. (Roger A. Freeman, "D-Day for Federal School Aid?" Social Order, April 1960.) Furthermore, almost all of the big enrollment increases are taking place in the wealthier States; low-income States are experiencing an outmigration and tend to lose population.

In the light of these facts it is compeltely asinine to urge that the Federal Government should now take over the burden of education, which in our country is the last bastion of States rights and responsibilities. Many, however, are willing to shut their eyes to the financial realities of our Government and still urge, "Well, regardless of our national debt, it is still easier to get money for education in the Nation's Capital."

This reminds me of the recent story of a felon who was being released from prison for the 10th time after his 10th bank robbery. An interested psychologist decided to interrogate him on his release from prison. The first question asked was, "Why do you always rob banks?" The answer was disarming: "Because that's where the money is!"

The trouble, however, with that philosophy as applied to Federal aid is that the Government doesn't have the money. And it can get more only by increasing your taxes and mine. As for me, if it is necessary to have my taxes raised, I would prefer to pay it at home, where we know how our money is spent, rather than in Washington, where bureaucracy has grown so big that even the Congress often cannot find out how it is spent. Certainly the poor taxpayer has little opportunity to know or find out.

My own judgment is, certainly in this State, that if educators have a proper case for additional school funds, the legislators will give it to them. And if they don't, it is time for educators to marshal the facts and do a better selling job locally.

FEDERAL AID WITHOUT FEDERAL CONTROL

In addition to the diminishing need for a massive program of Federal aid, the further fact that such aid will not per se equalize our educational opportunities, and finally, the fact that State governments are in a better position than the Federal Government to finance our schools, there are certain fundamental affirmative objections to any such program.

The first of these is that such a program would be contrary to the spirit of our Constitution and run counter to our whole history. Our Constitution is supposed to be one of delegated powers; all powers not delegated to the Congress are reserved to the States and the people. Nowhere in the Constitution is there any delegation of this power to the Federal Congress. To now have Congress assume unto itself this power would just about end any system of federalism; certainly this would remove from the States one of their great segments of governmental power.

The second objection is that the granting of Federal aid would result in Federal control, which would be very unwise.

I know that nearly every proponent of Federal aid insists that he is against Federal control and that Federal control will never result; further, that existing bills state that there shall be no Federal control. But the answer is that the action of one Congress is never binding on another and that the appropriation of huge sums of money by one Congress is certain to result in Federal control by another. In fact, if Congress puts up the money, it ought to control. The assertion that there will be no control is contrary to our experience in all other fields in which Congress puts up the money.

Our experience with the large Federal programs in highways, urban renewal, farm support, public welfare, etc., demonstrates that controls gradually tighten as the Federal share increases, as conflicts arise between Federal and local officials about the most effective use of the funds, and as abuses occur which lead to public scandals. The State of Utah has already found out that because it takes Federal highway funds, its highway employees are subject to Federal laws with respect to political activities. Can anyone say that the Federal Government puts up billions for agricultural subsidies and yet has no control thereover?

Our congressional Representatives, if they advance funds, have a definite responsibility to demand an accounting for all Federal funds expended—no matter what the purpose.

For those educators and politicians who think there will be no Federal control, let me read the testimony of authorities on the subject. In 1957 the chairman of the House Education and Labor Committee, Representative Graham Barden, declared: "You will hear it said there has not been any Federal control or interference through Public Law 815, the Federal-impacted area bill. I tell you there has been some of the most horrible illustrations of interference and wrongdoing under that bill that you can imagine, and I challenge anyone to deny that statement." (CONGRESSIONAL RECORD, vol. 103, pt. 9, p. 12483.) If there can be abuse and control in a small Federal program for federally impacted areas, what kind of control would there be if the Federal Government contributed to every school district in the country?

Mr. Barden's predecessor as chairman of the House Education and Labor Committee, the late Representative John Lesinski, Sr., also stated:

"It is impossible to draft a general Federal-aid bill which will not contain a great

deal of Federal control over local school systems. * * * I am convinced, after the hard study we have put to the question, that no acceptable bill preventing Federal domination of local schools can be drawn. I reluctantly came to the conclusion, but I had to face the facts." (CONGRESSIONAL RECORD, vol. 103, pt. 5, p. 6348.

For the benefit of educators, let me quote the testimony of a former U.S. Commissioner of Education, Dr. John Tigert. In 1934, he wrote:

"My experience in handling Federal subsidies for education under the limited acts which are now in existence has taught me that you must have misappropriation of funds and waste. * * * Reason and experience both indicate that Federal money cannot be expended wisely and efficiently except by exercising Federal control and supervision; even then there is considerable waste. * * * If we embark upon a program of turning over Federal money to schools without any strings attached, it is only a question of time until the waste, extravagance, and misuse of these funds will result in a reaction or a change. The alternative is Federal control." (John J. Tigert, "The Real Peril of Federal Subsidies," Nation's Schools, July 1934.)

Let me also quote the statement of Dr. Samuel M. Brownell, made in 1939, long before he became Commissioner of Education.

"On the one hand, we have presented to us arguments that there will be no Federal control accompanying Federal aid. Alongside, we find evidence showing the inadequacy and inequality of education in States able to support a good educational program, and evidence of inefficient or inadequate efforts by these States to eradicate inequality and inefficiency within their borders. If there is to be little or no Federal control accompanying Federal aid, what right have we to expect a major improvement of the education within States under the same leadership that they now have? Thus, if Federal aid is to bring about better schools, it seems apparent that there must be some Federal control." (Samuel M. Brownell, "Shall It Be 'Yes' or 'No' on Federal Aid?" School and Society, vol. 49, May 27, 1939, p. 669.)

When, during New Deal days, emergency programs channeled funds for school construction and other activities directly from Federal agencies to local school systems, the National Educational Association and the American Association of School Administrators recognized the link between the source and control of funds:

"Increasing federalization of education has also been brought about in recent years by groups anxious to secure public funds for various undertakings and purposes. Washington has furnished a setting favorable to the accomplishments of their ends. Through political maneuvering they have been able to obtain Federal funds for undertakings and purposes which the States and localities have not been willing to finance." (Federal-State Relations in Education, NEA, 1945, p. 15.)

In 1959 Dr. James B. Conant, former president of Harvard University, stated his belief of the likely results of Federal aid:

"To imagine that recurring appropriations of this magnitude can be made without careful budgeting on the part of the administration seems to me to be the equivalent of imagining completely irresponsible government. Careful budgeting will mean, in turn, a strong executive agency which must have access to a mass of factual information about the educational situation in every State. * * * The educational committees of the House and Senate will have every reason to examine into details of curriculums and school organization, much as committees of the State legislatures now do from time to time. Certainly, a new chapter in American public education will have opened." (James Bryant Conant. "The Child, the Parent, and the State," Harvard University Press, 1959, p. 56.)

The third positive objection is that Federal aid will tend to do away with local creativeness and responsibility, and transfer that responsibility to the Federal Government. It would set a sinister example for our youth, and for the American public in general, by declaring that the way to get what we want is to run quickly to Washington.

Gov. Arthur B. Langlie, of Washington, said in an address to the American Assembly on October 15, 1955:

"Instead of squarely facing our responsibility of paying for the things we want, we seem to be getting into a free-for-all scramble to evade the painful duty, in the hope that the squeeze may be put on somebody else. Too many still believe that we can eat our cake and have it, too. This unhealthy trend is being fanned by shrewd promoters who claim that they have found the secret for which the alchemists had been seeking in vain, that they can get for us something for nothing—not by making gold, but by the device of so-called Federal grants-in-aid. To the uncritical onlooker, they seemed to prove their point that we can hitch on to a rainbow and ride to the sky. * * * The most dangerous trend—harmful not only to the States, but to our whole system of free government—has been this tendency to evade individual and collective responsibility. It corrupts the civic morale, and erodes the feeling of personal accountability among public officials." (Arthur B. Langlie, "Stronger States in the Federal Union. Why and How," State Government, December 1955.)

I have cried out in the past against other segments of our so-called civilization supinely running to the Federal Government for aid. I don't want my own profession to do the same thing.

According to Adm. Ben Moreell, board chairman of Jones-Laughlin Steel Corp.:

"The industrialist, says the politician, is venal and self-seeking; the politician paints the industrialist as a greedy monster; the teacher, the minister, the doctor, the workman—all point the finger of criticism at other elements in our body politic.

"We are torn by internal dissension. Each one denounces special privilege and government largesse—for the other fellow. But when it touches his own interest, he rationalizes his special privilege as being 'for the public welfare.'

"We businessmen look for Government subsidies or loans when we are unable to obtain funds from private sources. The farmer wants a guaranteed income, subsidized electricity, irrigation and tools. The workman wants a subsidized house, food, medical care, retirement and burial. The doctor is opposed to these things but wants subsidized training, research and laboratories. The educator points out the deplorable lowering of moral standards resulting from Government handouts—and suggests that the Government subsidize his university. The scientist implores Government to provide funds for research 'essential to the common welfare.'

"The young people want government to provide them with an education, a job and a pension. The old people are content, for the moment, with generous retirement provisions.

"Over all looms the confident politician who is sure that appeals to self-interest constitute the winning ticket—so much so that the Democratic National Committee's booklet on the Brannan farm plan in a past election was issued under the title, 'What's in It for You?' Apparently with complete assurance of an eager welcome by both farmers and consumers." (Adm. Ben Moreell, The Admiral's Log II, Intercollegiate Society of Individualists, Philadelphia, 1960, pp. 185–186.)

Parenthetically, may I say that one of the tragedies of our time is that since the National Education Association has revised its historic policy of long standing against general Federal aid to education and has launched a nationwide campaign for wholesale Federal aid to education, not many teachers have dared criticize others for supping at the public trough. As educated people they realized that they have to maintain some semblance of consistency. Therefore, the pot cannot call the kettle black.

Thus the vicious spending cycle gains momentum with each additional raid on the Public Treasury. The confessed reason why most educational administrators are in favor of Federal funds is that it is easier to convince our national legislators, 2,400 miles away, that we need more money for our educational purposes than it is to convince out State legislators. My own deep conviction is that if we have a good case for additional expenditures, our local legislators and local boards of education will provide the money. And anyone who seems to think that we don't have to pay if Washington appropriates the money needs some kind of a mental examination.

My major fear is that a massive Federal entry into education would be very dangerous to the American principle of local autonomy. The rapid expansion of grants-in-aid for various purposes already has shifted much control to Washington. Our local school, therefore, is a fortress of home rule which should be defended against Federal encroachment.

Consequently, opponents to Federal school aid believe "that once this dam is breached, there will be no holding back the floods, that the Federal Government will assume an ever-growing role in education and in other State and local activities * * * in a few decades with the further growth of Central Government financing of State and local activities, nothing may be left of our Federal system of Government with its Union of strong and self-propelled States except a few empty symbols and rituals and a nostalgic memory, that we shall have but one all-powerful Central Government with regional offices, which may or may not be called States." (Roger A. Freeman, "Federal Aid to Education—Boon or Bane?" American Enterprise Association, Washington, D.C., 1955, p. 3.)

The president of the National School Boards Association, Carl B. Munck, warned the members of his association in April 1959: "The narcotic of Federal aid will become a habit for whose indulgence the victims will soon surrender that which they now so highly prize." (Carl B. Munck, "Some Thoughts on Federal Aid," School Boards, April 1959.)

In support of this position, let me quote from Nicholas Murray Butler, formerly president of Columbia University, one of the great educators of our time:

"It is now proposed to bureaucratize and to bring into uniformity the educational system of the whole United States, while making the most solemn assurance that nothing of the kind is intended. The glory and the successes of education in the United States are due to its freedom, to its unevennesses, to its reflection of the needs and ambitions and capacities of local communities, and to its being kept in close and constant touch with the people themselves. There is not money enough in the United States, even if every dollar of it were expended on education, to produce by Federal authority or through what it naively called cooperation between the Federal Government and the several States, educational results that would be at all comparable with those that have already been reached under the free and natural system that has grown up among us. * * * It is universally ac-

knowledged that the unhappy decline in German university freedom and effectiveness, and the equally unhappy subjection of the educated classes to the dictates of the political and military ruling groups, were the direct result of the highly centralized and efficient control from Berlin of the nation's schools and universities.

"For Americans now to accept oversight and direction of their tax-supported schools and colleges from Washington would mean that they had failed to learn one of the plainest and most weighty lessons of the war. It is true that education is a national problem and a national responsibility; it is also true that it has been characteristic of the American people to solve their most difficult national problems and to bear their heaviest national responsibilities through their own action in the field of liberty, rather than through the agency of organized government. Once more to tap the Federal Treasury under the guise of aiding the States, and once more to establish an army of bureaucrats in Washington and another army of inspectors roaming at large throughout the land, will not only fail to accomplish any permanent improvement in the education of our people, but it will assist in effecting so great a revolution in our American form of government as one day to danger its perpetuity. The true path of advance in education is to be found in the direction of keeping the people's schools closely in touch with the people themselves. * * * Unless the school is both the work and the pride of the community which it serves, it is nothing." (Roger A. Freeman, "Federal Aid to Education—Boon or Bane?" American Enterprise Association, Washington, D.C., 1955, pp. 3–4.)

Finally, I object to Federal aid—the easy way of getting immediate money and the sure way of bringing about national bankruptcy—because it fosters the philosophy that easy money can solve all of our educational problems and thereby delays a critical examination of our educational methods so as to get more for our money. We need "more education for our money" just as much as "more money for our education."

With increasing frequency in recent years we have noted that deficiencies in our educational system stem not only from lack of financial support, but often from inefficient or wasteful use of available resources. In no other field are expensive facilities and trained manpower utilized so ineffectively, so unimaginatively.

Schools are in use barely 1,000 hours a year compared with 2,000 hours or more for other types of buildings, or for schools in many other countries. Space in school plants has doubled over the past quarter century—from about 50 to 100 square feet per pupil—although there is no evidence that children learn more if they have twice as much space.

The productivity in other types of activity has been climbing steadily and steeply, largely through technological advances. A doubling of industrial output per man-hour over the past three decades permitted large increases in workers' pay and purchasing power. But stubborn resistance to the use of manpower-saving devices (such as television, larger classes, etc.) has brought about a reverse trend in our schools: Each teacher now instructs fewer pupils than she did 30 or 50 years ago. Whether the achievement level of the schools' graduates meanwhile has improved or deteriorated is controversial.

By indiscriminately grouping, in the same classroom, children of widely diverse ability, aspiration, and skills, the teacher's task is much more difficult. Even more seriously, the educational advance of all is retarded. We need greater productivity on the part of our schools. Emphasis on fundamental skills and knowledge has declined while the number and variety of courses mushroom. The subject-matter content of the curriculum has often been diluted and even adulterated, and the program stretched out. In many States of the Union we still have hundreds of one-room schools. We need a reorganization and consolidation of school districts.

Without a doubt, wasteful organization and procedure keep thousands of inefficient schools alive. Federal aid would relieve the pressure to correct such practices and, thus, help to prepetuate them. (Roger A. Freeman, "Taxes for the Schools," Institute of Social Science Research, Washington, D.C., 1960, p. 387.)

Finally, I am satisfied that the American people are being aroused to the need for financial support of our schools and will take care of the matter. If other States would support their schools (including universities) as has Utah, there would be an additional $10.7 billion available annually for our national educational needs—more than the total presently spent—thus making Federal aid, and increased Federal taxation, wholly unnecessary. (Utah's Comparative Position in Education, Research Report No. 171, Utah Foundation, February 1960.)

If we now have a massive program of Federal aid, you and I, as Federal taxpayers in Utah, will be called upon to defray the cost of education in other States which they should carry themselves. I submit that this is patently unjust, and is against the American way.

The Founding, Fruition, and Future of Free Enterprise

(Dr. Ernest L. Wilkinson, president of Brigham Young University and partner in law firm of Wilkinson, Cragun & Barker, Washington, D.C.)

Each generation of freemen has its rendezvous with destiny, for freedom can never be vouchsafed from one generation to another. One generation, as did our Revolutionary Fathers, may win it on the battlefield. Another generation, as we are now doing, may allow their Government to wrest their freedom from them.

Our rendezvous today will determine whether we shall continue to live in a "land of the free and home of the brave," or whether, we shall so worship the false god of paternalistic government, that in due time we shall join 20 recorded civilizations which have come and have gone—not by conquest from without, but because of the surrender of individual freedom and responsibility to a central, all-powerful Government.

Everywhere we hear the hue and cry of Soviet accomplishments in education, science and space technology. To face this challenge the President of the United States, with statesmanlike vision, summons us to duty with these words:

"And so, my fellow Americans: ask not what your country can do for you—ask what you can do for your country."

This has the ring of our Revolutionary Fathers who pledged, on the altar of freedom, their lives, their fortunes and their sacred honor.

On the other hand, the same President, in derogation of his inaugural address, has now proposed 16 governmental programs which confer special privileges or grant governmental bounties to various segments of our society; such as Federal aid to teachers, increased subsidies to farmers, higher minimum wages and increased unemployment benefits to laborers, medical care to the aged, increased Federal housing for urban dwellers, etc., etc., etc.

In which of these two directions shall we go? Shall we proceed in the direction of Soviet Russia, where all power and one's position, status, and support emanate from the state? Or shall we revert to the philosophy of our Founding Fathers who believed that while it is our duty to support our country, it is never the duty of our country to support us.

In the few moments I have this morning, I propose to analyze these alternatives by briefly tracing the founding, fruition, and challenging future of free enterprise in this country, in contrast to a regimented or collectivist economy.

The essence of the free enterprise system is, first, the freedom to initiate, venture, develop, and produce without interference or restraint, except for safeguards to protect similar rights of others; and, second, the incentives which come from the right to enjoy the fruits of one's own labor.

I. The Founding of Free Enterprise

Free enterprise in this country began with Jamestown. Originally plagued by communal ownership of property, and by a stronger desire to demand equal shares than to contribute equal labor, this colonizing effort almost ended in disaster. It was saved only by new pioneers who were willing to labor long and hard, with the realization that they would enjoy the fruits of individual ownership of their lands and crops.

The Pilgrim Fathers had the same experience. Originally agreeing that they would own everything in common, they so lost their initiative that they nearly died of starvation. As Governor Bradford wrote in his diary, they had thought they were "wiser than God," who gave every man his freedom. And so, they turned away from communal ownership and gave each family a parcel of land. And when the harvest was gathered, instead of famine they had plenty.

This experience was repeated 150 years later. During the early part of the Revolutionary War, the Continental Congress took over the economic control of all 13 colonies and its people. However, so disastrous were the consequences that one year before Cornwallis' surrender to Washington, that Congress, in a forthright reversal of policy, repealed all economic control. Freed of this restraint our forefathers proceeded to win their freedom.

Then, under the inspiration of God, our Founding Fathers gave birth to our Constitution, described by Gladstone as "The greatest document ever struck off by the hands of men." In this document they gave to the world a new nation, conceived in liberty, and dedicated to the hope that all succeeding generations by following its God-given precepts would remain forever free.

Their dislike of government domination was expressed by none other than George Washington, the Father of our Country, in these words:

"Government is not reason, it is not eloquence—it is a force. Like fire, it is a dangerous servant and a fearful master."

James Madison, oft referred to as the father of our Constitution, in explaining its safeguards against the loss of liberty, warned us of the perils of our own time, in these words:

"I believe there are more instances of the abridgment of the freedom of the people by gradual and silent encroachment of those in power than by violent and sudden usurpations."

Thomas Jefferson advised us not only that that government governs best which governs least, but warned against the dangerous situation which haunts us today. Said he:

"I place economy among the first and most important virtues, and public debt as the greatest of dangers to be feared. * * * To preserve our independence, we must not let our rulers load us with perpetual debt. * * * We must make our choice between economy and liberty, or profusion and servitude. * * * If we can prevent the Government from wasting the labors of the people, under the pretense of caring for them, they will be happy."

In line with these utterances, none of our early Presidents ever proposed any governmental policy which would interfere with or regulate private control of agriculture and industry. Andrew Jackson objected to the Bank of the United States because he felt that it was an unfair monopoly, aided and abetted by Government. He also raised serious questions about Government-sponsored monopolies in the building of canals, bridges, and turnpikes.

And while we generally think of Lincoln as the preserver of the Union, he was also a strong apostle of the American free enterprise system. In emphasizing the dangers that freemen always face, he pointed out that capital is only the fruit of labor, and that capital is as worthy of protection as any other rights. ("First Annual Message to Congress," December 3, 1861.) He further warned his fellow citizens against "surrendering a political power" which would "close the door of advancement against" them and "fix new disabilities and burdens upon them, till all of liberty shall be lost."

Grover Cleveland, when he was presented with a legislative bill providing for a very modest Federal gift of seeds to farmers, vetoed it on the ground "that, though the people should support the Government, the Government should not support the people."

Woodrow Wilson warned us that "the history of liberty is the history of limitations of governmental power, not the increases of it." He therefore never wanted to see the little red schoolhouse subordinated to the political thinking of Washington; nor did he, in his own language, "want a group of experts sitting behind closed doors in Washington, trying to pray providence to" the American people.

The same philosophy was expressed by Herbert Hoover when he said:

"Freedom conceives that the mind and spirit of man can be free only if he be free to pattern his own life, to develop his own talents, free to earn, to spend, to save, to acquire property as the security of his old age and his family."

Even Franklin Delano Roosevelt, before he became President, recognized and applauded the limitations on our Federal Government that our Constitutional Fathers intended. As Governor of New York he publicly declared:

"The Constitution of the United States gives Congress no power to legislate in the matter of a great number of vital problems of government, such as the conduct of public utilities, of banks, of insurance, of business, of agriculture, of education, of social welfare, and of a dozen other important features. Washington must never be permitted to interfere in these avenues of our affairs."

And, more recently, Dwight D. Eisenhower in somewhat the language of George Washington concluded:

"Every step we take toward making the state the caretaker of our lives, by that much we move toward making the state our master."

Finally, as late as 1950, a Senator from Massachusetts by the name of John F. Kennedy (Boston Post, Apr. 23, 1950), expressed the American ideal in these words (you have already heard it from President Motley):

"The scarlet thread running through the thoughts and actions of people all over the world is the delegation of great problems to the all-absorbing leviathan—the state. * * * Every time that we try to lift a problem to the Government, to the same extent we are sacrificing the liberties of the people."

Until the advent of the New Deal in 1932 the political philosophy of free enterprise of our Founding Fathers was uniformly followed by all Presidents regardless of party. The one great exception was the enactment of the graduated income-tax law in 1913, which is the most significant legislation of this century. It came into being only by virtue of a constitutional amendment, the Supreme Court having held that such a concept was alien to the organic law as framed by our Constitutional Fathers. And even then the proponents of the measure were laboring under the honest delusion that in peacetime the tax would not exceed 2 percent, but in times of war it might "soar" to 5 percent. Instead it has now pyramided to extremes beyond the wildest dreams ever envisioned by Karl Marx in his "Communist Manifesto." While this statute did not in itself change the functions and scope of our Government, it nevertheless gave Congress a new vast and dangerous taxing power, under which Congress now finances programs which do change the original scope and purposes of our Government.

II. THE FRUITION OF FREE ENTERPRISE

With the American philosophy of free enterprise as the basis of our economic system, until at least the 1930's, America plunged ahead into her dynamic future. By the turn of the 20th century, she had become a tremendous and colorful example of the free enterprise system at work, and had attained preeminence in the entire world. The steel furnaces in Pittsburgh alone outproduced those in England and Germany combined. New manufacturing marvels of every sort had been invented and were already in production. These were giving Americans the highest standard of living known to the entire world. By the 1920's our country was recognized as the world's greatest economic power.

With the advent of the great depression, however, in the 1930's, we began to accept the philosophy that we could no longer rely on the sweat of our own brows, on our own ingenuity and resourcefulness as God's children, but that instead we had to rely upon the paternalism and largesse of government. In the intervening 30 years we have fast lapsed into a welfare state (more correctly, the "illfare state"). For it is based on the theory that as a people we are seriously ill and have to call in the Government as our physician.

Up until that time we had been protected from the evils of socialism in this country by the uniform decisions of the Supreme Court which consistently followed the political and economic philosophy of our Constitutional Fathers, and forbade the Government from unduly regulating our lives. But this judicial protection of 150 years was ended by the appointment of new Justices to the Supreme Court, who, right or wrong, did not confine themselves to interpreting the Constitution in the light of its history and language, but imported into the Constitution external social concepts, which were theretofore alien to our philosophy of government. With this change of constitutional philosophy Congress became the last bastion for the defense of freedom against governmental encroachment. But instead of adhering to the political faith of our Constitutional Fathers, Congress seized upon the relaxations of the Supreme Court as a field day for curtailment of free enterprise, and the enlargement of governmental powers.

As a result, we now have, among others, the following practices:

1. Annual Federal aid to States, localities, and individuals, which amounted to less than $150 million in 1930, has now soared to over $9 billion—more than the total budget of the Federal Government in any one year prior to World War II. This has to a large extent undermined the sovereignty of the States.

2. Whereas in 1920 Government-owned electric utilities accounted for only 5 percent of the electric power generated in this country, they now account for 25 percent.

3. One in every six employed Americans is now on a Government payroll (National, State, or local). Today over 17 million people are receiving checks from the Federal Government.

4. Since our entry in World War II, our economy has been under some form of price or wage controls for 8 different years. Agricultural price-support programs actually commenced with the New Deal and still exists to this very day.

5. The housing industry is financed or guaranteed largely with Government money.

6. The shipping industry is heavily subsidized by the Government.

7. Through TVA, and similar huge Government projects, whole areas of the Nation are in large part dependent on the Government.

8. In actual practice the Government now fixes hours and conditions of employment, and is intimately involved in wage bargaining.

9. Old and disabled people have become the wards of Government. Furthermore, Congress is now in the process of seducing "young men" of 62 to retire and live off the Federal Treasury. For they will not be drawing out moneys paid in for social security. That money was never set aside for its intended use, and has long since been spent on innumerable Government projects, and current social security payments already exceed current social security tax collections (1958, 1959, and 1960).

10. The Federal debt when FDR came to power was $22.5 billion. It is now around $300 billion. But this is only a part of the story. When you add to the present indebtedness, accrued liabilities for services already rendered or goods already delivered, the total Federal debt is $750 billion, a sum which represents an indebtedness of $4,100 for every man, woman and child in the United States. The interest we pay on our national debt alone is now twice the amount of the entire Federal budget when FDR came to power, and no substantial effort is being made to pay it off.

With these situations in mind, one speaker, in addressing a farm audience, referred to this as the status quo of our times. One of his listeners promptly quipped that that was Latin for "the hell of a mess we are in."

III. THE FUTURE OF FREE ENTERPRISE

And now with the Marxist political platform of Los Angeles, which profanely invokes the name of Jefferson, and the tendency of many so-called conservatives, not to oppose, but to merely offer milder socialistic alternatives, it is proposed that we be launched on a new and greatly enlarged extension of governmental paternalism.

We are now to be given medical care by the Federal Government while we are yet unborn. We are to be educated by the Federal Government regardless of whether our local or State governments are able to pay the bill. If in agriculture, we are to be further seduced and subsidized by the Government. If in industry, we are to be paid a subsistence out of the taxes of our employers while we strike against them. When we get old we are to be hospitalized and kept by the State. At the rate we are going, and because, when we die, there will be millions to be buried, and their children can vote, we can expect a Federal aid program to encourage the States to assume the cost of burial and perpetual tombstone care. For any other method would not satisfy our sense of democratic social justice nor conform to the prevailing liberal interpretation of the "general welfare" clause of the Constitution.

I ask you ladies and gentlemen whether with this kind of paternalism Americans can long remain fearless and free; whether we really believe that to meet the Communist challenge we must continue to more and more adopt the regimented economy

of the Soviet state; or whether we want again to rely upon the voluntary action and free economy of a God-fearing people. Woodrow Wilson once gave utterance to the last alternative when he said the thing that had made America great is not what it has done under compulsion of law, but what it has done of its own volition.

The tragedy of our time is that during the last 30 years we have fast adopted the ornaments and shackles of an illfare state. On the other hand, the Soviet Union has been adopting certain principles of free enterprise. Thus, in one of his recent conferences, Khrushchev ridiculed the confiscatory nature of our taxes which ascend to 91 percent of a man's income, pointing out that in Russia the limit is 16 percent. In recent years, Khrushchev has also introduced wage incentives and other capitalistic reforms.

If we accept the alternative of the free historical American economy, the question then becomes that of how our country can be cured from its present malady—lest the greatest country in the world will conduct a funeral for free enterprise, which means to bury itself.

In my humble judgment there are six ways or programs by which our country can be brought back to normal health and such a funeral avoided.

The first way is that of accepting the philosophy of the President's inaugural address rather than his legislative program. We can have no double standard in this country of stating at one time that our survival as a free nation depends on what we can do for our country and at the same time proposing a legislative program founded primarily on governmental handouts to its people.

The only way to compete with the zeal of the Russians for their system is to reacquire the self-sacrificing patriotism of our fathers, and to rely upon the sweat of our own brows. If we abandon the false god of governmental paternalism and reenthrone individual integrity, genius, responsibility, and economic rewards, we will widen, and not narrow, the gap between our productive capacity and that produced by Soviet slave labor. At the same time we will start paying off our national debt and not continue, as Lenin said we would do, to spend ourselves into bankruptcy.

The second method by which we can avoid the funeral of free America is by a revived and rededicated devotion of our own to the cause of freedom and our system of free enterprise. If we really believe in it, we must ourselves practice it. We must not be guilty of any double standards ourselves. We must not ourselves give lipservice to competition and at the same time violate the antitrust laws which are designed to foster free enterprise by competition.

If we are going to criticize Government handouts for the other fellow, we must not ourselves sup at the public trough. If the payment of subsidies to farmers is morally and economically wrong, by what right does the Government subsidize the shipping industry? If the guarantee of loans to veterans and others for housing is wrong, by what right are businessmen entitled to loans on preferred terms to keep their businesses going? If the educator is right in deploring the lowering of the moral standards of the Nation resulting from Government handouts, by what right does he ask the Government to subsidize his university? If we in the West are critical of the Federal Government using our taxes for slum clearance in New York City, by what right do we ask the Federal Government to build Federal electric powerlines to our farms and cities and give us preferential rates over those taxpayers who pay for these powerlines?

My third program for the preservation of our free enterprise is that we ought to be willing to pay the price of its preservation by properly financing those who fight its battles. American business is often pennywise and pound foolish in its expenditure of both time and funds for the defense of the free enterprise system upon which its survival depends. For the most part, chambers of commerce, taxpayers, and citizen research agencies, even trade organizations, are starved for funds. Particularly is this apparent when comparisons are made with the millions poured by labor into union and political action treasuries, much of which is spent for promoting the regimentation of our economy.

Even more basic is the unwillingness of topflight businessmen to accept, or if they do accept, to devote the necessary time and energy to civic and trade group appointments, which are established to study and to formulate policies and procedures pertaining to local, State, or National problems. If businessmen refuse to take any leadership in local civic affairs, by what right can they blame local citizens from seeking Government counsel and leadership in local affairs?

My fourth program for preventing the liquidation of our system of free enterprise is that the Government be fair and consistent in its dealings with all segments of our economy—it must observe the Golden Rule of doing unto one group what it does unto another. It must not have a double standard whereby it imprisons businessmen for conspiring to fix prices and at the same time promotes and encourages unions to conspire to fix wages. And if you think it is impossible to correct the present double standard, let me quote from none other than Franklin Delano Roosevelt:

"It will never be possible for any length of time for any group of the American people, either by reason of wealth or learning or inheritance or economic power, to retain any mandate, any permanent authority to arrogate to itself the political control of American public life."

On the authority of his statement I give you the challenge, without respect to party, to correct the present one-sided political control of our public life.

My fifth proposal deals with legislation needed for the immediate present, of which you will hear more throughout this conference—all of which is designed for America to make progress through voluntary action and to achieve better jobs for more people. This legislation is not in the direction of stifling but of freeing the economy.

First of all we must increase our rate of new investment. As I understand the situation, Russia at the present time is putting 25 percent of its productive capacity into capital goods. In our country we are putting only 10 percent into capital goods. We can increase the percentage if we have intelligent tax reforms, promote judicious utilization of savings, promote the availability of credit for plant investment, and obtain the right to faster and more realistic depreciation writeoffs. Programs of this kind will do more to alleviate the anxiety and misery of those who are out of work than any amount of Government subsidies. I congratulate the President on making a proposal of this kind in his tax message to the Congress.

Next, there must be increased mobility of labor and resources. This can be best achieved by more widespread information regarding job opportunities and by breaking down local and State barriers to the free movement of persons and goods. Furthermore, we must rid ourselves of un-American union restrictions on freedom of occupation, and vigorously oppose all forms of payments for work not actually performed.

In addition, there must be an increase in the flexibility in both directions of wages and prices. In the interest of further opportunity for the free American workman we must not put men in straitjackets by adopting rigid wage rates and prices. For similar reasons we must question industry-wide collective bargaining and long-term contracts which provide for annual wage cost increases, regardless of productivity or prosperity.

Next, legislation should increase the flow of invention and innovation. This is one of the unique advantages of the American system—it permits genius and labor to enjoy the fruits of their talents and every laborer to climb as high as he can on the ladder of economic success. To that end we must oppose any increase in Government-held or controlled patents. Furthermore, we must always seek better means of increasing effective and legitimate competition. Monopoly stultifies, but competition energizes, our economy.

Finally, we must increase our exports in international trade. Brisk trade in great volume is important to our economic health and welfare. American "know-how" is still a very precious ingredient of our free enterprise system. We should not hesitate to use it with great vigor and great purpose.

My sixth and last proposal for the preservation of our economic freedom is to insist that our schools educate our students in the gospel of free enterprise. Here again we must do away with our double standard of giving lipservice to and living off our American system of free enterprise while at the same time we either fail to teach its principles, or, in many cases, teach concepts which would destroy it.

Probably fewer than 1 out of every 20 of all high school students takes even one course in economics, and only about one-fifth of all college students do so. And much of what little is taught is weak, misleading, or even wrong—in many cases it does more to prejudice students against than to convert them to free enterprise.

The reason for this is not hard to find. The best estimate available is that fewer than one-tenth of all elementary and fewer than one-fourth of all secondary schoolteachers (majoring in social sciences) take even one course in economics while at college. In fact, it is estimated that 9 out of every 10 teacher colleges fail to have a single economist on their faculties. Over three-fourths of our States do not demand a course in economics as a requirement for certification. The remedying of this dangerous situation is a program worthy of this great organization.

I submit that businessmen themselves are largely to blame for the death of economic literacy in the country. The boards of trustees of most institutions of higher learning and the boards of education of most secondary and elementary schools are largely officered by businessmen. What have they done to become acquainted with the curriculums of their various institutions? What have they done to make sure that teachers basically trained in the principles of free enterprise system are employed? In many cases not only have they done nothing but they have recommended to their various business corporations that they contribute to educational institutions whose economic philosophy is alien to free enterprise. In these days in which business is asked to and should make substantial contributions to institutions of higher learning, I submit there is a duty on the part of the donors to see that the recipients of their gifts not betray the hand which feeds them.

In summary, my six proposals merely envisage that we shall do away with the hypocrisy of our civilization. There must be no double standard for the President, for government, for business, for education, or for individuals. We must renew and dedicate ourselves to the cause of freedom which is more important than life itself. If we achieve that goal and shoulder our own responsibility, we need not worry about our economic growth. For it is the history of all civilizations that free and responsible God-serving people are always prosperous.

We need to worry about our economic growth only when we have a regimented and controlled economy. That is the reason we are worrying now. Should we engage in further regimentation we will have grave cause to worry about the continuation of our Republic, for in the wise and prophetic words of Somerset Maugham:

"A nation that wants anything more than freedom will lose its freedom, and the irony of it is, if it is comfort and security it wants, it will lose them, too."

OUTLINE OF PAPER PREPARED BY JOHN H. STAMBAUGH, VICE CHANCELLOR, VANDERBILT UNIVERSITY

Political action resulting from fear often fails to accomplish the mission originally intended. Federal aid to education appears to be developing into a classical example.

Inspired by dynamic Soviet scientific advance demonstrated by Sputnik I, the Congress of the United States determined to improve educational processes in this country in order to create more and better scientists—more and better engineers—more and better mathematicians with whom to win the race in space. Certain components of the program have stayed on target. Others have drifted far afield. Most of the current proposals make no sense at all so far as winning the deadly race is concerned. On target have been the National Science Foundation institutes to improve teaching in the physical sciences and mathematics and research support for physicists, chemists, biologists, mathematicians and engineers. Not so accurately aimed are the NDEA programs, present and proposed, such as loans to almost anyone who can stay in college regardless of course of study or quality of work, scholarship assistance and support of teachers' salaries through the States, measured on a per capita basis, with little or no concession to quality or curriculum emphasis.

The reader may say, and justifiably, that it is easy to criticize so let us be constructive by proposing a better Federal program for winning the battle of the scientists:

1. Continue to support and expand the activities of the NSF.

2. Halt all NDEA programs administered by HEW.

3. Pick up the entire check for ROTC.

4. Stop housing loans for dormitories, and in place of this, give private colleges the right to issue tax-exempt bonds for self-liquidating projects.

5. If the State Department needs more linguists, let State administer scholarship programs for language study, requiring that recipient scholars serve 3 years in the Foreign Service after graduation. This is the practice now followed by the Naval ROTC.

6. Pass enabling legislation to make effective the Florence Agreement relating to tariffs on books, scientific apparatus, and other cultural materials.

7. Establish a unit in the Office of Commissioner of Education charged with promoting as a patriotic duty local support of education and individual motivation for education. This would be strictly an advertising and promotional facility.

A PROPOSAL TO ESTABLISH A NATIONAL EDUCATIONAL DEVELOPMENT AGENCY

(Statement by Alvin C. Eurich for the Republican policy committee of the U.S. House of Representatives, June 30, 1961)

THE TWO CRITICAL PROBLEMS OF AMERICAN EDUCATION TODAY

The challenge facing American education can be simply stated. During the past decade we have been unable to solve the two critical problems of our schools and colleges. The first is quantitative: We must educate students in unprecedented numbers, and we face even greater growth of enrollments in the years ahead. Second is the quality of education: We must prepare students to cope with more complex issues, new fields of knowledge, and a society in which the rate of change continues to accelerate daily. American education is being challenged as never before in our history. At stake is the future of the Nation.

So far American education has failed to solve the problems of numbers and quality. We have tried hard in the last 5 years, by bolstering our conventional educational practices in various ways. But we seem to fall further and further behind in the battle to provide every student with a well-qualified teacher and the other necessities of a first-rate education.

The reason is not far to seek. Our educational problems are new: no educational system has ever had to meet such severe challenges. But our conventional methods for meeting these new problems are leftovers from an age when education did not even conceive of the challenges which it now faces.

Why hasn't our educational system kept pace with the accelerating tide of our purposeful innovation which has transformed American society? Simply stated, this failure results from a major deficiency of our educational system. We have no group of people in our entire educational setup whose special business it is to work full time on the improvement of our schools and colleges. In agriculture, in industry, in medicine and in the military we have made great strides in recent years primarily because we have had large groups of highly competent people devoting all of their time to research and development.

We could accomplish the same thing in education. Powerful new means of communication are ready to be used by our schools and colleges. Experimentation has already shown that such innovations as televised instruction, team teaching, flexible class size, teaching machines, audio tapes, and individual programing are both economically feasible and educationally effective. But we need conscious, unified leadership in the further research and development required to bring these new methods to every school in the Nation as rapidly as possible.

BACKGROUND: A PROPOSAL FOR STATE COMMISSIONS ON EDUCATIONAL DEVELOPMENT

At the Governor's conference in 1960 I suggested that each State set up a Commission on Educational Development. It would be the task of this commission to look to the future constantly and devote its entire attention to the improvement of education in the State. Obviously such commissions would not follow a uniform pattern. Their organization would vary from State to State in order to fit the educational structure. But in evry case, these commissions should aim to create an atmosphere in education which is comparable to that in agriculture, industry, or medicine and which says, each year we can and will do the job better.

The membership of such commissions should be of the highest caliber—comparable to the board of regents or trustees of the State university—and should work with a highly qualified staff.

The commission would have no administrative responsibilities. It would serve primarily three functions:

1. It would sponsor new experiments designed to provide higher quality education with due regard for efficiency and economy,

2. It would disseminate information about new developments, not only within the State but throughout the country, and

3. It would promote the adoption of such developments as have been tried and found successful. And it would issue an annual report and recommend necessary legislation.

The commission for educational development should be financed on the basis of a fixed percentage of the State's budget for education at something of the magnitude of one-half of 1 percent to start out with. From such an appropriation, it should be authorized to make grants to educational institutions for experiments designed to improve educational methods. The return on such an investment, in higher quality education, would be rewarding beyond our wildest dreams.

At the outset, the commission would reexamine the generally accepted premises on which we are now operating our schools and colleges. While considering the set formulas and identifying the areas in which it would work, it might well assess the results of promising educational experiments throughout the country.

FOLLOWUP OF THE GOVERNORS' CONFERENCE

Following the Governors' conference, the suggestion of the commission was considered at (1) the annual meeting of legislative leaders in Chicago on November 11; (2) the annual general assembly of the States in Chicago on December 3; (3) the Council of College and University Presidents for the State of Michigan; and (4) the American Association of School Board Members.

Following the meeting with legislative leaders, the group agreed unanimously to press for legislation setting up the commission. A model bill to be used in presenting the matter to legislatures has been drawn up and distributed.

Furthermore, the suggestion of a State commission on educational development was printed in (1) the Saturday Review, (2) Education Digest, (3) New York Supervisor, (4) Waukegan, Ill., newspaper, (5) Higher Education, (6) Fenn College Bulletin, (7) Tax Review Bulletin, among others.

ACTIVITIES OF INDIVIDUAL STATES

Following the Governors' conference, legislators from the State of Washington suggested in a report that a group be set up to devote full time to educational development.

In the State of Oregon the Governor requested the chairman of the State board of education to review the suggestion of setting up a commission with the thought that the State board might propose legislation.

For New York, Commissioner James E. Allen, Jr., made a speech before the State superintendents in September in which he recommended that a group be set up in New York within the State education department to devote full time to educational developments.

In California, Governor Brown has suggested that such a commission might be developed in that State.

For the State of Michigan, the presidents of all colleges and universities of the State, as well as the legislative leaders, considered the possibilities of a Commission on Educational Development.

From Minnesota has come a request for model legislation to set up the commission.

Other States in which I am aware that there is some activity showing legislative interest in the commission are Massachusetts, Missouri, Hawaii, Texas, Pennsylvania, and Illinois.

NEED FOR COORDINATION AND STIMULATION OF STATE GROUPS

As the State groups get underway, there will be a need for some agency at the national level to stimulate the establishment of similar groups in other States and to disseminate information about new developments. This leads to the proposal for the National Educational Development Agency.

PROPOSAL TO ESTABLISH A NATIONAL EDUCATIONAL DEVELOPMENT AGENCY

It is now proposed to establish in the executive branch of the Government an independent agency to be known as the National Educational Development Agency. The Agency should consist of a National Board, a Director, and a small staff. The persons nominated for appointment as mem-

bers of the Board should be (1) eminent in business cultural, professional, civic, and economic life of the country; (2) selected solely on the basis of established records of distinguished service; and (3) representative of the views of leaders of the Nation.

FUNCTIONS OF THE AGENCY

The Agency should be authorized and directed—

(1) To stimulate and encourage with matching grants to the individual States major experiments and new developments in education designed to improve instructional programs at all levels;

(2) To foster the interchange of information about educational developments among the States;

(3) At the request of the head of a U.S. Government organization, to initiate and support projects designed to make more effective the educational and training programs administered by the organization; and

(4) To establish such special commissions as the Board may from time to time deem necessary for the purposes of the Agency.

In exercising the authority and discharging its functions, the Agency shall have no jurisdiction over any educational program carried on by the Federal Government or by the various States and territories; its sole purpose shall be to foster improvements as the Department of Agriculture now does in support of experimental stations and extension services in the land grant colleges.

By means of having a staff at each of the State agencies and at the Federal level devoting full time to improvements in education, we would be bound to develop more efficient and more economical procedures. No longer would we be confronted with requests for just more money to perpetuate and further entrench outmoded and archaic methods. As in every other field of human endeavor education can and must be improved; and, as in every other field, such improvement can come only by creating groups that devote their full attention to "more learning in less time."

[From the National Education Association Research Division, May 1961]

MAJOR ISSUES IN PUBLIC EDUCATION RELATED TO FEDERAL LEGISLATIVE POLICY

I. INTRODUCTION

American education is undergoing enormous changes. The Nation's need for a better educated citizenry and the personal desires of individuals for more of a better education have combined to set off what Fortune magazine depicts as "The Nation's Schools: A Revolution Begins." [1]

Explosion of knowledge

The revolution in the schools has roots in the changes which have been taking place in knowledge itself. The state of change in knowledge was described by Vincent Heath Whitney as follows:

"First, knowledge has been vastly multiplied and is still enlarging at an increasing rate. In anthropological terms, the culture base has been extended. The longer the base, the greater are the opportunities for recombining items already in existence, which is the basis for developing new artifacts and new ideas, in short, new knowledge. Man's increasing inventiveness is a function of his ever widening understanding rather than of an increase in his innate intelligence. This increasing inventiveness produces, second, a higher rate of technological and social change than past societies have known." [2]

[1] Fortune, April 1961. Front cover.

[2] Whitney, Vincent Heath. "Science, Government, and Society," Annals of the American Academy of Political and Social Science," 327: 50–58; January 1960, p. 53.

Other stimuli of the revolution in the schools are to be found in the combination of events, both domestic and international, which has transformed this Nation and its youth from an attitude of almost indifference or placid acceptance of education to an attitude of dynamic interest in the pursuit of learning.

These events are described by magazines of wide circulation. Last December Life magazine wrote dramatically of "the explosion of science," pointing out that "technology advanced further in this age than in all man's previous existence." [3] Look magazine in January wrote with equal drama of the "youth of the sixties: the explosive generation" and found these young men and women to be "dedicated to education and willing to work at it." [4] Many school principals who were polled by Look "wrote enthusiastically of a crackling new intellectual atmosphere in the schools." A few of these principals noted the widening gap between the best students and the worst.

A balance in universal education

As a nation we have long believed in universal education. With the resources available, the schools have concentrated upon a curriculum which would meet the needs of most of the students. As we assess the accomplishments of the 1st part of the 20th century, it is clear that the schools served best the educational needs of the average pupil, failed in meeting the needs of the less than average pupil, and could have done much better for the intellectually gifted group.

While hard pressed to keep up with staff and building needs for the enrollment increases of the past 20 years, even stronger pressures have developed. The new knowledge which Whitney wrote of and which Life magazine illustrated set off a reexamination of the public schools. Many of the facts that we have been teaching were rendered obsolete. It became apparent that parts of the curriculum required extensive revision. Science and technology have placed at the disposal of the teacher new machines to reinforce, to stimulate, and to add to the learning experience of the classroom. Research and experiments are underway to find a satisfactory combination of the revised curriculum, the new teaching methods, and the time and talents of the classroom teacher.

One outcome is certain. The schools of today and tomorrow are striving for quality within the framework of a broadening approach to the American ideal of universal education.

Education—A national concern

The national interest in education was expressed by many leaders in President Eisenhower's administration. The review of the manpower needs in the decade ahead conducted by former Secretary of Labor James P. Mitchell, "Manpower Challenge of the 1960's," concluded that the tremendous advances which were in sight for the sixties in terms of scientific and technological know-how depended upon "how effectively our people as individuals—our manpower—are able to use the new tools at hand." [5] Secretary Mitchell pointed to the need to improve individual competence, present and prospective, across the spectrum of human talents and to the need to "strengthen and support our school system."

The former scientific adviser to President Eisenhower, Dr. Kistiakowsky, identified the fundamental requirement for scientific progress in the United States as a general upgrading of the intellect. He is quoted in the "Annals" as follows:

"Our national objective should not be the creation of an elite corps of intellectuals, but rather one of raising and improving the intellectual tone of our whole society. * * * We cannot achieve a desirable level of scientific activity until there is not only its acceptance by society but a conscious desire to cultivate and encourage intellectual excellence." [6]

What the future holds for the United States in national growth and in international influence is to a large extent dependent upon how well we adapt our education system to meet the changes in our requirements for education. America is challenged on several fronts: The challenge to our scientific and technological position from the Soviet space conquest is one conspicuous aspect of the challenge. We are also challenged on our influence among nations, on our ability to resolve domestic issues, and on the ability of a free enterprise system to respond to national and international needs as effectively as can the planned and controlled economy of the Soviet Union.

Survival of our kind of government depends largely upon the use we make of the institutions and instruments we have at our command to develop our human resources. Although we have many fine institutions for implementing growth along the lines of our democratic ideals—a government of laws, a free economy, a two-party political system, churches, and a free press and other free media of communication—our schools stand out as our one basic institution through which we can meet the multifold demands and still perpetuate our economic and political freedom.

Except for the chance of a period of compulsory military service for young men, schools are the one captive experience of all citizens. Our society has many means of communicating to the individual after the school years. But the individual is largely free to select what he wants to read or listen to. He is a member of no one church, labor or business group, or political party. He chooses his own life work from what he can find and functions in his best interest as he sees fit. He is not part of a manpower plan designed to push his country into world supremacy.

The public schools are the broad opportunity a republic affords to upgrade the intellect and skills of citizens and to develop the talents and skills this Nation needs for growth and survival. The full potential of the schools for the development of skilled manpower has not been fully used. The scope and quality of the job the schools do are limited by the provision which is made for financial support to buy the services of talented teachers and to build and equip classrooms.

Complaints about the adequacy of our education system have characterized this development throughout most of the 19th and 20th centuries. The pace of social and technological change has always been more rapid and decisive than the adjustment in the educational process. In retrospect it appears that in many areas we have been a generation or more behind with the gamut of knowledge and skills required by the advance of technology.

One by one the inadequacies in breadth and scope of the knowledge and skills the schools are teaching command the public's attention. The controversies not infrequently reached the Congress in the form of a proposed program to do something about them immediately. It does no good to blast

[3] Life, Silver Anniversary Edition, Dec. 26, 1960, pp. 14 and 15.

[4] Look, Jan. 3, 1961, pp. 16–20.

[5] U.S. Department of Labor, "Manpower Challenge of the 1960's," Washington, D.C., 1960, p. 22.

[6] Wengert, Norman, foreword, "Annals of the American Academy of Political and Social Science," 327: 9–10; January 1960, p. 9.

the schools today for the inadequacies in the preparation of former public-school pupils, although it may help to strengthen the curriculum for the pupils now in school. These are the ones who will be in the manpower pool 1 to 12 or 16 years hence. These are the only ones the schools can do anything for now. There is truly a need across the Nation now to offer the kind of education in the public schools which will be needed during the next generation. We have made a great deal of progress in public education, but it is regrettable that despite substantial progress there is still a strong tendency to set the curriculum and investment at levels of hindsight rather than foresight.

Facing the schools are tremendous tasks: of curriculum revision to meet the demands of expanding knowledge, of school reorganization and district consolidation, of constructing adequate facilities, of staffing the schools with teachers and other personnel dedicated to meet the demands of teaching, and of adapting technical aids to strengthen and reinforce learning.

Facing the Nation is the critical decision of how quality education shall be financed. To date, the States and localities have willingly, for the most part, taxed and borrowed at an unprecedented rate to finance public elementary and secondary education for an increasingly large number of youth. Yet we are many billions of dollars short of financing a quality education in every State and in every school district in the United States. Federal support for schools is needed to strengthen the ability of State and local governments to finance schools.

II. TEACHERS

In the past few years the question of teachers' salaries has been debated from the White House to school board meetings and public forums across the land. We have been told that teachers' salaries should be doubled and that, of course, in simple justice we should pay teachers what they are worth. On May 24, 1959, President Eisenhower stated:

"Higher salaries are a first requirement, but we need also to recognize the great importance of what teachers do and to accord them the encouragement, understanding, and recognition which will help to make the teaching profession attractive to increasing numbers of first-rate people." [7]

In the special statement prepared for the NEA Journal, Vice President Nixon said:

"It is hardly necessary to tell the teachers of America that we lack adequate classroom facilities in all too many of the Nation's school districts. And still less need they be told that, even on a national average, teachers' salaries are in no way commensurate with a high professional calling. We have come to take too much for granted the dedication of our teachers—but dedication is not its own reward." [8]

The statement by President Eisenhower's Science Advisory Committee also dealt with the salary question:

"The public attention to the shockingly low average level of teachers' salaries is long overdue. * * *

"Teachers' salaries should be increased to the point where the teacher does not have to work on other jobs to eke out a living." [9]

The national goals document presented by the U.S. Office of Education at the recent White House Conference on Children and Youth called for teachers' average salaries 50 percent higher in purchasing power to be achieved over a 4-year period in order to have a professionally qualified teacher in every public school classroom.[10]

The Rockefeller Brothers Fund report on education stated:

"But the root problem of the teaching profession remains financial. More perhaps than any other profession, teaching needs dedicated men and women to whom pay is not an overriding consideration; but until we pay teachers at least as well as the middle echelon of executives we cannot expect the profession to attract its full share of the available range of talents. Salaries must be raised immediately and substantially." [11]

Press and forum emit a constant stream of statements about the need for raising teachers' salaries. Everyone agrees that teachers' salaries should be adequate. Almost everyone agrees that teachers' salaries must be greatly increased to be adequate. The simple justice of raising teachers' salaries to a professional level is well established, but salaries will not move upward under the pressures of simple justice. To move salaries upward to the level required to staff the schools with professionally trained and personally qualified teachers will require the concentrated financial support of all three levels of government—local, State, and National. In terms of quality and quantity, the staff needs which lie ahead of the Nation's public schools are huge.

Quality requirements for the teachers

Any realistic discussion of teachers' salaries should be based on the kinds of persons teachers really are and the kind of person which should be teaching in the classrooms of public schools. The American people, including many political leaders, still hold false stereotypes of teachers. This affects decisions on pay scales.

The typical teacher in the United States is no longer a sweet young thing in her early twenties who lives with her mother and father at no cost to herself. She is not a person with only 2 years of college training. Her working day is not a 6-hour arrangement, and she does not always have a 3-months' vacation, even without pay.

This typical teacher in the American public school is both mature and well educated. This person is about 43 years of age, has gone to college 4.7 years, and has taught school for 13 years.[12] One summer in three this teacher goes back to college at his or her own expense. During the school year, this teacher averages a 45- to 50-hour week in teaching, grading papers, and planning work for the days ahead.[13] With this much college training and experience and at an age when the worker should be getting somewhere, the typical classroom teacher's salary is likely to be $5,215.

The qualifications which the professional teacher should have may be simply stated as follows: (a) well educated—with a broad general education plus specialization in the subject matter to be taught; (b) personally competent—with intelligence, character, leadership, dedication, and understanding of children; and (c) professionally prepared—with knowledge of the psychology of teaching and learning, mastery of teaching methods, and skill in handling learning difficulties.

The importance of selecting a qualified teacher for each and every classroom in the Nation is underscored when the influence of each and every teacher is accounted for. The elementary school teacher who retires this year after a full career of teaching will have taught at least 1,000 pupils in his career of teaching. A high school teacher under our departmentalized setup will have taught at least 5,000 pupils in the course of his career. Translated into larger units, 100 incompetent elementary school teachers will have affected adversely the subsequent careers of 100,000 citizens of the United States. One hundred incompetent high school teachers will have affected in this way the careers of half a million citizens of the United States. If we wish to improve drastically the quality of American public education, a basic step needed is to offer a salary which permits school boards across the Nation to select only fully trained and competent classroom teachers. The supply of qualified teachers will have to be greatly increased before school boards can be selective in their recruitment of teachers.

Staff requirements in the decade ahead

In 1960–61 the NEA Research Division estimated that 1,408,962 classroom teachers were employed in the public schools of 50 States and the District of Columbia. When we include the principals, supervisors, and other instructional staff, the total number of professional staff persons for the current school year is estimated at 1,526,079.[14] Estimated on the basis of the current trends in the ratio of enrollments to instructional staff, the U.S. Office of Education projects that between 1959 and 1969 more than 1.8 million professionally trained persons—teachers and other staff—will be needed to staff the Nation's classrooms.[15] Between 1958–59 and 1968–69 the number of classroom teaching positions alone will increase by 400,000 to take care of growth in enrollments and services. In addition a cumulative total of 1.6 million teachers will be needed to replace those teachers leaving the profession if present separation trends continue.[16]

The U.S. Office of Education estimates the new demand for classroom positions at 193,145 for the next school year, 1961–62, and at 220,732 for 1964–65. The dimension of the new demand for classroom positions is overwhelming when we realize that for almost every school year up to 1968–69 more teachers must be hired for replacement and growth than there were either lawyers and judges or physicians and surgeons in 1950.[17]

This presents a tremendous challenge, considering the fact that the class of 1961 will produce about 139,061 bachelor-degree graduates who are eligible for standard teaching certificates and that of this number only

[7] President's Science Advisory Committee, "Education for the Age of Science," Washington, D.C.; the White House, May 24, 1959, statement by the President.

[8] October 1960, p. 11.

[9] President's Science Advisory Committee, op. cit., p. 10.

[10] U.S. Department of Health, Education, and Welfare, Office of Education, "National Goals in the Staffing and Construction of Public Elementary and Secondary Schools: 1959–69," Washington, D.C., April 1960, p. 1.

[11] Rockefeller Brothers Fund, special studies project, "The Pursuit of Excellence," Garden City, Doubleday & Co., 1958, pp. 25–26.

[12] National Education Association, Research Division, "The Status of the American Public-School Teacher," Research Bulletin 35: 43, 44, 46; February 1957.

[13] National Education Association, Research Division, "Teaching Load in 1950," Research Bulletin 29: 14; February 1951.

[14] National Education Association, Research Division, "Estimates of School Statistics, 1960–61," Research Report 1960–R15. Washington, D.C., December 1960, p. 10.

[15] U.S. Department of Health, Education, and Welfare, Office of Education, "Ten-Year Aims in Education: Staffing and Constructing Public Elementary and Secondary Schools, 1959–69," Washington, D.C., the Department, Jan. 19, 1961, p. 19. Office of Education projections do not include Alaska and Hawaii. The professional persons on the instructional staffs of these States were estimated at 1960 and 5,500 for the school year 1960–61.

[16] Ibid., p. 20.

[17] U.S. Department of Commerce, Bureau of the Census, "Statistical Abstract of the United States, 1960," Washington, D.C., Superintendent of Documents, Government Printing Office, 1960, p. 218.

102,000 or 73.5 percent, can be expected to actually take teaching positions.

Ray C. Maul of the NEA Research Division has annually estimated over the past 10 years the numbers of additional teachers which will be needed the next fall to meet specific requirements. Dr. Maul's estimates of additional teachers needed for fall 1961 totaled 240,000. This figure is somewhat higher than the figure for "new demand" for positions estimated by the U.S. Office of Education for 1960–61 primarily because the NEA Research Division figure includes an estimated 30,000 persons to replace teachers now in classrooms who are unprepared for teaching. For September 1961 the five categories of need estimated by the NEA Research Division are as follows: [18]

Needs most likely to be met:	
1. To replace those leaving	120,000
2. To serve increasing enrollments	35,000
Needs which have not been met, and are most likely to continue:	
3. To relieve overcrowding and to eliminate part-time sessions	30,000
4. To give instruction and services not now provided	25,000
5. To replace the unprepared	30,000
Total needed, September 1961	240,000
Number of college graduates of 1961 likely to enter teaching (approximately 73½ percent of the new supply)	102,000
Net estimated shortage	138,000

Replacement of those leaving the service: It is not possible, prior to the opening of a new school year, to determine exactly how many teachers of the preceding year will not return to service. Termination, in addition to death, dismissal, and retirement for age or disability, is prompted by a wide variety of personal reasons. The NEA Research Division's estimate of an annual loss of 8.5 percent is based upon its close relations with State departments of education and State and local education associations, as well as its own studies which bear upon teacher loss and teacher turnover.[19] Investigations of loss of personnel from classroom service have not yet established a basis for applying separate percentage rates at the elementary- and high-school levels. The estimated need for replacement next September, 120,000, is 8.5 percent of the total staff of 1,409,000 currently in service.

Increased enrollment: The exact increase in enrollment in September 1961 over that of September 1960 cannot be foretold, but it is certain to exceed 1 million pupils in the elementary and high schools combined. Annual increases of 1 million or more have been recorded for more than a decade. But not until September 1960 did the first grade of the elementary schools feel the impact of 4 million births 6 years earlier. Thus the uninterrupted increase will continue at least until 1965, even if the annual birth rate should level off to 4 to 4¼ million per year.

The high schools, of course, have yet to feel the full surge of the expanding birth rate of the past 15 years. And equally significant, perhaps, is the growing awareness that high-school dropouts have not been checked. The loss of 3 of every 10 ninth-grade enrollees before graduation is an improvement over the loss of a decade ago, but this current loss of 30 percent should be cut drastically.[20] This is not just a matter of concern for the individual, but for society as well. The estimated need for 35,000 more teachers to serve increased enrollments is conservative, since it contemplates no more than a continuance of the present pupil-teacher ratio.

Overcrowding and part-time sessions: The question, what constitutes overcrowding, has been examined, but the current research designs yield inconclusive results for measurement of a complexity of skills, habits, and attitudes needed today by young adults.

The greatest problem in class size exists in the elementary school where both experience and mature judgment indicate that the effectiveness of the teacher falls rapidly as the 25-to-1 ratio is exceeded. In the lower grades, particularly, the immaturity of the child is such that the personal attention of the teacher must not be denied. The class size problem is not just one; it is composed of specific instances, each to be met in terms of the maturity of the learner and the nature of the subject.

The most recent nationwide study of class size in the elementary school shows that the average or median class size for the United States does not describe any specific prevailing situation.[21] Rural schools generally have a small class size. In the urban school districts, 83.3 percent of the pupils are in classes of more than 25 children each; 50.4 percent are in classes of more than 30 each; 16.4 percent are in classes of more than 35 each; and 2.9 percent are in classes of more than 40 each. Stated somewhat differently, in 445,600 elementary school classrooms there are 6,633,990 children in classes of more than 30 each; 2,161,523 pupils in classes of more than 35 each; 380,398 pupils in classes of more than 40 each; and 71,419 pupils in classes of more than 45 each. To these children and their teachers, the national average means little. For the relief of these conditions and for the elimination of half-day sessions for 600,000 elementary and high school enrollees, the estimate of 30,000 additional teachers next September is a minimum.

Additional instruction and services: New demands for comprehensively trained persons are now being heard most clearly in the scientific fields. Attention is directed to the inadequate offerings of chemistry, mathematics, physics, and foreign languages in many high schools, and also to the fact that many of these courses are taught by teachers "borrowed" from other fields. It is true that both the number of courses offered and the quality of instruction in these courses are rightly open to question in many high schools. But these are only the shortages that have attracted widespread public attention. The unmet needs in many other fields of instruction and educational services are equally urgent. The widely publicized Conant reports have focused attention upon the need for expertly trained counselors. No less basic are the needs for specialists in remedial reading, speech, and instruction of the handicapped, as well as for teachers of the subjects not now provided in many high schools. The estimate of 25,000 teachers for additional instruction and services is a very conservative figure.

Replacement of the unprepared: Although steady progress is being made in the improvement of standards for admission to teaching, there is no nationwide estimate of the number of certified teachers who are personally and emotionally unqualified for teaching. This kind of person will continue to be hired for classroom teaching until the supply of teachers enables the school boards to engage in selective recruitment and dismissal during the probationary period of employment. There is a nationwide count of the number of teachers which have been hired on certificates of an emergency or provisional type. There were 93,917 classroom teachers in 1960–61 who did not meet the minimum standards for full certification in the States in which they were employed. Although the proportion of emergency teachers to the total number of classroom teachers has been almost constant since 1950–51, the number has increased in 6 of the past 10 years, bringing the total from 75,079 in 1950–51 to 93,917 estimated for 1960–61. Between 2½ million and 3 million pupils are in their classrooms. The figures are shown below: [22]

Year	Emergency teachers	Total number of classroom teachers	Proportion of emergency teachers	Percent emergency teachers are of total teachers
1950–51	75,079	927,617	1 in 12	8.1
1951–52	69,848	962,864	1 in 14	7.3
1952–53	69,626	992,583	1 in 14	7.0
1953–54	78,850	1,032,138	1 in 13	7.6
1954–55	80,674	1,080,329	1 in 13	7.5
1955–56	79,403	1,133,093	1 in 14	7.0
1956–57	86,616	1,190,865	1 in 14	7.3
1957–58	94,732	1,237,943	1 in 13	7.7
1958–59	94,010	1,292,723	1 in 14	7.3
1959–60	93,543	1,353,055	1 in 14	6.9
1960–61	93,917	1,408,962	1 in 15	6.7

Standards vary among the States so that a person's training and experience would qualify him in one State for a full certificate, but in another State for a less than full certificate. In addition, many States have increased the requirements for full certification since 1951. The movement of the series given above indicates generally the extent to which school boards fail to find teachers who can meet State standards of certification.

Although we stated above that in 1960–61 a total of 93,917 teachers were hired on certificates of an emergency or provisional character, it should be recognized that some of these teachers are pursuing courses of study which will eventually qualify them for full certification. Others with high academic preparation in areas other than teaching eventually prove to be satisfactory teachers. While the NEA does not recommend hiring teachers who are not both academically prepared for teaching and personally qualified to teach, we recognize that as long as the shortage continues, a substantial number of persons who lack full preparation to teach will be hired. In approximately one-third of the cases the preparation of the persons employed is insufficient or wholly lacking. In this series on new classroom teachers needed for next fall, we estimate that 30,000 of these unprepared teachers should be replaced immediately.

It should be emphasized here that neither this series of new persons needed for the classrooms next fall nor the projections of the U.S. Office of Education based on the number of new classroom teaching positions makes any allowance for rigorous enforcement of standards of quality in the preparation and in the service of teachers presently in the classrooms or on the instructional

[18] National Education Association, Research Division, "Teacher Supply and Demand in Public Schools, 1961," Research Report 1961–R9, Washington, D.C., April 1961, p. 14.

[19] This turnover rate will be verified or revised pending the tabulation of a sample survey of teacher turnover conducted by the NEA Research Division in February and March of 1962.

[20] U.S. Department of Health, Education, and Welfare, Office of Education, "Statistical Summary of Education: 1955–56," Biennial Survey of Education in the United States—1954–56, Washington, D.C., Superintendent of Documents, Government Printing Office, 1959, p. 13.

[21] National Education Association, Research Division, "Class Size in Urban Elementary Schools, 1959–60," Research Report 1960–R10, Washington, D.C., June 1960," 24 p.

[22] National Education Association, Research Division, "Estimates of School Statistics, 1960–61," op. cit., p. 12.

staff. Attention to standards of quality cannot be fully realized so long as the States and most districts are hard pressed to staff the classrooms. These estimates and projections are practical ones in regard to teachers required to correct obvious barriers to good teaching. The first two categories represent what is likely to happen next year. Hence they obscure much of the need for an increased supply of well-qualified teachers which would arise if all schools across the Nation were dedicated to providing a quality staff for a high-quality educational program.

Future recruitment efforts must still be concerned with greater numbers, but the spotlight should continue to be focused more sharply upon the needs of the elementary schools. For many years the ratio of elementary- to high-school teaching positions has been about 8 to 5. In the next decade the increase in enrollments will be somewhat greater in the high schools, but currently overcrowding is most acute in the elementary grades, and new techniques of teaching will probably find wider application at the top of the public school system.

Is it possible for the public school system to be so organized and so staffed that every child will be assured of his opportunity to develop according to his capacities? The critics think not and prefer to reduce the scope of universal education to meet the staff which can be hired and retained at modest salaries. When the national interest in education is the point of decision, as it has been under the leadership of the President Eisenhower, the first national educational goal is: "To have a professionally qualified and competent teacher in each classroom in America's public elementary and secondary schools." [23] In terms of new teachers to achieve this goal, the gap between supply and demand of teachers is still critical.

Increased salaries could help in four ways: (a) more of the June graduates could be attracted to teaching positions; (b) more of present staff would continue to teach; (c) increased salaries would help in getting qualified personnel back into teaching from among the hundreds of thousands who have trained for teaching but who have never taught or have left teaching for some other calling; and (d) increased salaries would be a factor in getting more of the students going to college to select teaching as a profession.

Competing for talented manpower

A critical situation has existed in the supply of qualified persons for classroom teaching each year since World War II when salaries in teaching lagged far behind wages and salaries in most other occupations. Despite the improvement in salaries in recent years, we are not as well off in recruiting able people for teaching as we were in the 1920's and 1930's when few other jobs were available for college trained men and women. As teachers' salaries have gone up, so have salaries of other occupations which tend to attract potential teachers. The average annual salary of the instructional staff has increased from $3,126 in 1950–51 to $5,389 in 1960–61. To a Nation accustomed to underpricing the services of teachers, the gains look large indeed. But when compared to the number of emergency teachers shown, it becomes apparent that the increases in teaching salaries have still not improved the supply of teachers to the point where school districts can dispense with the emergency, provisional, and unqualified teachers. A more rapid gain in salaries is indicated if each classroom is to be staffed with an able and qualified teacher. This is a reasonable national goal and a reason why Federal funds are needed for teachers' salaries.

Average earnings of the instructional staff in public schools are still substantially below those of professions that require college preparation for an individual to gain admission to employment in the field. The National Education Association purchased from the Bureau of the Census a special tabulation of the 1958 money earnings of all individuals in the professional-technical group included in the 1958 Survey of Consumer Income in order to single out for special study the public-school instructional staff and 17 other professional groups. The 17 other professional groups included both high- and low-income occupations, including architects, chemists, clergymen, dentists, dieticians, engineers, foresters, and conservationists, lawyers and judges, librarians, natural scientists, optometrists, osteopaths, pharmacists, physicians and surgeons, social and welfare workers, social scientists, and veterinarians. Table 1 below shows the teachers' earnings in relation to those of workers in 17 other professions. According to the figures shown, the mean earnings of teachers, men and women combined, were but 47 percent of the mean earnings of the workers in the 17 selected professions combined. The mean earnings of men in public-school teaching were 52.5 percent of the mean earnings of men in the 17 selected professions. The mean earnings of women teachers in the public schools were 78.4 percent of the mean earnings of women in the other 17 professions. All workers included in the study worked more than 27 weeks, earned $1,500 or more, and had completed 4 or more years of college.

TABLE 1.—*Teachers' earnings in relation to those of workers in 17 selected professions, by sex, 1958*

Grouping by sex and professional status	Excluding casual workers and those only partially prepared [1]	
	Mean earnings	Median earnings
(1)	(2)	(3)
Men and women:		
17 selected professions	$10,697	$8,195
Teachers (public school instructional personnel)	$5,059	$4,831
Teachers as a percent of 17 other professions		
percent	47.3	59.0
Men:		
17 selected professions	$11,016	$8,415
Teachers (public school instructional personnel)	$5,780	$5,607
Teachers as a percent of 17 other professions		
percent	52.5	66.6
Women:		
17 selected professions	[2] $5,981	[2] $5,156
Teachers (public school instructional personnel)	$4,689	$4,404
Teachers as a percent of 17 other professions		
percent	78.4	85.4

[1] Excludes those working less than 27 weeks, or earning less than $1,500, or not having completed 4 years of college.

[2] Subject to large probable error because of small sample size.

Source: Estimated by the NEA Research Division from data compiled by the U.S. Bureau of the Census, based on the Current Population Survey, 1958.

This wide gap between the salaries of teachers and those of other professions is a major obstacle in overcoming the shortage of qualified teachers. This is not to say that many talented teachers will not continue to enter teaching and spend their entire working careers in the classroom. Dedication to teaching is and always has been a major factor in attracting and retaining good teachers in our schools. But the basic need is for qualified teachers in greater numbers than ever before and at a time when the demand for educated and talented persons is rising in every area of American life. The public is beginning to recognize that it must pay for quality in educational services.

In a special report on U.S. education (April 19, 1958) Business Week outlined the fallacies of the old economics of teachers' salaries as follows:

"Historically, the United States has been accustomed to get its teachers at bargain rates. The reasons for this curious bit of economics ceased to apply some years ago. But it is only now that the public is beginning to realize it.

"A generation or so ago, teaching was one of the few occupations with a flavor of intellectuality that was readily open to the child of a poor family. (Law and medicine required long and expensive preparation, but a bright young man or woman could do a hitch in teachers college or normal school and go to work at once.) It was, moreover, one of the few respectable occupations open to women. As a result, teaching got more than its share of smart, earnest people, to whom it represented a step up the social ladder.

"Today's salary scales in education still show the effects of that old situation. In spite of the social and economic changes that war and inflation have produced, the schools are still paying as though they could take their pick of thousands of eager young applicants.

"The surprising thing is that good teachers have continued to come out of each June's graduating classes and that many of them—though not enough—have stayed in teaching. * * *

"The best teachers teach because they like to. * * *

"Such people will go into teaching as long as the pay and working conditions are not so bad as actively to discourage them. * * *

"At present salary levels, even these people are getting discouraged. The United States will have to raise its scale of teaching salaries to keep them coming—and to keep them from drifting out of teaching once they have started. But you can't expect higher salaries to end the teacher shortage overnight by attracting droves of smart young people. There aren't that many potential good teachers coming out of the universities or working their way through the undergraduate pipeline. Even with adequate salaries, it will take a generation or so to recruit the faculty that we need." [24]

With the backlog of demand on State and local governments and with the increasing impact of their taxes on their ability to attract and keep industry, States—rich and poor—are not prepared to pay teachers the going rate for college-trained persons. The remarks of Governor Handley of Indiana in the May 1959 Nation's Business illustrate the complacency of opponents of Federal support of teachers' salaries.

"I don't think any teacher is ever adequately paid. I think the teaching profession is one of the most important in the country. We are trying to keep the salaries moving upward each session, but we still have to remember that we have other facets of State government that put demands on our income as well.

"At present I think our teachers, although not paid commensurate with their worth, are paid as well as they are in other States." [25] States." [25]

To pay teachers as well as teachers in other States is important, too, but if the supply of teachers is to be improved in both

[23] U.S. Department of Health, Education, and Welfare, Office of Education, "National Goals in the Staffing and Construction of Public Elementary and Secondary Schools, 1959–69," op. cit., p. 1.

[24] Business Week, "The Real Trouble With U.S. Education," Apr. 18, 1958, p. 160.

[25] Nation's Business, "Federal Aid Checks Local Growth," 47: 57; May 1959.

quality and quantity, teachers' salaries must be increased to levels comparable with other professions. A broad support program from the Federal Government is imperative.

III. HOUSING NEEDS

Another perplexing problem of the 1960's is how to build the classrooms which are needed now and which will be required for the 8.1 million additional pupils by 1969–70, one-half of whom are going to be in the secondary grades. Each of these secondary-school classrooms is far more expensive to construct and equip than its counterpart in the elementary school. Far more variation is required in the planning for secondary-school facilities to accommodate different sizes of classes, from lecture rooms to discussion groups, and far more variation is required in the equipment of rooms for specialized study in languages, mathematics, and science. Indeed, the old classroom with immovable walls is a major deterrent to progress in audiovisual instruction and in variable arrangements for different sizes of classes.

For the past 5 years, we have been building classrooms at the average rate of slightly less than 70,000 per year. This probably is an all-time record in school construction, but we have been running fast in order to stand still. Until last year, we were cutting away at the backlog of need at the rate of 8,000 to 10,000 rooms per year. Now it appears that we are headed in the other direction. In the fall of 1959, the shortage was reported at 135,200 rooms; this fall the shortage is reported at 142,100 rooms. This shortage takes on added meaning when we learn that the number of pupils in excess of normal capacity of buildings is almost 2 million and that 685,000 pupils are on curtailed or half-day sessions.[26] The U.S. Office of Education has estimated that approximately 8 million pupils are affected by overcrowding, by half-day sessions, and by the use of improvised or makeshift facilities. This figure includes not only the number of pupils in a classroom in excess of the maximum size, but all the pupils who would be adversely affected by overcrowding. In addition, there are over 2 million other pupils housed in obsolete or otherwise inadequate buildings. Therefore, the number of pupils whose education is adversely affected by the classroom shortage is estimated to be at least 10 million.

Variation in classroom needs

School construction needs are not uniformly distributed throughout the Nation, nor do all school districts within a State have similar construction problems. Because of the nature of their population, some areas have sufficient or even excess classroom facilities for the children they serve, while others, in rapidly expanding localities, are finding it more and more difficult to keep up with the increase in school population. Moreover, some districts and States have made valiant attempts, by voting special bond issues, to construct facilities as they were needed; in others, formidable constitutional barriers and lack of taxable wealth have made it impossible to keep pace with the growing needs.

As a result of these factors, money appropriated for school construction, in areas where construction is not really needed, would serve no useful purpose.

Data on classroom construction recently received by the U.S. Office of Education from the chief State school officers clearly illustrate this great variance in classroom needs. For example, in the fall of 1960, Indiana had 984,000 pupils; Florida, 979,000; and Georgia, 932,000. All had just under 1 million pupils each. However, classroom shortage reported by these three States varied greatly. Indiana reported a need for only 1,321 classrooms, but Florida, a need for 4,744 classrooms, and Georgia, 3,714.[27]

Tennessee and Kentucky, which share a common border, also offer a vivid illustration of the variation in need for classrooms. Tennessee, with 795,000 pupils enrolled in the fall of 1960, reported a need for only 2,984 classrooms, while its sister State, Kentucky, with 177,000 fewer students reported a need for 8,906 classrooms. Moreover, Tennessee reported 1,726 classrooms scheduled for completion during 1960–61, while Kentucky reported only 1,331.

A very small proportion of our elementary-school children still go to one-room schools. Nevertheless, we still have 23,700 of these schools providing the education for nearly 400,000 boys and girls. These young Americans are as important as any of the others; yet some of their buildings are a disgrace to this country. Almost 1 in 20 of these buildings is over 90 years old; two-thirds still lack inside plumbing; most of them are poorly equipped and struggling against great odds to provide a decent atmosphere for schoolchildren.[28] A few other facts about one-teacher schools further emphasize the need for consolidation. The average class comprised 17 pupils. The average teacher was paid $2,921 in 1958–59, and 83 percent of the teachers had less than 4 years of college. A high proportion of these schools could be consolidated with other districts. Of the teachers of one-room schools who were polled in 1958–59, 66 percent indicated that consolidation was possible.

Some national organizations which oppose Federal support for schools have been pointing out that Federal funds for school construction are not needed because, according to their calculations, based solely on enrollment growth, they conclude that we may be headed for an oversupply of classrooms. This optimism does not account for classrooms needed because of shifting population among districts or because of obsolescence. It is true that about half the classrooms now in use have been built in the past 10 years. It is also true that many of these are crowded. Little is known about the older half of the classrooms except that they are mostly more than 30 years old. The last period of school building ended in 1929. Few school buildings were constructed in the depression years, when the birth rate and the school-age population were declining rapidly, and few buildings were built during the war years of the 1940's. One has only to look around as he walks down the street of most of the core cities of metropolitan areas to see that the need for school building to replace obsolete facilities is still critical. One has only to drive around the suburbs to see additions to relatively new school plants to accommodate enrollment increases.

Estimates of classrooms needed

Despite the variance in need for buildings from one State to another, the overall shortage is still critical. As of the beginning of the school year 1960, there were 1,338,560 publicly owned classrooms to house the fall enrollment reported by the U.S. Office of Education at 36,305,104. An estimated 142,162 additional classrooms were needed to accommodate increased enrollment (66,141) and to replace unsatisfactory facilities (76,019).[29] Table 2 reproduces the estimates of the U.S. Office of Education for additional classroom needs for the school years 1959–60 through 1963–64 and 1964–65 through 1968–69. A total need of 416,600 is reported for the first half of the decade and a total of 191,000 for the last half. These estimates for the last 5 years of the decade are based on the assumption that the backlog of needs will be removed in the first 5 years. If this is a reasonable national goal, in the 5 years, 1959–60 through 1963–64, the rate of classroom construction should increase from 70,000 of the past years to about 85,550 per year. However, 2 of the 5 years have already passed. We built 69,400 classrooms in 1959–60 and plan to build 69,553 this year, 1960–61. This leaves a total of 277,647 classrooms to be built in the remaining 3 years. To meet the goal, construction must be stepped up from an annual rate of less than 70,000 to 92,549, more than 20,000 classrooms above the rate of the past few years. If we are able to remove the backlog before the school year 1964–65, the annual need will drop to approximately 38,200 per year. After 1969 the outlook is extremely uncertain.

After 1966 the large number of babies born during the postwar years will be reaching an age of marriage and family establishment. If the present trend in early marriage and large families is not stopped, we may enter an era of new demand for additional facilities, unprecedented in our recent history. This may come at a time when the local property tax base is still encumbered with bonded indebtedness for schools constructed to meet the enrollment needs of the 1950's. In addition, we can look for a stepped-up rate of obsolescence because plants built in the construction period of the 1920's will become 40 to 50 years old by the end of the decade. These are major reasons why in the immediate years ahead a nationwide effort is required to keep abreast of current needs and to remove the backlog.

TABLE 2.—*Public school elementary-secondary classroom needs*

Item	1959–60 through 1963–64	1964–65 through 1968–69
(1)	(2)	(3)
Future classrooms needed:		
For increased enrollment	201,000	107,000
For backlog, fall 1959	131,600	0
For current replacement	84,000	84,000
Total	416,600	191,000

Source: U.S. Department of Health, Education, and Welfare, Office of Education. "National Goals in the Staffing and Construction of Public Elementary and Secondary Schools, 1959–69." Washington, D.C.: the Department, April 1960. P. 82.

IV. PUPIL ENROLLMENT

In the decade of the 1950's, the enrollment in public elementary and secondary schools increased from 25.2 million in 1949–50 to 36.2 million in 1959–60, an increase of 11.0 million. According to projections of the U.S. Office of Education in the 1960's, the enrollment will go up 8.1 million.[30] Table 3 reproduces the projections of the U.S. Office of Education. The figures show that enrollment will continue to increase at the rate of about 1.1 million each year through the school year 1964–65. This is about the same annual increase as we have experienced over the past 10 years. The increase after 1964–65 should begin to drop to about 600,000 per year and continue at this level throughout the last half of the decade.

[26] U.S. Department of Health, Education, and Welfare, Office of Education, "Enrollment, Teachers, and School Housing, Fall 1960," Circular No. 634; Washington, D.C., Superintendent of Documents, Government Printing Office, 1960, pp. 1–8.

[27] Ibid., pp. 12 and 16.

[28] National Education Association, Research Division, "One-Teacher Schools Today," Research Monograph 1960–M1, Washington, D.C., June 1960, 75 p.

[29] U.S. Department of Health, Education, and Welfare, Office of Education, op. cit., p. 19.

[30] U.S. Department of Health, Education, and Welfare, Office of Education, "Projected Enrollments in Full-Time Public and Non-Public Elementary and Secondary Day Schools, Assuming Continuation of 1955–57 Birth Rates, 50 States and D.C.: School Years 1958–59 to 1969–70," Washington, D.C., Aug. 24, 1960, p. 1.

The drop in the enrollment increase, which is so comforting to some people, is still 5 years off. In looking at these figures, it is important to note that the children born in 1961 will become the kindergarten class of 1966 and the first-graders of 1967. Other factors beyond the normal trend accounted for in these projections could swell the enrollment by the end of the decade: (a) The Department of Labor has estimated that in the 1960's, 7.5 million teenagers will drop out of school before completion of the 12 grades. Retention of the substantial portion of these dropouts in school through completion of the 12 grades could add hundreds of thousands to the enrollment each year.[31] (b) Expansion of the kindergarten grade could result in a far higher increase than that now expected in the 1960's. Any change in the birth rate, in the size of families, or in the decisions of parents about sending their children to public versus private schools would substantially change the enrollment realized 9 school years hence.

TABLE 3.—*Projected enrollment in full-time elementary and secondary day schools of the public school system[1] assuming continuation of 1955–57 birth rates, 50 States and the District of Columbia: School years 1958–59—1969–70*

[Projections as of August 1960 (in thousands)

School year	Total	Grades K–8	Grades 9–12 and post-graduate
1	2	3	4
Actual:			
1949–50	25,216	19,464	5,752
1951–52	26,678	20,770	5,908
1953–54	28,970	22,651	6,319
1955–56	31,315	24,410	6,905
1957–58	33,696	25,801	7,895
Projected:			
1958–59	35,001	26,683	8,318
1959–60	36,170	27,767	8,403
1960–61	37,551	28,559	8,992
1961–62	38,454	28,783	9,671
1962–63	39,580	29,313	10,267
1963–64	40,568	29,719	10,849
1964–65	41,492	30,181	11,311
1965–66	41,987	30,581	11,406
1966–67	42,573	30,948	11,625
1967–68	43,126	31,273	11,853
1968–69	43,753	31,599	12,154
1969–70	44,322	31,927	12,395

[1] Does not include residential schools for exceptional children, subcollegiate departments of institutions of higher education, and Federal schools for Indians.

Method: Projected enrollments are based upon Office of Education enrollment data and Bureau of Census unpublished projections of the population aged 5 to 19, by single year of age (equivalent to series II, in Current Population Reports, p. 25, No. 187). In most cases it is assumed that present enrollment trends (1950–60) will continue.

However, accepting the assumption that we expect only 8.1 million more in the present decade as compared with 11.0 million more in the last decade, we find that the cost increase will not follow the ratio of 8 to 11 because a much larger proportion of the 8.1 million than of the 11.0 million will be in high-school grades, where the average cost per pupil is 1.3 to 1.5 times as high. Enrollments in grades 9 through 12 increased only 2.6 million in the 1950's but will increase 4.0 million in the 1960's, even on current trends. It is likely that the enrollment increase in this decade will prove more expensive than the enrollment increase in the past decade.

Another factor which may swell the increase in the secondary grades is the tendency to reorganize grades 7 and 8 of the elementary grades on a junior high school secondary type organization. Between 1948–49 and 1958–59 the percent of urban districts having separate junior high schools rose from 40.1 percent to 53.3 percent.[32] The projections shown in table 3 are by grade groups. However, on present trends, an estimated 4 million pupils, shown in column 3 as elementary-school pupils, would be classified as secondary-school pupils on an organization breakdown.

School dropouts

The school dropout is a problem of special concern with the teenage group. Despite the present emphasis on programs for the talented, within a few years the schools are going to be on the receiving end of a lot of criticism over their failure to provide a program suitable for the underachiever, the retarded, and the child of low average intelligence. These, by the way, are the characteristics of the majority of those who fail to finish high school. Many come from families who cannot give them any help. In the dropout study of the Department of Labor covering seven communities, 6 percent of the dropouts had IQ's of 110 and over as compared with 16 percent of the high-school graduates; 48 percent of the dropouts had IQ's of from 90 through 109 as compared with 63 percent of the high-school graduates; 15 percent of the dropouts had IQ's of 85 through 89 as compared with 11 percent of the graduates; and 31 percent of the dropouts had IQ's under 85 as compared with 10 percent of the graduates.[33]

There are serious economic and social implications to the dropout problem. The big bulge in school enrollment is now moving out of the elementary school into and through the high school. At present we are losing approximately one-third of our youth between the ninth grade and high school graduation. If this rate continues, the one-third who will quit will number 7.5 million and will greatly outnumber the 50 percent we were losing a few decades ago.

Specialists in the labor field tell us that these youngsters who quit school do not make very good workers. They have no skill to market, they are too young and immature to appreciate a job and stick to it, and they cannot demand a wage that will support a reasonable standard of living. All this adds up to the most disgruntled, disillusioned, and unsatisfactory group of workers in America. In addition, more and more of them are having a difficult time finding any kind of employment. The unemployment rate among those failing to finish high school is almost double that of those who do finish, and 3.5 times the rate of those who have had some college education.[34] There are a lot of these dropouts now in the young population: 1 in 4 young men and women 16–24 years of age were not in school in October 1959 and had not graduated from high school. They totaled 5.1 million out of a population of 19.9 million in the age group 16–24. Table 4 shows the educational achievement of men in this age group.

The problem is already serious, but it is going to become far more serious in the decade ahead unless we act now. The number of jobs available to unskilled persons is decreasing year after year, but the number of people to fill them is increasing rapidly. In a few years there will be nothing for many thousands of them to do. Before long, these boys and girls will constitute an almost impossible burden on the resources of welfare and unemployment agencies and on the juvenile courts. To further illustrate the seriousness of this problem, it should be pointed out that in 1950 we had only 8.4 million persons in the critical 14-to-17-year-age bracket. By 1970 we will have 15.9 million in this group, or almost twice as many. In 1950 we had only 8.9 million in the 18-to-21-year-old group; by 1970 we will have 14.6 million and by 1975, 16.3 million.

In the long run it may be cheaper to educate these boys and girls than to support the costs of the side effects of quitting school. The type of education which will help to solve the problem, however, is likely to prove expensive: smaller classes in elementary schools, special classes and schools at the high school level, more counseling, broader and more adequate programs, and specially trained teachers.

TABLE 4.—*Educational status of urban and rural male youth 16 to 24 years of age compared*

Males age 16 to 24, October 1959	Total	Urban	Rural nonfarm	Farm
(1)	(2)	(3)	(4)	(5)
Number	9,312	5,590	2,426	1,295
Percent	100.0	100.0	100.0	100.0
Enrolled in school	47.4	49.2	46.9	40.8
Not enrolled in school:				
Not a high-school graduate[1]	25.2	22.3	25.9	36.3
High-school graduate only[1]	17.4	17.0	18.4	17.0
College or college graduate[1]	7.9	9.6	6.3	4.2
Not reported[1]	2.1	1.9	2.5	1.7
Total	52.6	50.8	53.1	59.2

[1] Percent calculated by NEA Research Division from distribution in source cited above.

Source: U.S. Department of Commerce, Bureau of the Census, and U.S. Department of Agriculture, Agricultural Marketing Service: "Educational Status and School Plans of Farm and Nonfarm Youth," farm population series census, AMS P–27, No. 27. Washington, D.C., Apr. 29, 1960, p. 6.

An increasing and moving population

A very important aspect of the pupil enrollment growth which does not show up in the national total, but which is nevertheless of critical concern to local and State schools, is the mobility factor of the civilian population. Between March 1959 and March 1960, 18 percent of the heads of households moved to a different house.[35] It follows logically that many of these heads of households had families and moved their families with them. Many of these moves involved a change in schools, if not school districts, for the children. The Census Bureau reported that 12.7 percent of the total household heads moved to a different house within the same county, and 5.5 percent moved to a different county; 2.7 percent of the moves were between States.

Each type of area, rural, urban, and suburban, in the United States has this unique educational problem:

1. The rural areas: A critical need in the rural areas is for school consolidation into districts large enough to provide a program for the needs of all pupils. Table 4 shows the dimensions of the dropout problem in

[31] U.S. Department of Labor, "Manpower Challenge of the 1960's." op. cit., p. 16.

[32] National Education Association, Research Division, "The Junior High School Today," NEA Research Bulletin 39: 47–50, May 1961.

[33] U.S. Department of Labor, Bureau of Labor and Statistics, "School and Early Employment Experience of Youth," Bulletin No. 1277, Washington, D.C., Superintendent of Documents, Government Printing Office, August 1960, p. 14.

[34] U.S. Department of Labor, "Manpower Challenge of the 1960's," op. cit., p. 16.

[35] U.S. Department of Commerce, Bureau of the Census, "Household and Family Characteristics: March 1960," Current Population Reports, Series P–20, No. 106, Washington, D.C., Jan. 9, 1961, p. 3.

the rural farm area. Note that 59.2 percent of the rural farm male aged 16–24 were not enrolled in school, and 36.3 percent of all the young men in rural areas were not high-school graduates. The record of urban youth is somewhat better: 50.8 percent of the urban youth aged 16–24 were not in school of any kind, and 22.3 percent of the total number were not high school graduates and were not presently in any kind of school.

These figures indicate much about the preparation of this age group of men for successful experience in the labor force in our highly industrialized economy. The proportion of rural farm male youth who quit high school before graduation is high in comparison with the urban and nonfarm groups. The proportion of all male youth who quit before high school graduation, 1 in 4, is higher than we can afford. In numbers, this means that more than 2.3 million of the total 9.3 million male youth in the age group 16–24 lacks the minimum scholastic preparation now deemed necessary for service in the Armed Forces and now deemed necessary by the U.S. Department of Labor under Secretary Mitchell for a successful work experience in the civilian labor force of the decade ahead.

2. Suburban areas: Suburban areas contain the fastest growing segment of the population. According to the old definition of urban-rural used by the Census Bureau before 1960, the population in the area outside the central cities of standard metropolitan statistical areas grew at an average of 44.3 percent between April 1950 and April 1959 compared with a growth of 1.5 percent for the central cities and −14 percent for the rural farm areas. The population of the rural nonfarm areas within the standard metropolitan statistical areas grew 117.1 percent or 17.3 times the rate of 16.1 percent for the Nation as a whole.[36] The suburban areas contain the fast growing school population and the mounting problems of classroom construction and staffing of schools. Many of these areas do not contain a good balance of residential, commercial, and industrial property for the support of schools and other local services. In many parts of the country, these are the districts which have not yet done anything about the need for a consolidated school district to broaden the tax base for schools. These are the communities that are presently bonding and taxing themselves at an unprecedented rate to support the quality of education which they deem necessary for the children of the community. Many of them are going into another decade of further expansion with already high levels of bonded indebtedness and current expense.

3. Central city: The problems faced by the major metropolitan cities of the United States are staggering. These areas are already in serious financial trouble with heavy outmigration of taxpayers and inmigration of educationally deprived segments of the population. In the past 10 years, the 20 cities that are now the largest in the country increased only 3.3 percent in population while their suburban fringes increased seven times as fast. But while the total population in the central cities was increasing only 3.3 percent, their school enrollments went up 22.4 percent. (See table 5.)

TABLE 5.—*Public-school enrollments and related figures, 20 largest cities*

City	Public-school enrollments		Percent of increase, past 10 years		City	Public-school enrollments		Percent of increase, past 10 years	
	1959–60	1949–50	School enrollments, 1949–50 to 1959–60	Population, 1950–60		1959–60	1949–50	School enrollments, 1949–50 to 1959–60	Population, 1950–60
(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
1. New York, N.Y.	977,541	916,512	+6.7	−1.4	13. Boston, Mass.	95,415	99,724	−4.3	−13.0
2. Chicago, Ill.	531,064	402,252	+32.0	−1.9	14. Dallas, Tex.	127,721	61,734	+106.9	+56.4
3. Los Angeles, Calif.	516,812	372,818	+38.9	+25.8	15. New Orleans, La.	91,115	64,069	+42.2	+10.0
4. Philadelphia, Pa.	237,476	239,371	−.8	−3.3	16. Pittsburgh, Pa.	70,744	70,056	+1.0	−10.7
5. Detroit, Mich.	278,428	247,819	+12.4	−9.7	17. San Antonio, Tex.	70,250	49,068	+43.2	+43.9
6. Baltimore, Md.	163,238	124,259	+31.4	−1.1	18. San Diego, Calif.	99,788	49,477	+101.7	+71.4
7. Houston, Tex.	168,282	95,385	+76.4	+57.4	19. Seattle, Wash.	90,206	63,854	+41.3	+19.1
8. Cleveland, Ohio	132,242	107,728	+22.8	−4.2	20. Buffalo, N.Y.	68,173	70,107	−2.8	−8.2
9. Washington, D.C.	117,884	97,564	+20.8	−4.8					
10. St. Louis, Mo.	101,066	97,152	+4.0	−12.5	Total	4,130,044	3,373,449	+22.4	+3.3
11. San Francisco, Calif.	90,161	76,248	+18.2	−4.2	U.S. total	36,037,937	25,111,427	+43.5	+18.5
12. Milwaukee, Wis.	102,438	68,889	+48.7	+16.3					

SOURCES

Col. 2, cities: American Book Co. calendar for 1961.

Col. 2, U.S. total: National Education Association, Research Division, "Estimates of School Statistics, 1960–61, Research Report 1960—R15, Washington, D.C., December 1960, p. 20.

Col. 3, cities: U.S. Department of Health, Education, and Welfare, Office of Education, "Statistics of City School Systems," Biennial Survey of Education, 1948–50, Washington, D.C., Superintendent of Documents, Government Printing Office, 1953, ch. 3, pp. 24–28.

Col. 3, U.S. total: U.S. Department of Health, Education, and Welfare, Office of Education, "Statistics of State School Systems," Biennial Survey of Education, 1948–50, Washington, D.C., Superintendent of Documents, Government Printing Office, 1952, ch. 2, p. 46.

Col. 4: Computed by NEA Research Division from figures in cols. 2 and 3.

Col. 5: Computed by NEA Research Division from final population figures from the U.S. Bureau of the Census. Central cities from press release dated Dec. 6, 1960, entitled "Cities of 100,000 Inhabitants or More, April 1, 1960"; metropolitan areas from release dated December 1960 entitled "Final 1960 Census Population Counts for Standard Metropolitan Statistical Areas" and 1960 Census of Population, PC (A1)-1, p. 3.

The core cities hold a concentration of social and economic problems; they are characterized by a high rate of crime among adults and juveniles, a high rate of family welfare cases, unemployment, dependent aged persons, school dropouts, and children from culturally deprived homes. Recent experiments in many of the cities indicate that the schools can successfully attack that portion of the social and economic problems of the central cities which are associated with youth of school age. A case in point is the record of the George Washington High School in New York City:

"When the first project students were admitted to George Washington from junior high school, * * * their intelligence quotients, measured by verbal tests, ranged from 70 to 141 (the principal said). Seventy percent had intelligence quotients below 100; 89 percent were below the grade level in reading, and 88 percent were below grade level in arithmetic. * * *

"Many of the students were unaccustomed to meeting the normal requirements of academic work, * * * the homes of many were troubled by family problems, and nearly half of them had lost one or both parents. * * *

"Out of an original class of 148 junior high school graduates entering his school 3 years ago, 87 received diplomas last June and 8 others were graduated last month. Sixty of the graduates are going on with higher education, he said.

"Mr. Hillson said that as a result of the program 39 percent more pupils finished high school than before, 2½ times as many completed the academic course of study, and 3½ times as many went on to higher education." [37]

There is no magic formula for achieving this record except the application of extensive time and numbers of talented teachers, guidance workers, and administrators.

The pupils of the United States are present in educational programs which vary widely in meeting, or missing, their educational needs. The national stake in achieving the goal of an adequate program for all youth is underscored by military and civilian needs for increases in the educational level of young men and women throughout the United States.

V. FINANCING PUBLIC SCHOOLS

The investment in public schools increased from $5.8 billion in fiscal 1950 to $15.3 billion in fiscal 1960 and on to an estimated $16.5 billion in 1961. This was a remarkable achievement. At the present rate of growth and expansion the annual outlay for public schools will probably reach $30 billion by 1970. Several groups, including President Eisenhower's Commission on National Goals, have estimated that costs by the end of this decade should be at least double their present level.[38] The recent President's goals report reenforced the recommendations of the 1955 White House Conference, which also recommended the doubling

[36] U.S. Department of Commerce, Bureau of the Census. Statistical Abstract of the United States, 1960, op. cit., p. 15.

[37] New York Times, Feb. 9, 1961, p. C28.

[38] President's Commission on National Goals, "Goals for Americans," New York, the American Assembly, Columbia University, 1960, p. 7.

of expenditures.[39] Projects of growth in the gross national product indicate that a portion of the increase in school costs can be expected to be offset by growth in the economy. However, the necessary expansion in school investments cannot be made without increasing the share these schools require of our total expenditure.

This $30 billion is going to be a tremendous load on local and State revenue programs. Ten years hence public elementary and secondary schools will be costing two-thirds as much as national defense is costing now.[40] In another decade these schools will be requiring almost as much revenue as all State and local services, including education costs in 1959.

What are the possibilities of schools getting any cheaper? Throughout this paper, we have discussed expectations in pupil growth, in classroom needs, in staff needs, and in program and service needs. There is much expansion ahead in school costs unless there is a curtailment of our educational goals. Frankly, the prior question would be one of pricing the kind of education we need. Many innovations popularly conceived of as cost-cutting schemes—school consolidation, audio-visual instruction, arrangements in class size and teacher talent—actually hold more promise for an improved educational system than for cost cutting. A good example of this is the changed staff pattern developed by J. Lloyd Trump for the Commission on the Experimental Study of the Utilization of the Staff in the Secondary School. This study was supported by the Ford Foundation, and the study group was appointed by the National Association of Secondary-School Principals, a department of the National Education Association.[41] The comparison of today's secondary-school costs with the secondary-school costs of the future is shown below:

Now:	
16 Teachers, average salary $5,500 (some clerical help available but now charged to the principal's budget)	$88,000
Total	88,000
Future:	
5 Teacher specialists, average salary $8,000	40,000
5 General teachers, average salary $5,500, same as at present	27,500
Instruction assistants, 200 hours per week, $1.80 per hour	12,960
Clerks, 100 hours per week, $1.40 per hour	5,040
General aids, 50 hours per week, $1.30 per hour	2,340
Total	87,840

Note that we have affected saving of $160 per each 400 students in a secondary school. If all schools were to adopt this type of program, the savings which would result across the Nation would be less than $5 million—an amount equivalent to the average cost of about 111 high school classrooms. The plan calls for a special type of plant, including various sizes of classrooms, special libraries, study resource rooms, and equipment, which includes film, radio, TV, recording, and electronic machinery. The equipment and facilities needed will no doubt cost more than the savings effected by the contemplated arrangement of teachers. Increased costs will be justified if substantial improvements occur in the educated skills of the pupils involved.

When we examine the proposals for change in existing arrangements in education, we find two kinds of proposals: Those which emphasize costs and sacrifice quality and those which promote quality but which entail obvious cost increase, though they may effect economy in use of stafftime and facilities needed.

Possibilities of the general property tax

Can the property tax continue to carry half the additional educational load? Can the tax which is geared to the productivity of an agricultural economy cope with the needs of an exploding urban and industrial society? The present levels of property taxes are high in comparison with those of most recent years, although according to some analyses they have still not reached ratios prevailing in many communities in the 1920's.

There is a great deal of reason to hope that, for the Nation as a whole, property tax revenues will increase because of the additional construction, more efficient assessments, and more taxpayer appreciation of the critical nature of the local services the property tax revenues support. In addition, we can expect States which now have low levels of property taxation to make more use of this source as revenue demands become more pressing.

This hope for increased property tax receipts is tempered by economic and political limitations. Property taxes are paid by business and industry as well as by farmers, home owners, and owners of rental property. It is not merely a question of willingness of home owners in a community to support schools, a real limit is placed on the assessment and tax rates of any community that does not wish to tax its industries to the point where they compete at a disadvantage with industries in other communities. Another barrier is the presence of a substantial group of retired people in the community whose satisfaction is dependent upon retaining their home but whose income is limited. Again, when we look to the golden era of property tax levels in the 1920's, we sometimes forget the extreme sensitivity of property ownership to economic conditions. Table 6 shows the nonfarm real estate foreclosures by year since 1926. Note the dramatic increase of foreclosures beginning in 1927 and lasting through 1932 and rising again in the post war era although the numbers in the recessions of 1949, 1954, and 1957–58 were smaller. Mortgage debt outstanding in 1959 was $148 billion on nonfarm residential properties, and mortgage debt was 39 percent of personal income in 1959, up from 29 percent in 1929.[42] Real property tax revenues, as well as the mortgage payments, come out of current income. In addition, the real property tax does not have the advantage that the income tax has of decreasing when income decreases. Further increases in the local real property tax must be geared to a consideration of reasonable variations in the income of home owners.

Property tax collections in 1959 amounted to $130 per capita in California and New Jersey, and $133 in Massachusetts. In 1959, property taxes exceeded $100 per capita in 15 States.[43] They are going higher all the time.

TABLE 6.—*Nonfarm real estate foreclosures, 1926–60*

Year	Number of foreclosures	Percent change from previous year
(1)	(2)	(3)
1926	68,100	
1927	91,000	34
1928	116,000	27
1929	134,900	16
1930	150,000	11
1931	193,800	29
1932	248,700	28
1933	[1] 252,400	1
1934	230,350	−9
1935	228,713	−1
1936	185,439	−19
1937	151,366	−18
1938	118,357	−22
1939	106,410	−10
1940	75,556	−29
1941	58,559	−22
1942	41,997	−28
1943	25,281	−40
1944	17,153	[2]−32
1945	12,706	−26
1946	[2] 10,453	−18
1947	10,559	1
1948	13,052	24
1949	17,635	[1] 35
1950	21,537	22
1951	18,141	−16
1952	18,135	0
1953	21,473	18
1954	26,211	22
1955	28,529	9
1956	30,963	9
1957	34,204	10
1958	42,367	24
1959	44,075	4
1960	51,353	17

[1] Alltime high.
[2] Alltime low.

Sources: U.S. Housing and Home Finance Agency. "Thirteenth Annual Report." Washington, D.C.: Superintendent of Documents, Government Printing Office, 1960. Table A–36, p. 320; and "Housing Statistics" 14: 45; April 1961.

Let us look at property taxes another way. In 1959 the people of South Dakota were paying out in property taxes $6.82 of each $100 of personal income; in Montana, property taxes amounted to $6.41 per $100 of personal income; in North Dakota, the figure was $6.09; and in Kansas, $5.99.[44] Property taxes for the country as a whole now amount to almost 4 percent of personal income payments.

There is trouble ahead in some sections of the country. Increased resistance to further property tax increases and demands for exemption of property for special groups are bound to come in New England and the Midwest. (See table 7 for information by State on property tax collections.)

Possibilities of additional State revenue: In recent years the States have been carrying about 40 percent of the cost of public schools.[45] State support varies from a high of 71 percent in South Carolina to a low of 4 percent in Nebraska.

Where local taxes are low, State taxes are usually high. This is not always true, but there is a large degree of inverse relationship.

In 1959, State taxes in the State of Washington amounted to $148 per capita, in Delaware $149, and in Hawaii $170. Even in the low-income State of Louisiana, State taxes amounted to $137 per capita. In the fiscal year 1959, State taxes amounted to over $100 per capita in 15 States. The national average in 1959 was $91 per capita.[46]

[39] White House Conference on Education, "A Report to the President," Washington, D.C., Superintendent of Documents, Government Printing Office, April 1956.

[40] Executive Office of the President, Bureau of the Budget, "Budget of the U.S. Government, 1961,'" Special Analysis G.

[41] Trump, J. Lloyd, "Images of the Future," Washington, D.C., Commission on the Experimental Study of the Utilization of the Staff in the Secondary School, 1959, p. 25.

[42] U.S. Housing and Home Finance Agency, "Thirteenth Annual Report," Washington, D.C., Superintendent of Documents, Government Printing Office, 1960; table A–33 and A–39, pp. 318 and 322.

[43] U.S. Department of Commerce, Bureau of the Census, "Governmental Finances in 1959," G–GF59–No. 2, Washington, D.C., Sept. 30, 1960, p. 26.

[44] Ibid., p. 25, 37.

[45] National Education Association, Research Division, "Estimates of School Statistics, 1960–61," op. cit., p. 28.

[46] U.S. Department of Commerce, Bureau of Census, "Compendium of State Government Finances in 1959," G–SF59—No. 2, Washington, D.C., Superintendent of Documents, Government Printing Office, 1960, pp. 49–50.

TABLE 7.—*State and local tax collections per $100 of personal income, 1959*

State	State tax collections per $100 of personal income	Total property tax collections per $100 of personal income	Total state and local tax collections per $100 of personal income
(1)	(2)	(3)	(4)
U.S. average	[1] $4.20	[2] $3.93	[2] $8.49
Alabama	5.35	1.58	7.71
Alaska	4.32	1.29	6.08
Arizona	5.41	4.80	9.62
Arkansas	6.30	2.46	8.98
California	4.44	4.67	9.50
Colorado	4.89	5.04	9.99
Connecticut	3.17	3.85	7.06
Delaware	5.16	1.32	6.45
District		2.47	7.03
Florida	5.09	3.33	9.04
Georgia	5.55	2.53	8.42
Hawaii	8.64		
Idaho	4.85	4.85	9.65
Illinois	2.89	3.50	6.98
Indiana	3.91	4.26	8.05
Iowa	4.65	5.11	9.80
Kansas	4.70	5.99	10.68
Kentucky	4.69	2.75	7.59
Louisiana	8.37	2.51	11.24
Maine	4.74	4.77	9.48
Maryland	4.33	3.28	7.87
Massachusetts	3.88	5.33	9.31
Michigan	4.61	4.53	8.95
Minnesota	4.71	5.72	10.32
Mississippi	7.24	2.90	10.57
Missouri	3.13	2.97	6.60
Montana	4.58	6.41	10.90
Nebraska	3.05	5.64	8.20
Nevada	5.15	3.38	9.11
New Hampshire	3.16	5.23	8.28
New Jersey	2.18	4.98	7.67
New Mexico	6.75	2.17	9.09
New York	3.52	4.55	9.24
North Carolina	5.87	2.32	8.16
North Dakota	6.03	6.09	12.01
Ohio	3.27	3.65	7.09
Oklahoma	6.19	2.91	9.28
Oregon	4.59	4.59	9.40
Pennsylvania	3.65	2.67	7.25
Rhode Island	4.31	4.09	8.50
South Carolina	6.18	2.01	8.37
South Dakota	4.94	6.82	12.28
Tennessee	5.24	2.54	8.17
Texas	3.90	3.76	7.76
Utah	5.12	4.10	9.39
Vermont	5.60	5.50	11.31
Virginia	3.83	2.66	6.97
Washington	6.57	2.82	9.51
West Virginia	5.29	2.20	7.83
Wisconsin	4.63	5.13	9.54
Wyoming	5.31	5.53	10.10

[1] 50 States.
[2] 49 States and District of Columbia.

Sources of basic data: U.S. Department of Commerce, Bureau of the Census. "Compendium of State Government Finances in 1959." G–SF59—No. 2, Washington, D.C.: Superintendent of Documents, Government Printing Office, 1960, p. 11. U.S. Department of Commerce, Bureau of the Census. "Governmental Finances in 1959." G–GF59—No. 2, Washington, D.C.: Superintendent of Documents, Government Printing Office, Sept. 30, 1960, pp. 25, 26, 37.

TABLE 8.—*Average tax burden per family, by level of income, 1958*

Total income per family [1]	Average tax burden per family [2]					
	Total		Federal		State and local	
	Amount	Percent	Amount	Percent	Amount	Percent
(1)	(2)	(3)	(4)	(5)	(6)	(7)
$1,454	$412	28.3	$229	15.7	$183	12.6
$3,751	986	26.3	595	15.9	391	10.4
$5,934	1,535	25.9	972	16.4	563	9.5
$8,160	2,097	25.7	1,407	17.2	690	8.5
$10,250	2,454	23.9	1,656	16.2	798	7.8
$13,868	3,332	24.0	2,382	17.2	950	6.9
$32,284	11,576	35.9	9,615	29.8	1,961	6.1

[1] Total income corresponding to net national product. Income figures are averages for income classes.
[2] Includes social insurance taxes.

Source: Tax Foundation. "Allocation of the Tax Burden by Income Class." Project Note No. 45. New York: the Foundation, 1960. Table 6, p. 13.

For example, the Federal tax burden on a family income of $1,454 was 15.7 percent; on an income of $8,160, it was 17.2 percent. However, the State-local tax burden on a family income of $1,454 was 12.6 percent, but on an income of $8,160 it was 8.5 percent. The total impact of Federal, State, and local taxation is regressive until we reach incomes running into five figures. For example, the total tax burden on a family income of $1,454 was 28.3 percent, but on an income of $8,160 it was 25.7 percent. (See table 8.)

When related to income payments, the levels of State taxes have more meaning. These taxes in 1959 amounted to $8.64 per $100 of personal income in Hawaii. In Louisiana and Mississippi, State taxes amounted to $8.37 and $7.24 per $100 of personal income. For the country as a whole, these taxes required 4.2 percent of our personal income payment.[47] For information on all States, see table 7.

In the fiscal year 1960, State tax collections totaled $18 billion, up 14 percent over 1959. This rise of $2.2 billion in the past year is more than twice the rise from fiscal 1958 to fiscal 1959. It is also double the average annual increase over the past decade. In at least five States, State tax collections increased 20 percent or more between fiscal 1959 and 1960. These include Ohio, up 21 percent; South Carolina, up 21 percent; Utah, up 24 percent; New York, up 24 percent; and Arizona, up 27 percent.[48]

Local and State taxes combined: The support of public education is a cooperative enterprise largely of local and State governments. Other State-local services are financed similarly. The combined State-local tax take indicates the overall effort in the State to support schools and other State-local services.

State and local taxes combined for the year 1959 amounted to $265 per capita in California, $253 in New York, and $245 in Nevada. In 1959, the combined State and local tax load in 13 States amounted to over $200 per person in the population. In addition to the three mentioned are Colorado, Connecticut, Kansas, Massachusetts, Minnesota, Montana, Oregon, Vermont, Washington, and Wyoming.[49]

In relation to income payments, the total load is heaviest in South Dakota, where State and local taxes in 1959 amounted to $12.28 per $100 of personal income. Other States where State and local taxes amounted to over 10 percent of personal income include North Dakota, $12.01 per $100 of income; Vermont, $11.31; Louisiana, $11.24; Montana, $10.90; Kansas, $10.68; Mississippi, $10.57; Minnesota, $10.32; and Wyoming, $10.10.[50] Figures for all States are given in table 7.

Many of us have been so concerned about the high level of Federal taxation that we have missed what has been happening in the past few years at the State and local levels. State and local tax revenues combined doubled between the years 1950–58, and the total has gone much higher since 1958. A close look at State and local tax collections per $100 of personal income shows that they are beginning to look more like the bite of the Federal income tax than like that of the traditionally modest State and local taxes. This does not mean that some States could not do more. All the States and their local districts will have to do a great deal more, even with increased Federal assistance, to meet the growing demands of public education. This point should be made: some of the States putting forth the greatest overall tax effort at State and local levels still have the most inadequate schools in the country.

A recent research report from the Tax Foundation showed calculations of the average tax burden, by level of family income, of Federal taxes, and of local and State taxes combined. The Federal tax burden, as a percent of family income, went up as the family income increased, but the opposite was true of the State-local tax burden.

State and local taxes have become more steeply regressive than Federal taxes have been progressive. The result is that the total tax burden including social insurance taxes is regressive on family incomes up to those of five digits. Excluding social insurance taxes, the Federal, State, and local taxes combined have a proportional impact on incomes under $5,000. If we finance the expected increases in education from State-local sources, the result would be to increase the regressivity of the total tax system on family income.

What are the elements in this regressiveness of the present State-local tax structure that are throwing the total tax structure into such a peculiar pattern? One item is the general property tax, the mainstay of school support. This is one of the most regressive of all taxes. This tax hits incomes under $2,000 almost three times as hard, percentagewise, as it does the incomes of $15,000 and over. Of course, the sales and excise taxes are also regressive, but they are not as steeply regressive as the property tax. (See table 9.)

[47] Computed by the NEA Research Division on the basis of: U.S. Department of Commerce, Bureau of the Census, "Compendium of State Government Finances in 1959," G–SF59—No. 2, Washington, D.C., Superintendent of Documents, Government Printing Office, 1960, p. 11. Office of Business Economics, "Survey of Current Business," 40: 17, August 1960.

[48] U.S. Department of Commerce, Bureau of the Census, "State Tax Collections, 1960," G–SF60—No. 3, Washington, D.C., Aug. 26, 1960.

[49] U.S. Department of Commerce, Bureau of the Census, "Governmental Finances in 1959," op. cit., p. 26.

[50] Tax revenue in relation to personal income was computed by the NEA Research Division.

TABLE 9.—*Taxes as a percentage of total income by source and by income class calendar, 1958*

Source	Family personal income class							
	Under $2,000	$2,000 to $3,999	$4,000 to $5,999	$6,000 to $7,999	$8,000 to $9,999	$10,000 to $14,999	$15,000 and over	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total taxes, excluding social insurance	21.0	20.4	20.6	21.6	20.6	21.6	34.4	23.7
Total taxes, including social insurance	28.3	26.3	25.9	25.7	23.9	24.0	35.9	27.4
Federal taxes:								
Individual income	1.8	4.5	6.0	7.9	7.5	8.9	16.3	8.7
Corporate	3.8	3.2	3.0	3.0	3.0	3.6	8.8	4.3
Excise and customs	4.0	3.3	3.1	3.0	2.9	2.7	1.8	2.8
Estate and gift							1.7	.3
Total, excluding social insurance	9.6	11.0	12.1	13.9	13.4	15.1	28.6	16.1
Social insurance	6.1	4.9	4.3	3.3	2.7	2.0	1.2	3.1
Total, including social insurance	15.7	15.9	16.4	17.2	16.2	17.2	29.8	19.2

TABLE 9.—*Taxes as a percentage of total income by source and by income class calendar, 1958*—Continued

Source	Family personal income class							
	Under $2,000	$2,000 to $3,999	$4,000 to $5,999	$6,000 to $7,999	$8,000 to $9,999	$10,000 to $14,999	$15,000 and over	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
State and local taxes:								
Individual income	0.5	0.8	0.6	0.2	0.2	0.3	0.7	0.5
Corporate income	.2	.2	.1	.1	.2	.2	.4	.2
Excise and sales	4.8	3.9	3.7	3.6	3.5	3.2	2.1	3.3
Estate and gift							.5	.1
Property	5.9	4.6	4.1	3.7	3.4	2.8	2.1	3.5
Total, excluding social insurance	11.3	9.4	8.5	7.7	7.2	6.5	5.9	7.5
Social insurance	1.3	1.0	.9	.8	.6	.4	.2	.7
Total, including social insurance	12.6	10.4	9.5	8.5	7.8	6.9	6.1	8.2

Source: Tax Foundation, "Allocation of the Tax Burden by Income Class," project note No. 45, New York, 1960, table 10, p. 17.

These conditions warrant the use of the Federal tax structure for meeting part of the increasing costs of education. It is very difficult to see how we are going to absorb all the additional cost of education over the current decade in a State-local tax system that is already steeply regressive and likely to become more so in the years ahead.

VI. THE NATIONAL INTEREST IN EDUCATION

American education is the key to achieving full economic and defense potentials. It is also the key to undergirding the knowledge and skills our citizens need to participate in our free economy and to participate effectively in the operation of our political institutions. The success of our type of government and economy rests fundamentally on an educated citizenry.

Educated citizens

Only educated citizens are capable of making wise decisions regarding their government. A knowledge of the workings of our two-party system, of the workings of our three levels of government, of the machinery which the nations of the world have set up are all basic to the education of youth who will become the electorate of the next generation. There is some question that we are not doing as well as we should in the education of our citizen-electorate. Over one-third of the persons of voting age did not vote in the Presidential election of 1960, and the record last year was one of the best in the history of the United States.

Failure of the mental test

The mental requirements for draftees were raised in August 1958 because of the higher levels of skill required by technological developments in modern warfare. All men called for induction receive an examination which determines their acceptability for active service. In 1959 approximately 25 percent of our young men who took the mental test given to selective service registrants did not pass. See table 10. The percent failing was as high as 62 percent in one State and 50 percent or more in two others. In 10 States, 1 in 3 registrants failed the mental test in 1959. These rates represent only draftees. The wide variation in the percent failing by State is one of the major reasons why States with low rates of failure have an interest in the education systems of States with high rates of failure, if only so that a disproportionate share of their young men are not called to military service. The proportion of young men failing to meet minimum standards—1 in 4—is far too high in most States. Insofar as this affects our military potential in a technological war, it underscores the need for Federal interest in and Federal support of State-local educational systems.

TABLE 10.—*Percent of Selective Service registrants failing the mental test, 1959*

	Percent
1. Iowa	5.6
2. Washington	5.7
3. Minnesota	5.8
4. Montana	6.6
5. Utah	7.0
6. Oregon	8.0
7. Idaho	8.2
8. Wyoming	8.7
9. South Dakota	9.2
10. Kansas	10.1
11. North Dakota	10.4
12. Nebraska	10.8
13. Wisconsin	11.2
14. Vermont	12.1
15. New Hampshire	12.6
16. Colorado	12.7
17. Indiana	13.0
18. Michigan	13.3
19. Oklahoma	13.3
20. Ohio	15.7
21. Massachusetts	16.0
22. Maine	16.1
23. Alaska	18.2
24. Missouri	18.5
25. Nevada	18.6
26. Pennsylvania	19.3
27. Connecticut	20.5
28. California	20.6
29. Hawaii	21.4
30. New Mexico	21.4
31. Rhode Island	21.9
32. Maryland	22.3
33. Illinois	24.5
34. Texas	24.6
35. Arizona	25.2
36. New York	25.3
37. New Jersey	26.1
38. West Virginia	27.6
39. Delaware	28.9
40. Tennessee	29.6
41. Virginia	32.1
42. Kentucky	35.6
43. Georgia	38.2
44. Florida	40.0
45. North Carolina	40.9
46. Arkansas	43.8
47. Alabama	45.0
48. Louisiana	50.0
49. Mississippi	53.4
50. South Carolina	61.9
48 States and District of Columbia	24.7
Guam (including Marianna Islands)	34.6
Puerto Rico (including Canal Zone and Virgin Islands	9.9

Source: U.S. Department of the Army, Office of the Surgeon General, "Preinduction and Induction Examination Results, 1959," Health of the Army 15: 1–10, February 1960, table 2.

High immigration from depressed areas experienced by some wealthy States and differences among regions with regard to the value placed on education destroy the correlation between educational expense and success on the mental achievement test. However, eight of the nine States which had a failure rate in excess of 33.3 percent reported total expenditures per pupil in the public schools for 1959–60 that are critically below the national average. The failure rates and the expenditures per pupil for the nine States are compared below:

State	Percent of selective service registrants failing the mental test, 1959	Total expenditure per pupil in ADA, 1959–60
National average	24.7	$476
Kentucky	35.6	256
Georgia	38.2	252
Florida	40.0	394
North Carolina	40.9	285
Arkansas	43.8	265
Alabama	45.0	244
Louisiana	50.0	479
Mississippi	53.4	290
South Carolina	61.9	247

These States are known for a high proportion of cultural deprived people. The expenditures per pupil indicate that the youth now in school are educationally deprived.

Economics

One of the major problems on the political scene at present is that of unemployment. Unemployment is associated with inadequate levels of education. Low education limits job mobility and adaptability of workers. Low education was the factor most frequently associated with low-income family in a study by Lampman for the Joint Economic Committee. (See table 11.) According to the Lampman study, 67 percent of the low-income population were characterized by low education, and the degree to which persons having this characteristic have an immunity to economic growth was characterized as high.

Universal education is important to the improvement of the income-earning capacity of the low-income population. It is also important in terms of the income-producing capacity of the whole economy. Government policies directed toward protecting and increasing investment capital are deemed essential to economic growth. Government policies directed to increasing human capital—the educated skills and talents of the population—are now viewed by many economists as an equally essential element in economic growth.

"Between 1919 and 1957, total income rose at an annual rate of 3.1 percent while that of tangible capital rose at a rate of only 1.8 percent. But all these estimates of capital exclude human capital represented by training, education, additional capacities based on health, and new knowledge. The stock of this human capital has been increasing more rapidly than that of tangible capital; therefore, the observed decline in the capital-income ratio may be largely, or even wholly, an illusion resulting from the omission of human capital." [51]

If we are to grow as a nation, attention to investment in education, in human capital, should command our attention, as well as attention to physical capital.

The national interest in advancing quality in American education is well established. The exact role that the Federal Government

[51] Schultz, Theodore W., "Investment in Man: An Economist's View," Social Service Review 33: 109–17, June 1959.

should play and the extent of this role are the points of dispute. These are the alternatives:

1. Financial support of research and dissemination of information and studies about education.

TABLE 11.—*Importance of selected characteristics in future determination of low-income population*

Characteristic	Percent of low-income population having this characteristic, 1957	Will numbers with characteristic increase or decrease with time?	Degree to which persons having this characteristic are immune to economic growth
(1)	(2)	(3)	(4)
Low education	67	Decrease	High.
Old age	25	Increase	Do.
Nonwhite color	20	do	Low.
Female head-ship	25	No change	High.
Disability	(1)	do	Do.
Large family size	33	do	Low.

[1] Not available.

Source: Lampman, Robert J. "The Low-Income Population and Economic Growth." Study paper No. 12 prepared for the Joint Economic Committee, 86th Cong., 1st sess., Washington, D.C.: Superintendent of Documents, Government Printing Office, 1959. p. 29.

2. Support of special areas of concern with matching grants and control over the purpose of the expenditure. This type of support is designed to stimulate State and local funds into the area of Federal concern.

3. Payments to districts which are impacted with Federal activity, justified mostly on the basis of the tax-exempt status of the Federal Government as a property and an employer in the area.

4. General support to add to the State and local funds available for major cost items—buildings and teachers' salaries—to achieve an upward thrust in school expenditures above that which the State and local revenues can provide in any one year.

The National Education Association supports measures which fall into all four major categories of Federal support listed above. The first three are continuing programs, the fourth, the general support program, is currently before the Congress of the United States. The association urges the Congress to speed passage of a bill which embodies this type of support.

Another type of support, not financial, is that rendered by leading officials in the Congress and in the Executive branch. This type of support frequently takes the form of admonitions to residents of States and to local governments to finance systems of education which are adequate in terms of national needs for education. These statements no doubt have been a motivating factor in increasing the public's willingness to support schools. However, even with increased State and local efforts to support schools, most districts across the Nation have not reached standards of quality in their schools. A Federal program which would add to the funds State and local districts are able to provide for schools is needed to step up the advance toward quality in public education.

VII. GOALS IN EDUCATION

The educational goals of the National Education Association are directed toward the provision for each child in the population an equal educational opportunity—equal at the highest level of educational service the profession knows how to render. To set the maximum opportunity at the levels of the uneven taxing capacity which exist among the States and their districts is to deny a high proportion of the youthful citizens of the United States the kind of education they need for maximum economic, military, and civic participation in the years to come.

The goals of education are stated in terms of equality and quality of education. The standards are left to the States and the districts where the control of education properly resides. Some generalizations as to the quantity and quality of staff, facilities, and programs are offered below, not on the basis of prescription, but on the basis of the experience in good school systems:

1. Staff needs: The professional staff requirements of a modern education program include classroom teachers, librarians, health workers, guidance personnel, teacher specialists, and supervisors. The Educational Policies Commission underlined the need for enough competent professionals, as follows:

"In any school system there should be enough competent professionals to insure that every pupil receives needed attention. Where this standard is met, classes are various sizes, depending on subjects taught and the characteristics of the student body. If the school program is to provide wide opportunities, and if the supplemental services of guidance counselors, librarians, coordinators, and administrators are to be available, there is obviously some minimum staff size below which needed professional services cannot be supplied. Experience in good school systems indicates that this minimum is about 50 professionals per thousand pupils. These professionals might be distributed in many ways. In some cases as many as 40 might be classroom teachers. If somewhat larger classes are feasible, thereby decreasing the number of teachers, the individual assistance each pupil needs for maximum achievement can be provided only if the number of supplementary professional personnel rises to compensate. If fewer than 50 professionals are available per thousand pupils, some of the elements of program of high quality are likely to be slighted.

"It should be emphasized that this ratio is a minimum. Better services to pupils, and consequently higher quality education, can be provided with a competent staff of larger size. In communities where schools are best supported, staffs range up to 70 professionals per thousand pupils." [52]

2. Teachers' salaries: The NEA believes that teachers' salaries should compare favorably with the income of other professional persons. The NEA Representative Assembly in 1960 recommended that the salaries of beginning qualified teachers be at least $6,000, and that the salaries should range to $13,000 and higher. This recommended salary range would provide teachers with an acceptable standard of living and would provide an economic incentive high enough to attract and retain in the profession able and qualified persons. There is no real hope of attracting enough able young qualified college graduates into classroom teaching unless the education profession offers beginning salaries and expectations of lifetime earnings which are reasonably competitive with those of other professional occupations.

3. Classrooms: The need for additional school buildings to house added enrollments and replace unsatisfactory facilities is not postponable in a nation which can no longer afford to waste its human resources. The The waste occurs in the years in crowded classrooms and in situations detrimental to good teaching and learning.

Some persons still argue for indefinite postponement of meeting classroom needs and accept a less-than-adequate rate of construction. These attitudes, which are present in many local, State, and National groups commit millions of children in the United States to an education greatly short of what could be provided. The classroom shortage will not solve itself. The solution requires the money to build. Federal funds which may be used for school construction to add to State-local building funds are needed to solve the classroom shortage.

4. Program: New knowledge and the accelerating pace of this development plus the demand for increased mastery of the fundamental skills have set off an examination and revision of the education program offered in the public schools.

This revolution which promises quality in education holds an unequal promise for the youth of the Nation. The kind of education a youth gets depends largely upon the State and district in which he lives. The opportunities to have good teachers and adequate classrooms from kindergarten through the senior high school year are subject to the same kind of variation. The gap between the educational opportunities offered in districts which are supporting good schools and those which, even at great effort, can support only a minimum program underscores the need for Federal funds to equalize educational opportunities through the country.

It is good business for the Republican Party which stands for a maximum of self-help and a minimum of public charity to undergird the ability of youth with the best education this Nation knows how to provide. Educated citizens earn more, spend more, pay more taxes, and in addition have a lower incidence on the public assistance and unemployment rolls. Any remedial work which can be done to decrease the number of potentially dependent persons in our society can most effectively be done before these persons enter the labor force. This opportunity exists only in the public schools.

Our present problems of unemployment among unskilled workers will be dwarfed if the 7.5 million youth are permitted to leave high school before completing their academic and vocational preparation for participation in the labor market. Labor demand is growing only in need for highly developed skills and professional services.

The dropouts are a threat to a free enterprise economy. However, the underinvestment of this Nation's wealth in education of human talents at all levels of talent decree the whole economy to somewhat less than the spectacular progress of which it is capable.

The National Education Association urges the Republican policy committee of Congress to support a Federal program of financial assistance to State and local schools. Federal financial support is justified by the interest of the Republican Party: (a) in the successful functioning of our free enterprise economy; (b) in the successful functioning of a political system which stresses development of individuals in political, social, and economic freedom. The best kind of protection that individuals and businesses can buy with Federal taxes is an investment in public schools.

We can avoid a welfare state, but only if we apply good teachers and adequate classrooms now to educating young citizens in the gamut of skills and knowledge required for successful participation as workers and citizens in the government and economy of the United States.

[52] National Education Association and American Association of School Administrators, Educational Policies Commission, "An Essay on Quality in Public Education," Washington, D.C., 1959, pp. 16–17.

CIVIL RIGHTS IN EDUCATION

(By Virgil C. Blum)

INTRODUCTION

Within the framework of American constitutional government, the education of the child must be discussed in terms of the child and his parents, not in terms of the school

the child attends. The child as citizen is protected by the Constitution and is the primary recipient of educational benefits; the school is but a suitable means to assist in the education of the child.

The individual child, clothed in all his constitutional rights, must, therefore, be the primary concern of the Federal Government, if and when the national interest urges Federal allocation of tax moneys to aid in the education of the children of the Nation. The individual citizen has rights and liberties vis-a-vis his Government. The Bill of Rights protects these rights and liberties against violations by the Federal Government, and the 14th amendment makes applicable against State violations the fundamental rights guaranteed by the Bill of Rights. Freedom of choice in education is, therefore, protected by the 1st amendment guarantee to freedom of mind and freedom of religion; equality of treatment for all schoolchildren regardless of race, color, or religious beliefs is guaranteed by the 5th and 14th amendments. Thus, in a government of limited power the educational function of government is a function of service rendered to rights—the rights of individual children under the direction and control of their parents.

When the Federal Government considers the educational needs of the Nation in terms of the State's school system rather than in terms of the civil rights of the child and his parents, it submerges the individual child into the mass entity of the State and thereby destroys his identity as an individual personality. His rights and liberties against the powers of the State are ignored and suppressed. His mental development is of interest to the Federal Government only if his parents surrender their civil right to direct and control his formal education to the political majority of the State.

In effect, this amounts to the adoption of a statist philosophy that is inconsistent with the philosophy of the Declaration of Independence, which places the individual person in the center of the stage of American democracy. When the rights and liberties of the individual child are abridged by the Federal Government in education legislation, the compulsory power of the State is being used to enforce conformity to the orthodoxy of State schools. Such action is in conflict with the philosophy of the Declaration of Independence, which is based on the dignity and transcendent value of the individual, on the integrity and freedom of the human person.

A free society recognizes the paramount importance of the individual person who bears the image of God. This is of the essence of constitutional government. It is limited government. It is government limited by the inalienable God-given rights of the person. In promoting the common good and discharging its functions, limited government gives full recognition to the inalienable and constitutional rights of the individual.

Here lies the essential difference between a free society and an enslaved society. In a free society the individual has paramount importance. In an enslaved society the individual is just a cog in a vast power-driven machine. In a free society the individual, marked by his transcendent worth and clothed in his constitutional rights, is the measure of what the state may do. In an enslaved society the individual, degraded to the level of a material entity and stripped of all his personal rights, is a mere tool for what the state will to do.

It should be apparent that freedom is more than the negative right not to be forced to conform. It is a positive right. And there exists in the state the corresponding positive duty to provide the conditions necessary for the exercise of freedom. A society that denies to the individual the conditions necessary for the exercise of freedom. A society that denies to the individual the conditions of freedom and forces him, against his convictions and beliefs, to conform to a particular philosophical and theological orientation violates the basic principles of freedom.

A government dedicated to the preservation of freedom dispenses its services and discharges its functions consistent with the rights of individuals. It will not force a citizen to surrender his constitutional rights as a condition for sharing in public benefits. It will protect his rights while rendering services to him. The functions of government, says the English political scientist Ernest Barker, are always, in their nature, functions of service rendered to rights and therefore rendered to persons, individual persons, who own these rights as the necessary conditions of the development in action of their individual personality.[1] In a free society the individual person, clothed in all his constitutional rights, must occupy the center of the stage. Regardless of the number and variety of welfare services and functions a state may provide, they are always rendered to rights and therefore to individual persons who possess these rights as the necessary conditions for achieving their personal development.

The centrality of the individual, however, is today being challenged. With the growth of Government functions and services, to what extent can individual persons retain their individuality? In other words, to what extent will Government force the individual to conform to a mass pattern? The complete submersion of the individual into the mass state—this is the danger of the welfare state. This is a danger that threatens the freedom of the individual and of society. The individual person, once free and self-determining, is in danger of being progressively more and more caught up into the orbit of Government control and regulation through the imposition of restrictive controls as the condition for sharing in the benefits of welfare legislation. When this happens, the individual loses more and more of his autonomy; the Government makes more and more of his decisions; it does more and more of his thinking. This develops the mass man; group thinking prevails. Individual personality is destroyed, and civil rights are suppressed.

Within the American and English constitutional context, however, the individual, in the words of Professor Barker, claims "the right to think and advocate his own thoughts, to form and pursue his own tastes, and to associate himself with others for the common advocacy and the common pursuit of the thoughts and tastes which he and they share. This is a fundamental liberty; and indeed, we may find, in the issue, that it is the basis of all others."[2]

This claim to liberty, maintains Barker, is based on "the assumption that in our human world, and under God, the individual personality of man alone has intrinsic and ultimate worth, and having also the capacity of development has also an intrinsic and ultimate claim to the essential development. Liberty will then be that essential condition; and the essence of liberty will be that it is a condition, or status, or quality, which individual personality must possess in order that it may translate itself from what it is to what it has the capacity of becoming."[3] In the pursuit of truth the individual person, because of his intrinsic and ultimate worth, has a right to the development of his total personality. And for this development of the total human person, including his quest of and union with ultimate truth, liberty is an essential condition. If the individual personality is to "translate itself from what it is to what it has the capacity of becoming," it must have the liberty to develop itself according to its essential nature. This demands an unencumbered liberty in the pursuit of truth.

This unencumbered liberty in the pursuit of truth entitles the individual to associate with others for the pursuit of truth and for the inquiry into the unknown. Such free association is the condition of personal development. It makes possible the freeman—the man who has not been uni-formed, who has not been forced to conform to the state ideology. This is the freeman. If the freeman is to remain free, he must resist those who "would make the all-inclusive state the sufficient focus of our moral and spiritual being," who "would even, as totalitarians, ruthlessly coordinate out of existence our cultural heterogeneity."[4]

It is the individual personality that is of great importance. It is the development and growth of the individual that makes possible the development and growth of society. Society is no wiser, no more intelligent, than its constituent members. If American society is to be characterized by intellectual, cultural, moral, and religious qualities, these qualities must distinguish the individuals of our society. The community cannot rise above the merits of its constituent members. John Stuart Mill expressed this thought very cogently when he wrote that "the worth of a state, in the long run, is the worth of the individuals composing it * * * a state which dwarfs its men, in order that they may be more docile instruments in its hands even for beneficial purposes—will find that with small men no great thing can really be accomplished."[5]

The individual human person has capacities for considerable growth, if not for greatness, but this can take place only if the individual is permitted to grow as a distinctive though social personality. If the individual is submerged in the mass, "even for beneficial purposes", his individuality is destroyed and he grows not at all. He must be permitted the right to think and advocate his own thoughts.

Enforced conformity in all aspects of life—this is the totalitarian state. It eliminates both society and the individual personality, leaving only a mass state that has engulfed and caught up every citizen into the crushing embrace of legal omnipotence. In such a state "the ultimate end of life becomes not the development of individual personality, but the exaltation of the super-personality of the state; and the cult of power is substituted for that of liberty."[6]

It cannot, therefore, be too much insisted that "the community is more than the state, that in its spontaneous life and in the rich difference it breeds there move the forces that create the future, and that for this reason the cultural values of men and groups must remain essentially free from the uniformizing activities of government."[7] If

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[1] Ernest Barker, "Principles of Social and Political Theory" (Oxford: The Clarendon Press, 1951), p. 268.

[2] Barker, "Reflections on Government" (London: Oxford University Press, 1942), p. 11.

[3] Ibid., pp. 15–16.

[4] R. M. MacIver, "The Web of Government" (New York: the Macmillan Co., 1949), p. 429.

[5] John Stuart Mill, "On Liberty * * *" (New York: the Macmillan Co., 1926), p. 137.

[6] Barker, "Reflections on Government," p. 26.

[7] MacIver, op. cit., p. 441.

"the community is more than the state," and if "in its spontaneous life and in the rich difference it breeds there move the forces that create the future," the processes of education cannot be under the exclusive control of the state. Diversity in education is essential. When all education must conform to a state-determined philosophy, the "spontaneous life" of the community and the "rich difference it breeds" are dealt a crippling blow, and the community that is "more than the state" is deprived of its source of life, of its idealism, its individuality, and its personality. And as a consequence "the cultural values of men and groups" which "must remain essentially free from the uniformizing activities of government," are, in fact, brought under the direct uniformizing control of government through monopoly in education. State-enforced uniformity in education results in cultural uniformity. Enforced cultural uniformity means the destruction of society and of individuality. When this transpires, the individual is "created" in the image of the state rather than in the image of freedom.

If freedom of thought and freedom of belief are to be fully achieved, the state must not be permitted to interfere with or even, because of its dominant power, to participate in the dialogue between citizen and citizen. It was for freedom of dialogue—dialogue free of government interference—that Socrates gave his life. In this connection Whitehead writes that "Plato's own writing constituted one prolonged apology for freedom of contemplation, and for freedom for the communication of contemplative experience. In the persistent exercise of this right Socrates and Plato lived, and it was on its behalf that Socrates died." [8]

If freedom of thought is to be achieved, government must, since freedom of thought is a guaranteed right, create those conditions that make it possible. Freedom must be capable of achievement; otherwise it cannot sustain the lifegiving qualities of democracy. But if a nonconforming student's pursuit of truth is obstructed by government denial of equal educational benefits, then government is guilty of depriving him of freedom of thought. He is deprived of the right to think and investigate freely, to develop his individual personality, and to share his thoughts with his fellow citizens in the elemental process of democracy. He is deprived of what Professor Barker calls "a fundamental liberty," a liberty which is "the basis of all others." This is government thought control; its circumscribes and suppresses the freedom of the individual in the pursuit of truth. It leads to state monopoly in education, and the suppression of diversity in thought essential to a free and open society.

For this reason John Stuart Mill warned us that "a general state education is a mere contrivance for molding people to be exactly like one another; and * * * the mold in which it casts them is that which pleases the predominant power in the government * * *; in proportion as it is efficient and successful, it establishes a despotism over the mind, leading by natural tendency to one over the body." [9]

Diversity in education is a necessary prerequisite for freedom of thought and freedom of inquiry; it makes possible the active exercise of those freedoms and those responsibilities that characterize a free society. It enables the student to undertake the pursuit of truth openmindedly and to draw his conclusions on the basis of evidence; he is not forced to conform to an educational philosophy that arbitrarily censors vast areas of knowledge. Diversity in education moreover, enables parents to make free choices for their children's pursuit of truth. To make choices is man's highest perfection. When the state denies this right, it maims and stunts his personality; it violates the most fundamental of his freedoms. Compulsory conformity to a state-charted course in pursuit of truth is not only inconsistent with the freedom of the human mind, but it is also inconsistent with the principles and needs of a multigroup society.

There is general agreement, it is hoped, with the proposition adopted by the Commission on Financing Higher Education, that a diversity of educational institutions is necessary for the preservation of liberty. "What most protects freedom of choice in America is the great diversity of its institutions, none of which possesses overriding power. * * * Human beings and their institutions being what they are, total power is not safe in the hand of any single group no matter how well intentioned," declared the commission.[10]

Education from the elementary grades through the graduate school is a costly item. It is one for which only a small percentage of our parents can afford to pay. Yet because of our democratic ideals, we insist that every child is entitled to all the education of which he is capable. Who shall pay for it? Since society is the secondary beneficiary of the education of the young, the state has, in every nation, undertaken to subsidize the education of its children.

In subsidizing the education of their children, nations have adopted one of three broad policies. First, most nations have adopted a policy of freedom of thought and freedom of belief. They subsidize the education of all children in the schools of their choice. Second, others have adopted a policy of compulsory conformity to state educational doctrines through compulsory attendance at government schools. They also subsidize the education of all children. Third, a few nations have adopted a policy of coercive conformity to the philosophical and theological orientation of state schools. They subsidize the education of only those children who conform to the established orthodoxy of government schools. Nonconforming students are denied all educational subsidies.

Compulsory conformity to state educational doctrines is the policy adopted by every totalitarian state. The state that sets out to control every aspect of the lives of its people takes a giant step, and an essential step, in this direction by thought control through its educational system.

Nearly every democracy in the West has adopted a policy of freedom of thought and freedom of belief in education. Our Nation stands virtually alone among democracies in adopting a general policy of coercive conformity to the religio-philosophic orientation of government education as a condition for sharing in State educational benefits. If parents exercise their civil rights in the choice of an independent school, they are penalized. Their children are denied all tax-provided educational benefits.

To remedy this serious violation of civil rights, Prof. Milton Friedman of the University of Chicago proposes a program of direct tuition grants to parents. He writes, "Governments * * * could finance (education) by giving parents vouchers redeemable for a specified maximum sum per child per year if spent on 'approved' educational services. Parents would then be free to spend this sum and any additional sum on purchasing educational services from an 'approved' institution of their own choice. The educational services could be rendered by private enterprises operated for profit, or by nonprofit institutions of various kinds." [11]

Professor Friedman declared that the proposed voucher or certificate plan has good precedent not only in the United States but also in Great Britain and France. He pointed out that "an excellent example of a program of this sort is the United States educational program for veterans after World War II. Each veteran who qualified was given a maximum sum per year that could be spent at any institution of his choice, provided it met certain standards. A more limited example is the provision in Britain whereby local authorities pay the fees of some students attending nonstate schools (the so-called 'public schools'). Another is the arrangement in France whereby the state pays part of the costs for students attending nonstate schools." [12]

American society demands diversity in education. "The hallmark of freedom," observed Dr. A. Whitney Griswold, president of Yale University, in a baccalaureate address, "is diversity." [13] The pluralistic structure of our society is based on freedom of thought and freedom of belief. A tuition grant program, making possible freedom of choice in education, would guarantee that freedom of inquiry and freedom of investigation which are essential in a free and open society.

FREEDOM IN EDUCATION

Freedom of choice in education is the exercise of freedom of mind and freedom of religion. Under the personal subsidy plan, parents are free to choose a school on the basis of their philosophical and theological convictions. Thus children would not be forced to conform to the philosophical and theological orientation of State schools as a condition for sharing in public educational benefits.

Enforced conformity to State educational philosophy as a condition for sharing in educational benefits is in conflict with our two most fundamental constitutional liberties—freedom of mind and freedom of religion. The child is forced to surrender his freedom of thought and his freedom of belief in the choice of school; he is compelled to conform to the philosophical and theological orientation of the State's schools.

Every educational institution is philosophically and theologically oriented. There is no such thing as philosophical and theological neutrality. Since the purpose of education is to educate the human person, education cannot be neutral about the nature of the person being educated and the purpose of the person's existence. In the process of education the questions "What is man?" "Where does he come from?" "What is his purpose?" cannot be avoided. It is impossible even to attempt to answer these questions without raising the question of whether there is a God, and if so, what is man's relation to Him? Mere silence on these important questions is not neutrality.

Neutrality regarding these fundamental issues is impossible. This point is cogently made by Henry P. Van Dusen, president of Union Theological Seminary, in his "God in

[8] Alfred North Whitehead, "Adventures of Ideas" (New York: the Macmillian Co., 1933), p. 64.

[9] Mill, op. cit., p. 126.

[10] The Report of the Commission on Financing Higher Education: Nature and Needs of Higher Education (New York: Columbia University Press, 1952), p. 31.

[11] See, for example, Milton Friedman, "The Role of Government in Education," in Economics and the Public Interest, edited by Robert A. Solo (New Brunswick: Rutgers University Press, 1955), p. 127.

[12] Ibid., pp. 127–128.

[13] New York Times, June 9, 1958.

Education" when he says that "the gravest secularization of American education has not been in the gradual elimination of religious instruction or required chapel, or even in the irreligious outlook of faculties. It has been the secularization of educational theory and structure. Their covert assumptions concerning the two basic factors with which they have to deal—truth and man—have been nonreligious. And they have been false." [14] When educators attempt to discuss "truth and man" without reference to God, this is the "nonreligious" approach to the two most basic factors in education. This approach constitutes a philosophical and theological orientation vis-a-vis God and man. It is positivistic and secularistic.

Sir Walter Moberly, formerly chairman of the University Grants Committee of England, is in complete agreement with this analysis of modern education. In his book "The Crisis in the University," Sir Walter analyzes the approach of the modern university to the question of God and concludes not only that the university is in a sense atheistic but that it teaches the relative unimportance of religion. He writes: "On the fundamental religious issue, the modern university intends to be, and supposes it is, neutral, but it is not. Certainly it neither inculcates nor expressly repudiates belief in God. But it does what is far more deadly than open rejection; it ignores Him. * * * It is in this sense that the university today is atheistic. * * * It is a fallacy to suppose that by omitting a subject you teach nothing about it. On the contrary you teach that it is to be omitted, and that it is therefore a matter of secondary importance. And you teach this not openly and explicitly, which would invite criticism; you simply take it for granted and thereby insinuate it silently, insidiously, and all but irresistibly." [15]

If the teachers of our universities and schools ignore God and if by so doing they "insinuate * * * silently, insidiously, and all but irresistibly" that He is to be omitted, the classrooms of our schools are philosphically and theologically oriented. If, on the other hand, the teachers of our public universities and schools admit a God and if they emphasize the transcendent importance of a knowledge of God and man's relation to God, the classrooms of these schools are philosophically and theologically oriented. Whatever the philosophical and theological orientation of the classrooms of our State schools—be it Protestant, Catholic, Jewish, secularistic, or agnostic—the child cannot be compelled to conform to it. This is fundamental to freedom of the mind and freedom of religion.

This elemental but basic principle of freedom was unanimously upheld by the U.S. Supreme Court in the well-known Oregon school case.[16] To deny this principle is to espouse the doctrine of the totalitarian State; the doctrine of compulsory conformity to the will of the State in every aspect of our lives. It is to make the child, in the words of the Supreme Court, "the mere creature of the State." [17] to be nurtured, and fed, and trained, and taught exclusively by the all-powerful, the all-competent, the absolute State.

Democracy supposes a free people—a people who can think, and speak, and believe, and write, and assemble without government interference. And freedom means the right to be different; the right of nonconformity. It means that government may not force its citizens to conform, whether it be in speech, in belief, or in thought. It means that government may use neither direct nor indirect means to force children and students to conform to the ideological orientation of State educational institutions.

That government may not condition participation in its benefits and privileges on the surrender of constitutional rights—this is a most fundamental principle of constitutional liberty. For "if the State may compel the surrender of one constitutional right as a condition of its favor," declared the Supreme Court of the United States, "it may, in like manner, compel a surrender of all." [18] This would enable every State in the Nation, as well as the Federal Government, to force citizens to surrender rights and liberties guaranteed in the Bill of Rights as a condition for sharing in the privileges and benefits provided by government to a class to which they belong. This would enable governments to do by indirection what they can not do by direct action.

But this may not be done. For if this can be done, said the Court, "constitutional guarantees, so carefully safeguarded against direct assault, are open to destruction by the indirect but not less effective process of requiring a surrender, which, though, in form voluntary, in fact lack none of the elements of compulsion." [19] In the Pierce case the Court unanimously protected parents' civil rights in the education of their children against direct assault by the State of Oregon. The application of the doctrine of unconstitutional conditions is clear. A Federal education program that conditions sharing in education tax funds on the surrender of parents' civil right to send their children to independent schools "lacks none of the elements of compulsion." In form parents' choice may be "voluntary"; in reality, however, parents are "given no choice, except a choice between the rock and the whirlpool." [20]

The Supreme Court does not concern itself merely with the "form" of civil rights; it demands that civil rights be enjoyed "in reality." Hence, the Court, in striking down an unconstitutional condition in the Frost case, declared, "it would be a palpable incongruity to strike down an act of State legislation which, by words of express divestment, seeks to strip the citizen of rights guaranteed by the Federal Constitution, but to uphold an act by which the same result is accomplished under the guise of a surrender of a right in exchange for a valuable privilege which the State threatens otherwise to withhold." [21] So also, it would be a palpable incongruity to strike down the Oregon law which directly stripped parents of their their civil right in the education of their children, but to support Federal legislation that demands the surrender of parents' civil rights in exchange for equal Federal education tax funds for their children. Parents' civil rights are not open to destruction by such indirect action. For, said the Court, "it is inconceivable that guarantees embedded in the Constitution of the United States may thus be manipulated out of existence." [22]

The Supreme Court, adhering to the fundamental principle that governments may not force citizens by indirection to surrender their constitutional rights, declared that a State "may not impose conditions (for sharing in benefits) which require the relinquishment of constitutional rights." [23] Mr. Justice Frankfurter reaffirmed this constitutional doctrine when, concurring in the Douds case, he declared: "Congress may withhold all sorts of facilities for a better life, but if it affords them it cannot make them available in an obviously arbitrary way or exact surrender of freedoms unrelated to the purpose of the facilities." [24]

In this day of increasing public welfare benefits, it is important that governments not be permitted to enforce conformity to a prevailing ideology as a condition for sharing in such benefits. Enforced conformity, whether achieved by direct action or by indirection, is incompatible with constitutional guarantees and with the principles of democracy. Mr. Alanson Willcox, formerly General Counsel of the Federal Security Agency, in his article on the "Invasions of the First Amendment Through Conditioned Public Spending" writes: "Whenever a State imposes a choice between * * * receiving a public benefit, on the one hand, and exercising one's constitutional freedoms, on the other, the State burdens each course to the extent that abandonment of the other is unpalatable. The deterrent to exercise of first amendment freedoms when (public benefits are) at stake is a real one. * * * Infringement of constitutional rights is nonetheless infringement because accomplished through a conditioning of a privilege." [25]

This condition is, in effect, a compulsion to conformity to the philosophical and theological orientation of State educational institutions. All such compulsion to conformity, though it is exerted through economic pressures, is unconstitutional. The alternative to conformity is the deprivation of educational benefits. Educational subsidies are denied. Parents are forced to make up the denied subsidy out of their own pockets. "If taking money away from people under the taxing power may violate the 1st and 14th amendments when it tends to stifle their freedom of expression," argues Alanson Willcox, "it seems plain that refusing to give them money (or welfare benefits), when the refusal is so conditioned as to tend in the same direction, may be open to the same constitutional challenge." [26]

A denial of welfare benefits to a person because of a particular action he has taken is just as restrictive and repressive as a tax burden imposed on the performance of the action itself. Consequently, State denial of benefits because of the exercise of a constitutional right merits the same condemnation, under the Constitution, as a State tax imposed on the exercise of a constitutional right. "If a tax of $7 a week may be unduly restrictive of freedom of speech," reasons Alanson Willcox, "periodic payments of the magnitude of unemployment compensation or even public assistance are not,

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[14] Henry P. Van Dusen, "God in Education" (New York: Charles Scribner's Sons, 1951), p. 83.

[15] Sir Walter Moberly, "The Crisis in the University" (London: SCM Press Ltd., 1949), pp. 27, 55–56.

[16] *Pierce* v. *Society of Sisters*, 268 U.S. 510 (1925).

[17] Ibid., p. 535.

[18] *Frost* v. *Railroad Commission*, 271 U.S. 583, 594 (1926).

[19] Ibid.

[20] Ibid.

[21] Ibid.

[22] Ibid.

[23] Ibid.

[24] *American Communications Assn.* v. *Douds*, 339 U.S. 382, 417 (1950), concurring opinion.

[25] Willcox, 41 Cornell Law Quarterly, 12, 43–44 (1955).

[26] Ibid., p. 45. The problem of securing the educational rights of children, regardless of religious belief, has not been completely solved in some other Western democracies. However, no country which subscribes to the principles of freedom has so adamantly refused to face up to the problem as has the United States.

because of their smallness, incapable of exerting such pressures as to call these amendments in play." [27] By the same token, the denial of important and costly educational benefits is incapable of exerting such pressures against freedom of mind and freedom of religion as to call these amendments into play.

If Congress conditions sharing in educational benefits on the surrender of freedom of religion in the choice of a church-related school, this suppression of religious freedom can draw no support from the Constitution since the condition does not advance the purpose of the education law, namely, the better education of children for the national defense and welfare. Such a condition rather obstructs the purpose of the law since it undermines the effective instruction of the Nation's 6,800,000 independent schoolchildren. "If a legislature attaches to a public benefit a gratuitous addendum, which in no rational way advances the purpose of the scheme of benefits but does restrain first amendment freedoms," concluded Mr. Willcox after an exhaustive study of pertinent cases and legal literature, "it is submitted that the restraint can draw no constitutional strength whatsoever from its attachment to the benefit, but must be measured as though it were a wholly separate enactment." [28] In other words, congressional restraint upon parents' civil rights in the education of children through conditioned educational benefits falls under the same constitutional condemnation as the Oregon law which directly deprived parents of their constitutional right to direct and control the education of their children.

The denial of educational benefits, operating as a restrictive economic compulsion to conformity, violates the constitutional right of parents to send their children to the school of their choice; it violates the conscience of parents who are forced by the imposed condition to send their children to Government schools contrary to their religious beliefs. Yet, freedom of choice in education, based on freedom of mind and freedom of religion, is the most fundamental of all constitutional rights.

In the Prince case of 1944 the Supreme Court of the United States reaffirmed the fundamental doctrine of parental right in education when it asserted the principle of "the parents' authority to provide religious with secular schooling, and the child's right to receive it, as against the State's requirement of attendance at public schools." [29]

This constitutional doctrine upholding freedom of mind and freedom of religion was reiterated by the Court in the Everson case of 1947. It there stated that "this Court has said that parents may, in the discharge of their duty under State compulsory education laws, send their children to a religious rather than a public school." [30] The Court was here referring to the Pierce or Oregon school case [31] of 1925 where it held unconstitutional a law giving the State totalitarian control over the education of all children.

It was in the Pierce decision that the Highest Court of the Nation unanimously set down the fundamental principle that the child is "not the mere creature of the State." To prepare the child for "additional obligations," said the Court, is the "right * * * and the high duty" of his parents. The Oregon law compelled attendance at public schools. This law, declared the Court, "unreasonably interferes with the liberty of parents and guardians to direct the upbringing and education of children under their control." [32]

The first case challenging the right of parents to direct and control the education of their children to reach the Supreme Court of the United States was *Meyer* v. *Nebraska* in 1923.[33] In its decision, the Court repeatedly refers to the prior right of parents in the education of their children. Mr. Justice McReynolds, speaking for the Court, specifically enunciates the principle of parental "right of control" of the education of their children, "the right of parents to engage" a teacher of German to instruct their children, and "the power of parents to control the education of their own." [34]

But when parents exercise this constitutional right, government deprives their children of all tax-provided educational benefits.

The denial of educational benefits to children whose parents wish to send them to independent schools is economic coercion to conformity that deprives both parents and children of basic constitutional liberties. It penalizes parents and children because of their exercise of rights guaranteed by the first amendment. The increasing deterioration of the Bill of Rights as more and more welfare benefits are denied to more and more citizens because of their convictions and beliefs should be of the greatest concern to every American. It should be of particular concern to the courts. "It is incumbent on (the courts)," wrote Mr. Willcox, "to recognize more forthrightly than most of them have yet done how effectively the conditioning of 'privileges' can erode the Bill of Rights, and to realize that the Constitution forbids abridgment of first amendment freedoms in this way as much as in any other." [35]

If this erosion is to be stopped, Congress and the courts must be more alert to recognize that "infringement of constitutional rights is nonetheless infringement because accomplished through a conditioning of a privilege." [36]

Prof. Wilber G. Katz of the University of Chicago School of Law noted in an article on "The Freedom To Believe" how great is the price exacted for the exercise of religion in the choice of school.[37] He declares, with regard to church-related schools, that "we have here applied the separation principle in a way which hampers the exercise of religious freedom. In 1925, the Supreme Court held unanimously that the constitutional liberty of parents includes a right to send their children to religious schools. But we exact a price for the exercise of this liberty. This is the result of our policy of taxing for the support of public education alone, and of our failure to provide tax deductions or offsets for any part of tuition paid to religious schools." [38]

But liberty at a price is not liberty. It is liberty penalized. And liberty penalized is liberty suppressed.

The denial of educational benefits to independent schoolchildren is doing the very thing that the first amendment forbids. It prohibits the free exercise of religion. Dr. Bernard Iddings Bell, Episcopalian clergyman and educator, stated this emphatically when he wrote that "as the American school system is now conducted, more and more conducted, there is no such thing as religious liberty in American education. There is liberty only to be unreligious." [39] Canon Bell further pointed out that atheists are "allowed to force atheistic-by-negation education on the children" of Americans who believe in a God-centered education.[40]

The denial of educational benefits to children who seek a God-centered education penalizes the exercise of religion and, as such, is destructive of religious liberty. And, as Mr. Justice Black remarks in the Douds labor case, "freedom to think is inevitably abridged when beliefs are penalized by impositions of civil disabilities." [41] Children who are denied all educational benefits because of their religious belief certainly suffer civil disabilities. Their freedom to think and their freedom to believe, guaranteed by the first amendment, are abridged.

Dr. Bell, applying the principles of the first amendment to religious freedom in education, declared that if our public schools have to be officially nonreligious, "then the only decent thing is to permit religious groups to run their own schools, which of course we now do, and to give them tax money to run them with, which we do not." [42]

Enforced conformity in education stultifies democracy because it is intolerant of ideas and diversity. In an article "The Black Silence of Fear," Mr. Justice Douglas identified "the critical danger" of America—"That we will so limit or narrow the range of permissible discussion and permissible thought that we will become victims of the orthodox school." [43] We are already "victims of the orthodox school." Our children are already forced to conform to the established philosophical and theological orthodoxy of our State schools. "Our real power," Justice Douglas observes, "is our spiritual strength, and that spiritual strength stems from our civil liberties. If we are true to our traditions, if we are tolerant of a whole marketplace of ideas, we will always be strong. Our weakness grows when we become intolerant of opposing ideas, depart from our standards of civil liberties, and borrow the policeman's philosophy from the enemy we detest." [44]

If we are tolerant of a whole marketplace of ideas, we must be tolerant of a diversity of schools; and if we are tolerant of a diversity of schools, we may not penalize students who refuse to conform to State educational philosophy and insist on pursuing their own ideas and convictions in the school of their choice. If because of our intolerance of opposing ideas we deprive millions of our children of equal educational opportunities, we are indeed losing our real power, our spiritual strength, which stems from our civil liberties.

The tuition grant plan insures the individual freedom and the diversity which are essential for the preservation of democracy. Democracy, if it is to flourish, must rest on individuals who are free to exercise their rights and responsibilities as individuals.

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[27] Ibid.

[28] Ibid.

[29] *Prince* v. *Massachusetts*, 321 U.S. 158, 166 (1944).

[30] *Everson* v. *Board of Education*, 330 U.S. 1, 18 (1947).

[31] *Pierce* v. *Society of Sisters*, 268 U.S. 510 (1925).

[32] Ibid., pp. 534–535.

[33] *Meyer* v. *Nebraska*, 262 U.S. 390 (1923).

[34] Ibid., p. 410.

[35] Willcox, op. cit., p. 56.

[36] Ibid., p. 44.

[37] Wilber G. Katz, "The Freedom To Believe," Atlantic, 192 (October 1953), 66.

[38] Ibid., pp. 69–69.

[39] Bernard Iddings Bell, Crisis in Education (New York: McGraw-Hill Book Co., 1949), p. 222.

[40] Ibid.

[41] *American Communications Assn* v. *Douds*, 339 U.S. 382, 446 (1950), dissenting opinion.

[42] Bell op. cit., p. 222.

[43] Mr. Justice Douglas, "The Black Silence of Fear," the New York Times magazine, Jan. 13, 1952.

[44] Ibid.

When democracy begins to think in terms of the masses, the individual will soon be lost sight of, and the masses will be forced to conform, to "group think." The Supreme Court, rejecting the philosophy of enforced conformism and State absolutism that prevailed in the Gobitis case of 3 years earlier, declared in the Barnette case: "We apply the limitations of the Constitution with no fear that freedom to be intellectually and spiritually diverse or even contrary will disintegrate the social organization. * * * We can have intellectual individualism and the rich cultural diversities that we owe to exceptional minds only at the price of occasional eccentricity and abnormal attitudes." [45]

When democracy begins to think in terms of the masses, the right of the individual to differ shall have been lost—and with its freedom and true democracy. Enforced conformity is incompatible with the principles of the Bill of Rights. The freedom to differ is the freedom to be an individual. And, furthermore, the "freedom to differ," said the Court in the Barnette flag-salute case, "is not limited to things that do not matter much. That would be a mere shadow of freedom. The test of its substance is the right to differ as to things that touch the heart of the existing order." [46]

But the freedom to differ in the choice of education not only does not touch or challenge the heart of the existing order; it is essential to that diversity and freedom of mind which gave birth to and preserves the democratic way of life.

It is for this reason that Dr. Bell warned, "It is now clearly hightime that we realize that academic freedom, freedom to seek after the truth, is threatened by no other source as it is by organized secular government." State control of education, he points out, is "never in the interest of freedom." [47] Educator Canon Bell, fully cognizant of the importance of autonomous associations in the preservation of liberty, points to the church as a defense of freedom in education and a curb against "the state's expanding coercion." But the church's "influence for freedom in education has grown less and less," he observes. "More and more the state has become all-controlling, directly so over the public schools and public universities—indirectly and by heavily subsidized competition over those universities and schools, religious and not so religious, which operate independently." [48]

The role of independent associations and of the church in the defense of freedom of mind and spirit is of vital importance. "In education today, whatever may have been the case in times past, it is not the church which threatens educational liberty, freedom of thought. On the contrary, the church is often almost their only champion. It is the state which is the enemy of that academic freedom which, as Nicholas Murray Butler rightly said, is education's 'instrument for knowing the changing world, for aiding the changing world, for shaping the changing world,'" writes Dr. Bell. [49]

Canon Bell's injunction, given to mid-20th century Americans, is in defense of freedom in education. "At all costs," he warns, "state control of education must be reduced, not strengthened, if we are to have a free society competently led toward human end." [50]

John Stuart Mill was emphatically opposed to exclusive state control of education because he feared that liberty would be eroded and finally suppressed unless there was "diversity of education." "That the whole or any large part of education of the people should be in state hands," he declared, "I go as far as anyone in deprecating. All that has been said of the importance of individuality of character, and diversity in opinions and modes of conduct, involves, as of the same unspeakable importance, diversity of education." [51]

Mill's contention that complete state control of education "establishes a despotism over the mind" [52] is based on the fundamental fact that every educational institution, whether state or independent, is both philosophically and theologically oriented. The mere inculcation of facts does not of itself establish a despotism over the mind. It is the philosophical and theological orientation of these facts that enables the state through its enforced conformity to public education to mold the student in accordance with the beliefs of the dominant power in the government.

Since every educational institution is philosophically and theologically oriented, the U.S. Supreme Court's concluding statement in the Barnette opinion has particular relevance regarding the question of freedom of mind and freedom of religion in education. "If there is any fixed star in our constitutional constellation," observed the Court, "it is that no official, high or petty, can prescribe what shall be orthodox in politics, nationalism, religion, or other matters of opinion or force citizens to confess by word or act their faith therein." [53]

Since no official can prescribe what shall be orthodox in education, every child and student attending the school of his choice is entitled to equal educational benefits. To deny this is to assert that the state can determine what shall be orthodox in the field of thought and belief. And if so, nonconformists are denied educational subsidies. But this is in direct conflict with freedom of mind and freedom of religion; it is in conflict with the principle laid down by Mr. Justice Alexander of Mississippi when he declared: "The state is under duty to ignore the child's creed, but not its need. It cannot control what one child may think, but it can and must do all it can to teach the child how to think." [54]

If freedom is to endure, the State must, in the words of Mr. Justice Jackson, "let man's mind alone." When the State conditions its educational benefits on enforced conformity to State educational philosophy, it is not letting men's minds alone. It is intruding its secular arm into the mind of the student and demanding the right to orient truth as the condition for sharing in educational benefits. This violates the integrity of the human person. It subverts democracy. "Our Constitution relies on our electorate's complete ideological freedom to nourish independent and responsible intelligence and preserve our democracy from that submissiveness, timidity and herd-mindedness of the masses which would foster a tyranny of mediocrity," [55] said Justice Jackson. He emphasizes an important fact, the fact that "the priceless heritage of our society is the unrestricted constitutional right of each member to think as he will." And because of increasing Government intrusion into the sacred precincts of thought and belief, he warned us that "thought control is a copyright of totalitarianism, and we have no claim to it." [56]

Enforced conformity is the distinguishing characteristic of the totalitarian State; freedom of mind and spirit is the distinguishing characteristic of the free democracy. In Justice Jackson's words: "If any single characteristic distinguishes our democracy from Communism it is our recognition of the individual as a personality rather than as a soulless part in th jigsaw puzzle that is the collectivist State." [57] Setting down his convictions regarding the importance of the individual person's freedom of mind and freedom of religion, the Justice observes that "our Constitution excludes both general and local governments from the realm of opinions and ideas, beliefs and doubts, heresy and orthodoxy, political, religious or scientific." [58] On the basis of this conviction, he concludes in the words of Justice Holmes that "if there is any principle of the Constitution that more imperatively calls for attachment than any other it is the principle of free thought—not free thought for those who agree with us but freedom for the thought that we hate." [59]

"The guaranties of civil liberty are but guaranties of freedom of the human mind and spirit and of reasonable freedom and opportunity to express them," [60] declared Justice Stone in his Gobitis dissent. Since every educational institution, as philosophically and theologically oriented, orients truth in a particular way, depending on its orientation, the compelled affirmation of such an orientation in the enforced attendance at State schools violates freedom of mind and spirit. "The very essence of the liberty which (the guaranties of civil liberty) guarantee," reasons Justice Stone, "is the freedom of the individual from compulsion as to what he shall think and what he shall say, at least where the compulsion is to bear false witness to his religion." [61] If it is assumed that years of education have an influence on the human mind, and if the "covert assumptions concerning the two basic factors with which (educational institutions) have to deal—truth and man—have been non-religious," [62] in Henry P. Van Dusen's words, is not the student who is compelled to attend a State institution as a condition for receiving educational benefits compelled "as to what he shall think," is he not compelled "to bear false witness to his religion" which would orient all particular truths to ultimate truth? The answer is found in the Gobitis dissent. "If these guarantees are to have any meaning they must, I think, be deemed to withhold from the State any authority to compel belief or the expression of it where that expression violates religious convictions." [63] The State has no authority to compel the affirmation of the philosophical and theological orientation of State educational institutions involved in the total process of education since such an affirmation "violates religious convictions."

If "legislative efforts to secure conformity of belief and opinion by a compulsory affir-

[45] *West Virginia Board of Education* v. *Barnette*, 319 U.S. 624, 641–642 (1943).
[46] Ibid.
[47] Bell, op. cit., pp. 189–190.
[48] Ibid.
[49] Ibid., p. 191.
[50] Ibid.
[51] Mill, op. cit., p. 135.
[52] Ibid., p. 126.
[53] *West Virginia Board of Education* v. *Barnett*, 319 U.S. 624, 642, (1943).
[54] *Chance* v. *Mississippi State Textbook Rating and Purchasing Board*, 200 So. 706, 710 (1941).
[55] *American Communications Assn.* v. *Douds*, 339 U.S. 382, 442 (1948), concurring and dissenting, each in part.
[56] Ibid.
[57] Ibid., p. 443.
[58] Ibid.
[59] Ibid., p. 439.
[60] *Minersville School Dist.* v. *Gobitis*, 310 U.S. 586, 604 (1940).
[61] Ibid.
[62] Van Dusen, op. cit., p. 83.
[63] *Minersville School Dist.* v. *Gobitis*, 310 U.S. 586, 604 (1940), Mr. Justice Stone, dissenting opinion.

mation of the desired belief" [64] involved in the enforced flag salute are to be struck down (as they were in the Barnette case) as violations of freedom of mind and spirit, should not, a fortiori, legislative efforts to secure conformity to the philosophical and theological orientation of public educational institutions be struck down? The answer may well be found in the measure of our dedication to the Bill of Rights. "The Constitution," declared Mr. Justice Stone, "is an expression of faith and a command that freedom of mind and spirit must be preserved, which government must obey, if it is to adhere to that justice and moderation without which no free government can exist." [65]

Legislation that conditions educational benefits on the surrender of freedom of mind and spirit not only raises a constitutional question, but also calls into question the future of democratic society. The issue is not simply one involving the equal rights of children and students; the issue is one involving the essential nature of a society based on the dignity and worth, the freedom of the human mind and spirit. This point was eloquently made by Mr. Justice Frankfurter: "When legislation touches freedom of thought and freedom of speech, such a tendency is a formidable enemy of the free spirit. * * * A persistent, positive translation of the liberating faith into the feelings and thoughts and actions of men and women is the real protection against attempts to straitjacket the human mind. * * * Without open minds there can be no open society. And if society be not open the spirit of man is mutilated and becomes enslaved." [66]

Yet, school children are coerced to conform to the policies imposed by the controlling majority. This enables the controlling factor to achieve that "compulsory unification of opinion" which Mr. Justice Jackson remarked "achieves only the unanimity of the graveyard." [67]

This denial of liberty, this enforced conformity, is not just a matter of depriving a minority of individual citizens of their constitutional freedoms and equal rights. It is more than that. The whole moral fiber of our constitutional democracy depends on a fair respect by courts and legislatures alike for the liberties and rights of all Americans, regardless of race, color, or religious affiliation. If government does not rise to this level, then democracy fails. In his defense of democracy and freedom in the Gobitis dissent, Mr. Justice Stone, it may be recalled, set forth this fundamental truth in no uncertain terms. "The Constitution expresses more than the conviction of the people that democratic processes must be preserved at all costs," he wrote. "It is also an expression of faith and a command that freedom of mind and spirit must be preserved, which government must obey, if it is to adhere to that justice and moderation without which no free government can exist." [68]

GOVERNMENT NEUTRALITY

The Federal Constitution guarantees freedom of choice in education. This freedom of choice is embedded in the first amendment guarantee to freedom of mind and freedom of religion. On the basis of these constitutional liberties, parents have a right to send their children to church-related schools, and children have the right to attend such educational institutions.[69]

Yet when parents and children exercise this right, they are deprived of all public educational benefits. Prof. Wilber G. Katz put it bluntly when he said that "we exact a price for the exercise of this liberty." [70]

Liberty at a price is the suppression of liberty. In human affairs liberty means the freedom to choose alternatives. But religious-minded parents and their children are placed in a dilemma, both horns of which are totally unacceptable. The State-devised dilemma that confronts parents is this: submit your child to a tax-supported secularized education or pay for your child's education elsewhere. There is no freedom of choice in these alternatives. In fact both alternatives involve a violation of constitutional rights. The first alternative violates freedom of mind and freedom of religion. The second alternative, since it deprives children of equal educational rights because of their religious belief, also violates the first amendment guarantee of freedom of mind and freedom of religion.

"Our public school," argued Mr. Justice Jackson in 1947, "is organized on the premises that secular education can be isolated from all religious teaching so that the school can inculcate all needed temporal knowledge." [71] This is secularism. This makes secularism the established religion of the public schools. In the McCollum [72] decision of the next year the Supreme Court formally ousted from the public schools the positive religions of Protestantism, Catholicism, and Judaism and thus officially established secularism as the religion of the schools.

Religious-minded Protestants, Catholics, and Jews who desire for their children a positive religious education must not only support the established secular religion in government schools, which is a violation of their rights under the 1st and 14th amendments, but their children are, moreover, compelled to conform to the established philosophical and theological orientation of the tax-supported schools as a condition for sharing in public educational benefits. This, as has been pointed out above, is a serious violation of freedom of mind and freedom of religion guaranteed by the 1st and 14th amendments. Parents who demand for their children an education from which all mention of God has been dehydrated are within their rights under the Constitution. But when government demands that all children conform to this established secular religion of the public schools as a condition for sharing in educational benefits, the children's religious liberty is seriously abridged. This alternative of the dilemma is totally unacceptable to parents of every religious belief who desire a God-centered education for their children.

The second alternative, although it does not involve government dictation as to what children shall think and believe, violates freedom of religion since it deprives children of equal educational benefits because of their religious belief. This places a burden on the choice of a religious school; it forces parents to pay a second time for their children's education. Such religious tests, burdens, and disqualifications were condemned by Thomas Jefferson in his "A Bill for Establishing Religious Freedom." He declared that "Almighty God hath created the mind free; * * * that all attempts to influence it by temporal punishments, or burthens, or by civil incapacitations, tend only to beget habits of hypocrisy and meanness." [73]

In his great defense of religious freedom Jefferson wrote, moreover, that "no man shall be compelled to * * * suffer on account of his religious opinions or belief; but that all men shall be free to profess * * * their opinion in matters of religion, and that the same shall in no wise diminish, enlarge or affect their civil capacities." [74] But parents who exercise their religion in the choice of school are compelled to suffer on account of their religious opinions or belief. Their children are deprived of all educational benefits; they are forced to pay for the education of their children out of their own pockets. These religious-minded parents can hardly be said to be free in the exercise of their religion. Nor can it be said that their exercise of religion "in no wise diminish * * * or affect their civil capacities," as Jefferson demanded. They are "compelled to * * * suffer" a deprivation of educational benefits for their children "on account of (their) religious * * * belief." Such deprivations are a direct violation of religious liberty; they are in violation of the first amendment.

The religious liberty guarantee of the first amendment is not simply a guarantee against its obliteration. It guarantees the exercise of religion without interference, without obstruction, without the imposition of reprisals or the denial of civil rights because of its practice. The commands of the 1st and 14th amendments, declared Chief Justice Stone "extend at least to every form of taxation which, because it is a condition of the exercise of the privilege, is capable of being used to control or suppress it." [75] It makes little constitutional difference whether government controls or suppresses religious exercise by direct taxation or by the indirection of a discriminatory denial of equal rights under the law. If a child is deprived of educational benefits because of his exercise of religion in the choice of school, this is a penalty imposed on his religious belief. This penalty compels parents to pay for his education elsewhere. Such enforced payments are, like the flat license tax on the distribution of religious literature, "a condition of the exercise of * * * constitutional privileges." And moreover, asserted the Supreme Court, "the power to tax the exercise of a privilege is the power to control or suppress its enjoyment." [76]

Regarding the imposition of burdens on the exercise of religion, the Supreme Court

[64] Ibid., p. 606. Mr. Justice Stone, dissenting opinion.

[65] Ibid., pp. 606–607, dissenting opinion.

[66] *Dennis* v. *U.S.*, 341 U.S. 494, 556 (1951), concurring opinion.

[67] *West Virginia Board of Education* v. *Barnette*, 319 U.S. 624, 641 (1943).

[68] *Minersville School Dist.* v. *Gobitis*, 310 U.S. 586, 606–607 (1940), dissenting opinion.

[69] *Meyer* v. *Nebraska*, 262 U.S. 390 (1923); *Pierce* v. *Society of Sisters*, 268 U.S. 510 (1925); *Prince* v. *Massachusetts*, 321 U.S. 158 (1944); *Everson* v. *Board of Education*, 330 U.S. 1 (1947).

[70] Wilber G. Katz, "The Freedom To Believe," Atlantic, 192 (October 1953), 69.

[71] *Everson* v. *Board of Education*, 330 U.S. 1, 23–24 (1947), dissenting opinion. "Secularism has taken over in the United States," Paul Hutchinson writes in the New Ordeal of Christianity; in Eugene Carson Blake's judgment as expressed in his Christian Faith; Bulwark of Freedom: "we are living in a Nation that is largely secular and in a secular age"; the impact of secularism, Frederick K. Wentz says in The Times Test the Church, "is now marked across the whole earth." Quoted in a book review in Social Order, June 1957, by Edward Duff, S.J.

[72] *Illinois ex rel. McCollum* v. *Board of Education*, 333 U.S. 203 (1948).

[73] "Documents of Amercan History," edited by Henry Steele Commager, p. 125.

[74] Ibid., p. 126.

[75] *Jones* v. *Opelika*, 316 U.S. 584, 608 (1942), dissenting opinion.

[76] *Murdock* v. *Pennsylvania*, 319 U.S. 105, 112 (1943).

declared that "those who can tax the exercise of * * * religious practice can make its exercise so costly as to deprive it of the resources necessary for its maintenance." [77] Those who can burden the exercise of religion in the choice of school by the denial of educational benefits can make its exercise so costly as to deprive them of the resources necessary to continue to exercise a choice in education. For hundreds of thousands of parents the exercise of religion in the choice of school has been made so costly by the entailed denial of educational benefits to their children that their religious choice in schooling has been completely suppressed. Not only are they deprived of the constitutional right of freedom of choice; they have in fact been denied the choice itself.

The power to impose legal discriminations on the exercise of religion is the power to control or suppress its enjoyment. When civil disqualifications and the denial of welfare benefits are directly contingent upon the exercise of religion, government is suppressing the exercise of religion.

When government subsidizes only the children who attend State-controlled schools and denies all subsidies to children who attend church-related schools, it is throwing the full force of its taxing power in the balance against religious education. Government is not, in fact, neutral between positive religion and the negative religion of secularism. While, on the one hand, its vast financial resources are used to subsidize the education of children in nonreligious schools, the state, on the other hand, denies all educational subsidies to children in religious schools.

Moreover, when government subsidizes education only in nonreligious schools in which secularism is the established religion, it is compelling millions of religious-minded taxpayers to make contributions of money for the propagation of doctrines that are directly in conflict with their own religious beliefs. This, Jefferson condemned. He declared "that to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves, is sinful and tyrannical." [78] Many Protestant, Catholic and Jewish taxpayers believe, with Henry P. Van Dusen, that "teaching which does not recognize God as the ultimate ground of truth is false teaching." [79] They agree, moreover, with Dr. Bernard Iddings Bell that "there is no such thing as religious liberty in American education" and that "there is liberty only to be unreligious." [80] They agree, further, with Dr. Will Herberg that "the spirit of public school education * * * is, by and large, secularist, even militantly so." [81]

Yet these Protestant, Catholic, and Jewish taxpayers are compelled, contrary to Jefferson's principle of religious liberty, to support the government schools, even though the secularist orientation of the schools is directly in conflict with their most fundamental religious beliefs. They are compelled to support education that engages in "false teaching" because it refuses to "recognize God as the ultimate ground of truth," education that deprives all children of "religious liberty" except the secularist-minded, education that is "secularist," that has removed God from the classroom and teaches, as Sir Walter Moberly charges, "silently, insidiously, and all but irresistibly" that God is unimportant. The enforced support of public education by the religious-minded taxpayer falls directly under the condemnation of Jefferson. School taxes "compel a man to furnish contributions of money for the propagation of opinions which he disbelieves."

"It would seem that a believer in religious liberty should support a role of neutrality between religious believers and nonbelievers," [82] observed Professor Katz. This appears fundamental. Moreover, "everyone agrees that religious freedom precludes the use of penalties and discriminations to induce or reward religious conformity." [83] This appears fundamental also. Yet penalties and discriminations are imposed on the religious nonconformist in the choice of school, while orthodoxy and conformity are rewarded. Such enforced conformity is in conflict with the constitutional requirement of government neutrality between religious believers and nonbelievers. The U.S. Supreme Court declared, as a matter of fact, that the "first amendment requires the State to be neutral in its relations with groups of religious believers and nonbelievers; it does not require the State to be their adversary. State power is no more to be used so as to handicap religions than it is to favor them." [84]

The all but total failure of the several States to meet these standards of neutrality is one of the greatest anomalies in the enforcement of our Bill of Rights. It is one thing to enunciate principles of liberty in a Bill of Rights; it is another thing to enforce those principles in the political arena. This is only to say that principles of law are not always the ultimate determinants of what is done politically.

The Federal Government has, until recent years, achieved a far greater degree of neutrality between religion and nonreligion than have the States. This is particularly true of Federal legislation in the field of education. In providing for the education of veterans, Professor Katz points out, "Congress left veterans free as to their choice of school and profession. * * * And not even the most enthusiastic separationist criticized this policy or questioned its constitutionality." [85] This neutrality on the part of the Government enabled the veteran to attend the school of his choice, whether denominational or nondenominational, at the Government's expense.

The GI Bill of Rights gave the individual veteran freedom of choice in education, but it gave him more than this. It gave him freedom in the choice of professional training. "The result of the 'GI bill' was to place vocation to the ministry financially on a par with vocation to medicine or the law," [86] writes Professor Katz. This is the par excellence example of neutrality; it is also the par excellence example of freedom of choice in education. On the State level, however, we fall far short of neutrality and freedom of choice. In the words of Professor Katz: "Provision of heavily subsidized courses in law and medicine in State universities weights the scales against religious vocations." [87]

However, in the National Defense Education Act of 1958, paradoxically, Congress both protects academic freedom and abridges it. The NDEA provides 5,500 graduate fellowships paying from $2,000 to $2,400 a year, plus $400 for each dependent. NDEA fellows, like veterans under the GI bill of rights, enjoy the academic freedom to pursue virtually any course of studies, including theology, in secular and church-related universities. Furthermore, the act provides direct grants of up to $2,500 to the graduate school, including denominational schools, which the individual fellow attends, to pay for the cost of educating him.

Here Congress, while encouraging the graduate student to think for himself in no way intrudes upon the sacred precincts of the student's mind by telling him what to think and what to believe.

Congressional violations of freedom of mind and freedom of religion, of academic freedom in the pursuit of truth, are crudely exemplified, however, in NDEA student-loan and institute provisions. A qualified student may borrow $5,000 to finance his education, regardless of the school he attends. If, on graduating, the student decides to teach in a public school, one-half of his loan, plus interest, will be canceled. If, however, he decides to teach in a private school, he must repay the entire loan, plus interest.

Congress also discriminates against those counselors and modern foreign language teachers who choose to teach in independent schools. The National Defense Education Act provides funds for the conduct of counseling and guidance-training institutes and for language institutes. A public school teacher who attends an NDEA guidance or language institute receives a stipend of $75 per week, plus $15 per week for each dependent.

While a public school counselor or teacher with four dependents thus receives a subsidy of $1,080 during an 8-week institute, independent school counselors and teachers attending the same institute receive absolutely nothing. Since the direct result of these penalties is to obstruct the development of counselors and teachers and thus to retard better counseling and teachers, Congress frustrates the aims of the Defense Act and, more importantly, subverts certain basic civil rights of many citizens.

Upon analysis, it is clear that these and other provisions of the NDEA are based on the proposition that independent school teachers and students are second-class citizens. Second-class citizens are expected to shoulder the duties and burdens of citizenship, but, solely because of their color or religious beliefs they are effectively denied many of the general welfare benefits.

It is axiomatic that the Founding Fathers adopted the first amendment prohibiting the

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[77] Ibid.

[78] Documents of American History, p. 125.

[79] Henry P. Van Dusen, God in Education, p. 71.

[80] Bernard Iddings Bell, Crisis in Education, p. 222.

[81] Will Herberg, "The Sectarian Conflict Over Church and State," Commentary, 14 (November 1952), p. 451.

[82] Katz, op. cit., p. 67.

[83] Ibid.

[84] *Everson* v. *Board of Education*, 333 U.S. 1, 18 (1947).

[85] Katz, op. cit., p. 68.

[86] Ibid.

[87] Ibid. A number of States have adopted the principle and practice of freedom of choice in education in their college-scholarship programs. Winners of State-provided scholarships, for example, in New York, California, Maryland, and Illinois are not coerced to attend State-controlled colleges and universities as a condition of receiving the award; they have the freedom of choice which enables them to attend any recognized institution of higher education within the State. Most other States with scholarship programs, it seems, condition the receiving of such awards, as well as regular State-educational subsidies through "free" education, on the surrender of the constitutional right of freedom of choice in education. The State of New York under the leadership of Governor Nelson Rockefeller took a giant step in the direction of academic freedom in the pursuit of truth when it passed legislation in 1961 providing a tuition grant to every resident college student who pays tuition of $200 or more a year in a college located in the State. The tuition grant of $100, $200, or $300 a year varies according to family taxable income.

establishing of a national church to make it easier to achieve the free exercise of religion for all citizens. That is, the religious liberty of the individual was paramount; "no establishment" of religion was secondary and instrumental to this. Yet today the Everson reinterpretation of the "no establishment" clause into an absolute separation doctrine is actually used to deprive the individual citizen of his religious liberty. This point is well made by Law Professor Katz in the following passage of his article on "The Freedom To Believe."

"We come finally to questions as to elementary schools conducted under religious auspices. Let me say immediately that I think we have here applied the separation principle in a way which hampers the exercise of religious freedom. In 1925 the Supreme Court held unanimously that the constitutional liberty of parents includes a right to send their children to religious schools. But we exact a price for the exercise of this liberty. This is the result of our policy of taxing for the support of public education alone, and of our failure to provide tax deductions or offsets for any part of tuition paid to religious schools." [88]

The Supreme Court has repeatedly declared that the first amendment freedoms occupy a preferred position; that is, these liberties are so valuable that any State or Federal law restraining or suppressing them must be carefully scrutinized by the courts. And Jefferson maintained that among these liberties, religious liberty was most lofty. Nonetheless, it is religious liberty that is sacrificed on the altar of the new Everson doctrine of absolute separation of church and state. This is a reactionary absolutist doctrine that enables the state to suppress and restrain religious liberty in the field of education. Professor Katz agrees with this analysis when he asserts that we should "stop claiming that absolute separation is a libertarian ideal, and to admit what is lost when we abandon government neutrality toward religion and freeze in constitutional form a separation of church and state which restrains the free exercise of religion." [89] Thus is the most fundmental of our liberties eroded and suppressed.

In addressing himself to the problem of securing equal educational benefits for children who attend church-related schools, Dr. Christopher Dawson, Harvard University, observed that any effort to solve the problem "is invariably blocked by an appeal to the first amendment which has become a bulward of secularist dogma." [90] The first amendment was adopted, first, to guarantee religious freedom, and, secondly, to prohibit the establishment of a national religion. Now, paradoxically, the amendment is used to suppress the free exercise of religion and to establish the religion of secularism. "The great paradox of American history," pointed out Dawson, is that "the separation of church and state which was intended to protect religious freedom has become the constitutional basis of the secularization of American culture." [91]

Our lofty principles of religious liberty are rejected by the several governments of America. The States have rejected the position of neutrality between religion and nonreligion; they have thrown the weight of their taxing and spending power behind nonreligious education. The Federal Government also threw the weight of its taxing and spending power behind nonreligious education in the National Defense Education Act. This places parents who believe in religious education in a most disadvantageous position. Moreover, this discriminatory action enables government to achieve a suppression of religious education to a degree that it could not, under the Constitution, achieve by direct attack. Prof. Proctor Thomson, referring to this important issue, writes: "But private schools in general and church-related schools in particular are, so to speak, taxed by the conditions of choice facing the individual who contemplates sending his children to one of them, that is, the double burden he must thereby assume. * * * This subtle discouragement to religious-based education is a way of accomplishing indirectly what could or would never be done overtly and by announced intent." [92]

Dr. Bell is emphatic in his espousal of state neutrality between religion and nonreligion. He objects to the State's lack of neutrality in subsidizing education that satisfies the demands of nonbelievers alone. He declares that if our public schools have to be officially nonreligious, "then the only decent thing is to permit religious groups to run their own schools, which of course we now do, and to give them tax money to run them with, which we do not." [93]

The constitutional principles of religious liberty compel to this conclusion. They can lead to none other. The conclusions cannot be avoided. Virtually no democracy in the West, save the United States of America, has so adamantly stood face to face with its principles of liberty and refused to recognize in them the simple conclusions of educational freedom. America virtually alone of all the West demands the surrender of religious liberty as the condition for sharing in educational benefits. "There isn't a modern democratic society in Europe," Dr. Reinhold Niebuhr declared, "that doesn't give children (in independent schools) more tax support than we do." [94]

ACADEMIC FREEDOM

"When it is no longer possible for a man to find a school for his boy except within a universal school system," declared Harold W. Dodds when president of Princeton University, "it will be too late to worry about freedom as we have known it, for it will be gone." [95] Our freedom as a nation is directly consequent upon a real existing choice in education. If ever government uses its legal force effectively to compel conformity in thought and belief, we shall have lost our freedom. We shall then be shaped and molded according to the dictates of a majority will that has jettisoned the Bill of Rights.

Though a choice in education continues to exist, it is, for the average American, a luxury that most cannot afford. It is a luxury that most cannot afford because the exercise of choice in education is not free; the choice entails the penalty of deprivation of public educational benefits. This imposed penalty on the exercise of choice in education means that Americans have already lost freedom of mind and freedom of religion in the broad and important precincts of the education of the young.

Princeton's Dodds, like the Fathers of our Nation, equates the freedom of our society with the freedom of the individual person. Society cannot be free unless its members are free. The basis of this freedom, moreover, is freedom of mind and spirit from government control. "The independent school in America," President Dodds declared, "is one of several voluntary, nongovernmental and nonpolitical islands of independence of thought and opinion indispensable in a society which is rapidly politicizing wide areas of life which not so long ago were the responsibilities of individuals and voluntary associations." [96]

These "voluntary, non-governmental and nonpolitical islands of independence of thought and opinion"—the independent schools—must be defended against government aggression. A starvation policy against the occupiers of these islands, however, is as much governmental aggression as an open and frontal attack. This is the policy that demands the surrender of freedom of choice in education as a condition for sharing in education benefits. By these means Government is forcing all children whose parents are unable to finance their education at an independent school to vacate these "islands of independence of thought and opinion" and to submit to government thought control.

This policy is destructive of the freedom of the individual; it is destructive of a free society. It destroys free enterprise in education; it will, if pursued, inevitably lead to the loss of what President Dodds calls, "the right of the individual * * * to oppose and resist trends, political or educational, in favor of more traditional values which he believes to be more fundamental than the current taste of the numerical or political majority." [97] All will be forced to conform in thought and belief to the decisions of the majority—decisions predetermined in this age of high-pressure propaganda by a relatively few individuals occupying positions of power or influence.

In discussing the merits of the tuition-grant plan, Professor Thomson of the University of Chicago points up the importance of limiting the power of government in the field of education. "The fundamental rationale for transferring education from the public decisionmaking process to the private sphere," he writes, "is that it increases the freedom of choice of the individual or the family unit and reduces the authority of government." [98] The professor thereupon observes pointedly that "at a period of our history when every tendency seems destined to run in the opposite direction, this in itself is an achievement worthy of careful consideration." [99] In the final analysis the question that confronts America is this: Will government power continue to be limited or will it grow until it becomes absolute?

When government draws more and more human activities into the orbit of its control, the area of the citizen's decisionmaking power is more and more circumscribed. Deprived of the right and opportunity to make decisions in important areas of human activities, man gradually loses his individuality and as he does so he becomes the mass man.

Growth of government power, including its expansive power over the mind and spirit, is what W. Homer Turner, executive director of the United States Steel Foundation, called one of our major social diseases—"compulsory uniformity." This "excessive appetite for compulsory uniformity," observed Mr. Turner, is in part "related to the

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[88] Ibid., pp. 68–69.

[89] Ibid., p. 69.

[90] Jubilee, April 1961, p. 27.

[91] Ibid.

[92] Proctor Thomson, "Educational News and Editorial Comment," School Reviews: A Journal of Secondary Education, LXIII (April 1955), p. 195.

[93] Bell, op. cit., p. 222.

[94] New World, Apr. 27, 1951.

[95] Address given at Loomis School dinner in honor of Frank and Frances Gubbs, May 7, 1953.

[96] Ibid.

[97] Ibid.

[98] Proctor Thomson, "Educational News and Editorial Comment," School Review, LXIII (April 1955), p. 191.

[99] Ibid.

concept of the welfare state."[1] Enforced uniformity, though related to the concept of the welfare state, is not necessarily consequent upon this concept of the relationship of the individual and the state. It is true that the welfare state provides the apparatus for control and for compulsory uniformity, but a people dedicated to the principles of liberty will not clamp the mind and spirit of man into a straitjacket simply because the opportunity is at hand.

If the American people are dedicated to freedom, they will be all the more alert to defend against its violation by government when the danger of such violations is increased by the growing apparatus of the welfare state. In the politics of state-controlled education there is, in the words of Mr. Turner, "a strong parallel movement to introduce a general uniformity into our educational life."[2] Though this problem has many facets the fact is well exemplified by our American policy of enforced conformity to the philosophical and theological orientation of government schools as a condition for sharing in educational benefits.

A free society is not viable under conditions of compulsory uniformity. "A democratic society strangulates itself when it impairs the free trade in opinion and interest, political, social, economic, and cultural," writes Prof. F. Morstein Marx. "Variety in these vital goods is strength, not weakness,"[3] he continues.

There can be no free exchange of ideas, there can be no full and free discussion, when participation in the government's educational benefits is conditioned on the surrender of educational freedom—the freedom to exchange ideas and to pursue truth uninhibited by the strong arm of the state. This is the denial of academic freedom. "Discussion implies that there is more than one point of view. The notion that the truth is arrived at by discussion is peculiarly applicable to practical, political, economic matters," wrote Robert M. Hutchins in the Saturday Review.[4] But if government subsidizes the study of only some points of view and refuses to subsidize the study of other points of view, how can there be that freedom of discussion that is, particularly in practical matters, essential to the discovery of truth? Government, with its near limitless power has, in the most fundamental of all issues—the philosophical and theological—entered the lists on the side of particular points of view. How then can truth prevail? Is not truth here determined by what President Dodds calls "the numerical or political majority"? The underlying philosophy of the unequal contest is that truth follows the party with the most votes, actual or manipulated. In other words might makes right. It is the philosophy of the absolute state.

For such a state of affairs, Mr. Hutchins has a severe indictment. He writes: "A civilization in which the opinion of the majority is taken on such matters and must then be adopted by all is one that is doomed to stagnation. It ignores the fact that the most precious right of any society is the thought of the minority, even a minority of one. The rule of the majority without discussion and criticism is tyranny."[5]

When government subsidizes the study and propagation of only one point of view in the most fundamental of all issues—philosophical and theological issues—how can truth in these matters prevail? Truth by itself cannot prevail against error if perchance the powers of government are alined with error. John Stuart Mill, the greatest exponent of freedom of discussion, declared: "It is a piece of idle sentimentality that truth, merely as truth, has an inherent power denied to error, of prevailing against the dungeon and the stake. Men are not more zealous for truth than they often are for error, and a sufficient application of legal or even of social penalties will generally succeed in stopping the propagation of either."[6]

For purposes of this discussion, the question of what philosophical system or what theological system contains the greater truth is irrelevant. The point is that in the American context of freedom, if truth is to prevail, government may not arbitrarily subsidize the study and propagation of any one system to the exclusion of all others. Yet this is precisely what American governments are doing. In the contest of truth and error, governments have entered their overwhelming financial resources in support of secularism. How unequal is the contest is well indicated by the progressive secularization of American society. In fact, "secularism has taken over in the United States," declared Methodist clergyman Paul Hutchinson.[7]

By compelling children to surrender their constitutional right of freedom of choice in education as a condition for sharing in educational benefits, government is attempting to control their thoughts and beliefs. This is economic pressure brought to bear to achieve uniformity and conformity. This means in effect that truth is determined by majority vote and that children are forced to accept this definition of truth if they are to share in the educational benefits made available by the taxpayer. But a definition of truth by the state and enforced acceptance of the definition by students renders discussion, and exchange of ideas, and controversy about the most important issues of life virtually impossible. "A civilization in which there is not a continuous controversy about important issues, speculative and practical," warns Robert Hutchins, "is on the way to totalitarianism and death."

No one will maintain that in America there is full and free academic discussion of controverted basic ideas and issues. The discussion cannot be full and free when the exponents of one point of view go begging while the exponents of the other point of view are armed with the weapons secured by multimillion dollars in tax funds. Nonetheless, as Justice Douglas has said, "full and free discussion has indeed been the first article of our faith. We have founded our political system on it * * *. We have counted on it to keep us from embracing what is cheap and false; we have trusted the commonsense of our people to choose the doctrine true to our genius and to reject the rest. This has been the one single outstanding tenet that has made our institutions the symbol of freedom and equality * * *. We have wanted a land where our people can be exposed to all the diverse creeds and cultures of the world."[8] Yet diversity is today being eradicated from our society; conformity is the prevailing doctrine. He who will not conform shall not share in tax-provided educational benefits.

The government that denies freedom of mind and freedom of spirit strangulates diversity. This destroys democracy. "The first distinctive feature of democracy," declared Rabbi Robert P. Jacobs of St. Louis, "is its cultural diversity."[9] Cultural diversity can be maintained only through diversity in education. Compulsory conformity in education is destructive of cultural diversity. Contrary to the statist philosophy of compulsory conformity, Rabbi Jacobs maintains that religion is "an outpost in the struggle for democracy." This Jewish leader rejects enforced conformity. He asserted: "Religion's role in the struggle for the maintenance and extension of democracy is * * * first of all to maintain and to extend the differentiation of a population which is itself an amalgamation of various nationality and religious groups. Democracy means the legal and moral right to preserve differences."[10]

The Rabbi's position is well based in constitutional principles. Within the guarantees of our Federal Constitution, democracy does not only mean the legal and moral right to preserve differences. It also means the legal and moral right to preserve these differences through the education of the young. Contrariwise, these rights deny to the state the power to use legal means of economic pressure to enforce conformity.

But religion is more than "an outpost in the struggle for democracy." It is the uniquely necessary defense against forces destructive of liberty and civilization. This is emphatically stated by Professor Samuel Eliot Morison of Harvard in his "Freedom in Contemporary Society." He writes: "Only a Christian commonwealth is capable of preserving freedom; and without freedom nothing in what we call civilization is worth preserving." Moreover, he maintains that academic freedom or freedom in education "is but one of the many freedoms that come from God, who gave us our minds that we might rise a little nearer the angels; and without whose grace we are powerless for good."[11]

It seems to be a logical conclusion that if "only a Christian commonwealth is capable of preserving freedom," then the Christian religion must be transmitted from generation to generation. But this can be done effectively only through the prolonged process of formal education. If the profound principles of Christianity are to impregnate the heart and soul of the Nation, they must be deeply embedded in the heart and mind of the vast majority of the citizens of our Nation. This cannot be done through secularized education; it can be effectuated only if religion becomes an integral part of education.

Freedom of mind and freedom of spirit are essential ingredients of democracy. This fundamental principle has been repeatedly reasserted by judges of our highest judicial tribunal. Mr. Justice Holmes declared that "if there is any principle of the Constitution that more imperatively calls for attachment than any other it is the principle of free thought—not free thought for those who

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[1] W. Homer Turner, "Public Relations Beyond the Campus," booklet, p. 4.

[2] Ibid., p. 6.

[3] F. Morstein Marx, "Administrative Ethics and the Rule of Law," American Political Science Review, XVIII (December 1949), p. 1139.

[4] Robert M. Hutchins, Saturday Review, reprinted in the St. Louis University News, Oct. 30, 1953.

[5] Ibid.

[6] John Stuart Mill, "On Liberty * * *," p. 34.

[7] Paul Hutchinson, "The New Ordeal of Christianity," quoted in a book review by Father Edward Duff, S.J., in Social Order, June 1957, p. 283.

[8] *Dennis* v. *United States*, 341 U.S. 494, 584–85 (1951), dissenting opinion.

[9] Rabbi Robert P. Jacobs, quoted in St. Louis Post-Dispatch, Jan. 16, 1954.

[10] Ibid.

[11] Samuel Eliot Morison, "Freedom in Contemporary Society" (Boston: Little, Brown & Co., 1956), pp. 106, 143.

agree with us but freedom for the thought that we hate."[12] And Mr. Chief Justice Hughes asserted that "the essence of religion is belief in a relation to God involving duties superior to those arising from any human relation."[13] These convictions were reemphasized by Mr. Justice Stone when he declared that "the Constitution expressed more than the conviction of the people that democratic processes must be preserved at all costs. It is also an expression of faith and a command that freedom of mind and spirit must be preserved, which government must obey, if it is to adhere to that justice and moderation without which no free government can exist."[14]

"Our real power," to repeat Mr. Justice Douglas, "is our spiritual strength and that spiritual strength stems from our civil liberties. If we are true to our traditions, if we are tolerant of a whole marketplace of ideas, we will always be strong. Our weakness grows when we become intolerant of opposing ideas, depart from our standards of civil liberties, and borrow the policeman's philosophy from the enemy we detest."[15]

Liberty is fundamental to democracy. Democracy demands that the individual person be free, particularly in those things that determine what he shall think and what he shall believe. But this freedom of mind and freedom of religion cannot be achieved if children must conform to a particular kind of education as a condition for sharing in state educational benefits.

Freedom demands diversity. Freedom of thought demands diversity in the field of education. Diversity is the dominant characteristic of a pluralistic society; enforced conformity is the dominant characteristic of an absolute state.

The absolute state is based on conformity. Enforced conformity in education leads inevitably to the kind of state in which there is and can be only one correct view—that is, the view adopted by the voting majority. All other views, whether in the area of free private enterprise, individual rights, minority rights, or private property are considered unorthodox, undemocratic, un-American, and intolerable. They must be suppressed.

Freedom demands diversity of organizations to achieve man's diverse purposes; it is incompatible with the absolute state that draws within its grasp all man's purposes and activities. Freedom demands that individuals be free to join voluntary associations for a variety of purposes, such as religious, cultural, educational, recreational, charitable, and economic. Such a society creates a balance between the state and voluntary associations. Ernest Barker, as seen above, declares that this philosophy of liberty and government favors "the maximum of voluntary self-help by groups of individuals, voluntarily acting for themselves, in their own sphere of interest, the requirements and conditions of their own development; and, when they have thought them out for themselves, going on to achieve them by themselves, and by their own efforts, so far as in their own sphere they can."[16]

Professor Whitehead maintains that the modern method of solving the problem of liberty "consists in the deliberate formation of institutions, embodying purposes of special groups, and unconcerned with the general purposes of any political state."[17] Such autonomous associations will limit the power of the state; they will preserve the freedom of thought and action of the individual in important areas of human activity. Economic activities obviously fall within these areas. But Professor Barker points out that there are other fields in which the development of independent institutions "may contribute greatly to the solution of the ancient problem of liberty." This is the area of individual freedom of thought and freedom of religion. "There is, for example, the field of education, which is not, and never can be, a monopoly of the state. Educational associations—of parents, of teachers, of workers, and of members of religious confessions—are all concerned in the development of educational experiments, and in offering that liberty of choice among types of school and forms of instruction which is essential to the growth of personal and individual capacity."[18]

Where there is liberty, there is diversity. Where there is no diversity in voluntary institutions but only state monopoly, there liberty is curtailed, suppressed, and ultimately completely denied. Of all the areas of human activities that demand freedom from complete government control and domination, that of education is the most vital for the preservation of democracy. This is the area that touches the freedom of the human mind and spirit. The presence or absence of this freedom spells the difference between liberty and tyranny.

State educational policy that employs economic coercion to force children to conform to government educational philosophy not only violates the liberty and equal rights of the individual. It does more than that. It is by indirection forcing the limitation, if not the eradication, of voluntary educational institutions and bringing about state monopoly over the things of the mind and spirit. When this most fundamental freedom has been suppressed, it can be only a matter of time until all other voluntary associations will be eliminated and the state will exercise total control over all human activities. Such total control is of the essence of the totalitarian state.

CONSTITUTIONALITY

Although the vast majority of Americans, truly dedicated to the principles of the Bill of Rights, may desire, like the citizens of virtually all other Western democracies, to support religious schools, State constitutional provisions and the Supreme Court's Everson[19] doctrine of absolute separation of church and state apparently make this unfeasible at the present time.

It should be pointed out, however, that although the prejudices of a period of history have fixed the words of the several State constitutions[20] and the "prepossessions" of the Supreme Court, as Justice Jackson candidly admitted,[21] have fixed the meaning of the "no establishment" clause of the first amendment, they cannot set limits to a growing spirit of tolerance and to a new recognition of the equal rights of the individual regardless of race, color, or religious belief.

Ignoring the prejudices that permeated the 19th century, State courts now generally hold that there is no constitutional prohibition against payments, on a contract basis, to educational institutions under denominational control for services rendered in the education of youth, particularly when such payments are less than the cost of education. This principle was enunciated, for example, in the Chicago Industrial School case in which the Supreme Court of Illinois declared that "it is contrary to fact and reason to say that paying less than the actual cost of clothing, medical care and attention, education and training in useful arts and domestic science, is aiding the institution where such things are furnished."[22]

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[12] *U.S.* v. *Schwimmer*, 279 U.S. 644, 654–55 (1929), dissenting opinion.

[13] *U.S.* v. *Macintosh*, 283 U.S. 605, 633–34 (1931).

[14] *Minersville School Dist.* v. *Gobitis*, 310 U.S. 586, 606–607 (1940), dissenting opinion.

[15] Mr. Justice Douglas, "The Black Silence of Fear," the New York Times Magazine, Jan. 13, 1952.

[16] Ernest Barker, "Principles of Social and Political Theory," pp. 268, 276.

[17] Alfred North Whitehead, "Adventures of Ideas," p. 69.

[18] Barker, op. cit., p. 277.

[19] *Everson* v. *Board of Education*, 330 U.S. 1 (1947).

[20] Gustavus Myers, "The History of Bigotry in the United States" (New York: Random House, 1943), passim; Ray Allen Billington, "The Protestant Crusade" (New York: The Macmillan Co., 1938), passim; Robert Fairchild Cushman, "Public Support of Religious Education in American Constitutional Law," Illinois Law Review, XLV (1950), 335.

[21] *McCollum* v. *Board of Education*, 333 U.S. 703, 238 (1948).

[22] *Dunn* v. *Chicago Industrial School for Girls*, 280 Ill. 613, 618 (1917). See *Dunn* v. *the Addison Manual Training School for Boys*, 281 Ill. 352 (1917); *Trost* v. *Ketteler Training School*, 282 Ill. 504 (1918), *St. Hedwig's School* v. *Cook County*, 289 Ill. 432 (1919); *Craig* v. *Mercy Hospital—Street Memorial*, 45 So. 2d 809 (1950); *Murrow Indian Orphans Home* v. *Childers*, 197 Okla. 249 (1946). In this case which involved a Baptist orphanage, the Supreme Court of Oklahoma reiterated the value-received doctrine. It declared (p. 251) that so long as the contracts between the State and denominational institutions "involve the element of substantial return to the State and do not amount to a gift, donation or appropriation to the institution having no relevance to the affairs of the State, there is no constitutional provision offended." The contracts with the Baptist orphanage were held constitutional (*Schade* v. *Allegheny County Institution Dist.*, 126 A. 2d 911 (1956). The issue in this case was whether the use of tax moneys for the support, care, and maintenance of neglected and dependent children in Baptist and Catholic orphanages violates the State constitution and the first amendment "no establishment" clause made applicable to the States by way of the due process clause of the 14th amendment. The Supreme Court of Pennsylvania declared that "the plaintiffs have failed to prove any appropriations have, and are being made by (the institution district) for charitable, educational, or benevolent purposes to any denominational or sectarian institutions, or that any public funds are administered through such forbidden channels, or put under their control as an aid to such institutions. * * * All the plaintiffs proved was that the moneys received by the defendant institutions were in partial reimbursement for the cost of room and board of such minors." The court said, further, that the use of public moneys for the care of orphans in denominational institutions does not violate the "no establishment" clause. It asserted that "the appellant argues that * * * payments to the denominational * * * defendants tend toward governmental 'establishment of religion' and, consequently, are violative of the 14th amendment. It is unnecessary to devote much time to this contention. The Supreme Court (of the United States) has, in principle, settled it adversely to the appellant's position. See *Everson* v. *Board of Education*, 330 U.S. 1 (1947), where it was held that a State's use of public tax funds for the transportation of pupils to and from sectarian schools did not serve to promote the establishment of religion." But see *Swart* v. *South Burlington Town School District, et al.*, 167A. 2d 514 (1961).

This is the payment-for-value-received principle. The court went on to make the not too profound observation that "it is the State, and not the industrial school, that is benefited by the payment of less than the cost of food, clothing, medical care and attention and education and training in the useful arts and domestic science." On the basis of this reasoning, the court held that "upon the plainest grounds no aid is given to an industrial school where the payment is less than the actual cost, aside from and regardless of any religious instruction or religious exercise." [23]

The tuition grant plan is designed to enable parents to pay a greater percentage of the cost of education. It does not propose to aid the school of the parent's choice. The President's Committee on Education Beyond the High School observed, in discussing the GI bill, that it "does not believe that this assistance to veterans was designed to help, even indirectly, the institutions. Actually it imposes an enormous burden on them, a burden they accepted as a part of their mission in our society, but a heavy financial and administrative burden nonetheless." [24] When government helps parents and students pay part of a tuition which is itself considerably less than the full cost of education at the school attended, no reasonable person would contend that government is subsidizing the school. The school, as the President's Committee pointed out, actually assumes an "enormous burden" in performing the public service of educating the young for democracy. The school is not only not subsidized, but the school, since tuition does not cover the full cost of education, itself subsidizes the education of government-aided students, and thus it subsidizes society.

It is fundamental that the Government's educational obligations are not to institutions and systems; its obligations are to children—the individual children of the State. Educational institutions and systems are but means to help the State carry out its educational obligations. This means (the institutions) is not, however, coextensive with the Government's obligations.

If the Federal Government assumes obligations in the education of children, its obligations extend equally to each individual child. And these obligations must be fulfilled consistent with the guarantees of positive personal rights and within the limits of restrictions imposed by the Federal Constitution. In a totalitarian state, the government can force all children to attend public educational institutions. In a democracy, on the other hand, in which freedom of mind and religion are protected by the constitution, the government may not force children to attend state schools.

A government may, indeed, establish a state school system. But since the constitution guarantees freedom of choice in education, it cannot compel parents to send their children to state schools. Hence government must seek other means to fulfill its educational obligations to children who, for philosophical or theological reasons, cannot conform to the established philosophical and theological orientation of state schools. This duty is incumbent on the state since it cannot demand the surrender of the constitutional right to attend an independent school as a condition for sharing in welfare benefits. The constitution compels the state to employ such means to secure a child's education as are not incompatible with his rights under the constitution.

The tuition grant plan enables the government to fulfill its obligations to children in independent schools without raising the question of separation of church and state. The subsidy is given directly to parents. And parents, exercising freedom of choice, select the kind of education they want for their children in the open market of education. In this plan parents of children attending independent schools would pay tuition charges in part with government issued certificates or vouchers. Thus the schools would in no way be subsidized with public funds; only parents and their children would be subsidized.

The tuition grant plan is in principle the same as the plans the Federal Government adopted to enable veterans, war orphans, and page boys of Congress to get an education at the school of their choice. The direct subsidy principle, incorporating the principle of freedom of choice, was adopted, in one form or another, in the Servicemen's Readjustment Act of 1952, the War Orphans' Educational Assistance Act of 1956, and in the educational provisions of the Legislative Reorganization Act of 1946 for the education of the page boys of Congress.

The Federal Government subsidized the education of World War II veterans by directly paying tuition and fees of the individual veteran at the school of his choice. The Government subsidized the education of Korean war veterans by directly subsidizing the individual veteran to enable him to pay tuition and fees at the school of his choice. And, finally, the Government is subsidizing the education of war orphans by directly subsidizing the individual student to enable him to pay tuition and fees at the school of his choice.

Individual veterans, with Government subsidy in hand, paid tuition, fees, and incidental charges at one or other of our 481 nonsectarian, 474 Protestant, 265 Catholic, and 5 Jewish institutions of higher learning, or at one of our State colleges or universities. The college the veteran elected to attend not only received no Government subsidy, but the college itself, since tuition does not pay for the educational costs, subsidized the veteran's education.

In this way the Federal Government has paid out many millions of dollars for the education of veterans in nonsectarian colleges and universities and in the colleges and universities of the several religious denominations. As a matter of fact, the Government has spent millions of dollars for the education of no fewer than 36,000 veterans studying to become ministers of religion, most of them Protestants.

The beneficiaries of these expenditures, as we have seen, are the individual students; consequently, the constitutional question of separation of church and state cannot properly be raised. The principle that the State can subsidize the individual citizen without subsidizing the religion to which he adheres or the religious organizations to which he belongs has been repeatedly enunciated by the Supreme Court of the United States. A State may, for example, give textbooks to children attending church-related schools. "The schools," said the Court in the Cochran textbook case, "are not the beneficiaries of these appropriations. They obtain nothing from them, nor are they relieved of a single obligation, because of them. The schoolchildren and the State alone are the beneficiaries." [25] A State may also subsidize parents to help them transport their children to the school of their choice, even though the school be church related. "When such grants are made to parents," declared the Court in the Everson case, "the State contributes no money to the schools. It does not support them. Its legislation, as applied, does no more than provide a general program to help parents get their children, regardless of their religion, safely and expeditiously to and from accredited schools." [26]

In the Cochran case the plaintiffs contended that, in being taxed to provide secular textbooks for church-related schoolchildren, they were being taxed to support a private purpose. The Supreme Court rejected this contention. Chief Justice Hughes, speaking for the Court, stated: "The legislation does not segregate private schools or their pupils, as its beneficiaries, or attempt to interfere with any matters of exclusively private concern. Its interest is education, broadly; its method comprehensive. Individual interests are aided only as the common interest is safeguarded." [27] Fundamental in this reasoning is the Court's recognition that the teaching of secular subjects in church-related schools is the performance of a public function and that such a program can consequently be aided with tax funds. And it can be aided because "the common interest is safeguarded," even while "individual interests are aided" incidentally.

If the education of children in secular subjects in church-related schools serves a public purpose, as held by the Court in the Cochran case, such education is not, therefore, a religious function and can be aided with public funds even within the limitations of the absolutist Everson doctrine which declared: "No tax in any amount, large or small, can be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion." [28] This language does not prohibit the use of tax funds to aid the education of children in secular subjects; it prohibits the use of tax funds to support "religious activities"—the teaching or practicing of religion, or the use of tax funds to support "religious institutions" as such, that is, institutions whose primary function is religious—the teaching and practice of religion. Education in secular subjects in church-related schools can by no stretch of the imagination be considered a teaching and practice of religion. Such education is as "separate" and as "indisputably marked off from the religious function" as are the tax-provided "police, fire, and sewage services" given to church-related schools to which the Court referred with approval in the Everson case.

In the Everson case the Court explicitly recognized that the education of children in church-related schools serves a public purpose. Referring to the Cochran case, Justice Black argued in upholding bus rides for church-related schoolchildren: "It is much too late to argue that legislation intended to facilitate the opportunity of children to get a secular education serves no public purpose." [29] The "secular education" in question in the Cochran and Everson cases that serves a "public purpose" is given in church-related schools, and the legislation in question provided secular textbooks and bus rides for children attending church-related schools.

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[23] Ibid., p. 619.

[24] "Second Report to the President," the President's Committee on Education Beyond the High School (Washington: U.S. Government Printing Office, 1957), p. 96.

[25] *Cochran* v. *Board of Education*, 281 U.S. 370, 375 (1930).

[26] *Everson* v. *Board of Education*, 330 U.S. 1, 16 (1947).

[27] *Cochran* v. *Board of Education*, 281 U.S. 370, 375 (1930).

[28] *Everson* v. *Board of Education*, 330 U.S. 1, 16 (1947).

[29] *Everson* v. *Board of Education*, 330 U.S. 1, 7 (1947).

Since education in secular subjects in church-related schools serves a public purpose, there cannot be the slightest doubt that tuition grants to parents to help them pay their children's tuition for education in secular subjects in such schools is constitutional. (Though it is beyond the scope of this paper, it can also be argued that tax funds may be given directly to church-related schools for the education of children in secular subjects.) [30]

This principle of equality of treatment for believers flows of necessity from the constitutional guarantee of religious liberty. If it were otherwise, a citizen would become, by reason of his religious belief, a second-class citizen. The first amendment guarantees that religious belief shall not be cause for civil disabilities and for degradation to the level of second-class citizenship. Thomas Jefferson, the great exponent of civil liberties, emphasized this principle when he declared that "our civil rights have no dependence on our religious opinions." [31]

The two principles incorporated in the tuition grant plan are identical with those incorporated in the old-age assistance program. First, in both the tuition grant plan and the old-age assistance program, Government subsidizes the demand; it does not subsidize the supply. Second, in both, the individual who is subsidized is given complete freedom of choice to purchase particular needs in the open marketplace.

Government subsidizes the demand when it gives to individual citizens a money subsidy to purchase the commodity or commodities which the Government, through its taxing power, is making available to a class of citizens. The subsidized individual citizen is given complete freedom of choice in purchasing the particular commodity or commodities in the open market.

Government subsidizes the supply when it subsidizes particular stores, or itself operates Government stores, to supply a particular commodity or commodities to a particular class of individuals. The individuals for whom these benefits are intended have no freedom of choice. They have no alternative; they must accept the commodities provided by the Government or they go without.

Not so many years ago the aged in need of Government assistance were forced to go to State institutions for the needs of life. There they were compelled to accept the kind of meals, the kind of service, the kind of clothing the institutions provided. Freedom of choice in these matters was, for all practical purposes, nonexistent.

Today, however, in keeping with our respect for the dignity of the individual person, we have emancipated the needy aged from such Government control over their physical needs. We have not done this by setting up Government stores to distribute to the needy aged certain Government-selected brands of food and certain Government-selected fashions of clothing. This method, though it would relieve the aged of institutionalized living, would, nevertheless, still maintain complete Government control over what the aged shall eat and what they shall wear. They would have no freedom of choice; their diet and apparel would be determined by Government officials. There is unquestionably a servitude involved in the acceptance of such services and goods from the hands of Government. It is incompatible with the dignity of the human person.

We have accomplished the emancipation of the needy aged by directly subsidizing the individual person. We subsidize the demand. And the subsidized citizen is free to exercise his prerogative of choice in the purchase of his needs in the open marketplace.

The subsidized aged person may choose to purchase personally all of his needs and to live alone or with his family. Or he may choose to spend his subsidy to pay for subsistence with relatives or friends. Or, again, he may choose to spend the subsidy to pay for subsistence at some home for the aged operated by a particular religious group, Protestant, Catholic, or Jew.

Under the old-age assistance program, thousands of our needy aged men and women have chosen to purchase their subsistent needs at denominational institutions. This purchase is made with money supplied by the Federal and State Governments. In making this purchase in such institutions, they are exercising the freedom of choice guaranteed by the Social Security Act.

It is sometimes objected that the tuition grant method of subsidizing the education of children would involve Government control of the schools the children choose to attend. This objection is based on the supposition that Government control invariably follows the Government dollar.

The objection can probably be best answered by an analysis of Government activities in other programs in which it subsidizes the individual citizen.

When individual needy aged men and women purchase their needs at denominational institutions, does the Government subsidize such institutions? If so, are the institutions subject to Government control? These questions can, perhaps, most readily be answered by posing another question. When millions of individual needy aged men and women, using Government subsidies, buy the needs of life at thousands of different private stores and shops throughout the Nation, does the Government subsidize these business enterprises? If so, are Macy's, Gimbels, Borden, the A. & P., and Swift subject to Government control?

The individual needy aged may take his Government subsidy and shop with complete freedom. The subsidy is not conditioned on the surrender of the freedom to purchase the physical needs of life wherever he prefers. Furthermore, the aged person may purchase whatever he desires. If for reasons of religious belief he does not wish to eat pork, it is not forced upon upon him by an intolerant government operating a government meat shop. The individual may purchase kosher meat, or he may purchase fish, or he may choose to dine exclusively on a vegetable diet; this is a personal matter and the Government will not attempt to control his diet.

In 1959 the Federal Government and the several States made direct subsistence payments averaging $65.86 a month to 2,394,125 needy aged. Total direct subsistence grants for the year amounted to $1,881,128,000.[32] The monthly subsidy is given to the individual person; it is not given to the store or market or denominational institution at which the individual needy aged purchases the commodities necessary for life.

The method adopted for providing for the needs of the aged men and women of our Nation has a care for the dignity of their person and the independence of their individuality. They are not forcibly coerced to eat from a government table as a condition for sharing in government benefits.

The Federal Government subsidized the demand in another program adopted during the depression years of the 1930's. The Govment undertook to subsidize persons on relief to enable them to buy surplus foods. Relief clients could buy orange-colored stamps that could be used at a grocery store for the purchase of any kind of food. When he made the purchase of orange-colored stamps, he was given half as many blue-colored stamps which could be used for the purchase of goods in surplus. For every dollar that the citizen spent on food, the Government gave him a half-dollar for the purchase of surplus food at the grocery of his choice.

When the Government paid the grocer cash for both the orange and blue stamps that he had collected, did it subsidize the store? Here as in other welfare legislation the subsidy was made directly to the individual citizen. The Government did not subsidize the hundreds of thousands of private grocery stores across the Nation. It subsidized the demand; it did not subsidize the supply.

If it should ever be established in law that in public welfare legislation Government control follows the public dollar, then we shall have gone a long way in setting up a totalitarian government. The Government would then exercise control over a large portion of our private and corporate retail businesses. The Federal and State Governments would not only exercise control over all the stores and shops at which approximately 2,400,000 needy aged spend Federal-States dollars. But, using 1959 data, they would also control all the stores and shops at which the families or guardians of 2,953,135 dependent children spend a total of $1,002,437,000, at which 109,057 needy blind persons spend $90,637,000, and at which 350,325 permanently and totally disabled persons spend $259,470,000.[33]

Does Government have the right to control the private stores and shops at which the needy aged, the parents or guardians of dependent children, and the needy blind purchase with Government subsidies, food, clothing, shelter, and other essential needs of life? True, the question sounds fantastic. Yet this is the logic of those who object to the tuition grant plan on the grounds that a Government subsidy for the individual child is a subsidy of the school attended and that such a subsidy would involve violation of separation of church and state, and Government control of independent schools.

Government control over the processes of education is infinitely more objectionable than government control of business which supply the physical needs of life. If forced to choose between two so great evils as government control, on the one hand, of the kind and quality of food one must eat, and, on the other hand, of the kind and quality of thoughts one must think, surely no American with a sense of freedom would hesitate in making his choice. Freedom can survive, to a considerable degree, even if government tells the citizen what brand of food he must eat and what fashion of clothes he must wear. But freedom cannot long survive when government tells him what thoughts he must think.

The philosophy that government control invariably follows the public dollar would destroy academic freedom. All universities receiving government grants for scientific and medical research would, a fortiori, fall

[30] See, for example, Paul G. Kauper, "Frontiers of Constitutional Liberty," Ann Arbor, 1956, pp. 135–136.

[31] "An Act for Establishing Religious Freedom, Jan. 16, 1786," "Documents of American History," ed. by Henry Steele Commager, New York: Appleton-Century-Crofts & Co. (1949), pp. 125–126.

[32] "Statistical Abstract of the United States: 1960" (81st ed.), Washington, D.C., 1960, pp. 288–291.

[33] Ibid.

under government control. All colleges and universities admitting veterans and war orphans would likewise fall under government control. And all colleges and universities admitting Federal fellowship and scholarship winners, if there are to be such, would also fall under government control.

The American people rejected this statist philosophy when they adopted legislation establishing both our social security programs and our educational research programs.

The doctrine that government control invariably follows the public dollar is not a valid objection to the tuition grant plan. This doctrine has been rejected in all our social security programs, in all our educational programs for veterans, and, recently, in our educational program for war orphans. And since freedom of the mind must be preserved, it must be rejected in future legislation in the field of education.

The reason for the rejection of this doctrine is apparent. These programs do not subsidize private business, they do not subsidize independent educational institutions; they subsidize the individual needy aged, the individual veteran, the individual war orphan. In a word, they do not subsidize the supply; they subsidize the demand. For this reason, also, as the President's Committee on Education Beyond the High School pointed out, the tax credit plan (and the same holds for the tuition grant plan) could be adopted "without raising the legal issue of 'church-state' relations." [34]

Consequently, the tuition grant plan, like these programs, does not raise constitutional questions. Any contention to the contrary is inconsistent with both law and practice.

There is no constitutional bar that makes it impossible for Congress to treat every American schoolchild equally regardless of religious beliefs. There is no constitutional command that compels Congress to suppress the civil rights of parents in the education of their children. There is no reason in law or practice why Congress should penalize parents for the exercise of their constitutional rights in the choice of a God-centered school for the education of their children. Such penalties are, according to every principle of freedom, serious violations of parents' civil rights and the civil rights of their children. While throughout the world godless Communists have deprived millions of people of their freedom, in America Congress should not, through the imposition of economic penalties, deprive parents of the freedom to send their children to God-centered schools.

THE COOPERATIVE RESEARCH PROGRAM

(By Dr. Lindley J. Stiles, dean, School of Education, University of Wisconsin)

The cooperative research program of the U.S. Office of Education creates a partnership between Federal and State agencies to strengthen education. Funds appropriated by Congress to the cooperative research extramural projects stimulate investments in educational research at State and local levels as well as from business, industry, and philanthropical foundations. At the University of Wisconsin, for example, the cooperative research contracts have stimulated an overall investment in research on school problems at the level of about $4 from State and other funds to every dollar of Federal support. Similar evidence could be cited for every institution and State department that has participated in the cooperative research program.

In 5 years the cooperative research grants have done more to encourage needed research on school problems than any other program. Cooperative research projects are being carried on by 42 States, including Alaska and Hawaii, two territories—Guam and Puerto Rico—in addition to the District of Columbia. The investigations are being cosponsored by both public and nonpublic colleges and universities as well as by State departments of public instruction, with close cooperation from elementary and secondary schools. One hundred and eleven different agencies have signed contracts for cooperative research projects. This number would be substantially larger had the funds allocated to this program been sufficient to meet the demands.

This program is noncontroversial. It is generally recognized by both proponents and opponents of Federal aid to education as a satisfactory and efficient way in which the resources of the Federal Government can be used to improve the quality of our schools. Educators across the Nation are solidly behind it; school board members and citizens generally recognize and applaud the improvements in schools it is achieving.

The cooperative research program has already proved itself. What is needed now is a substantial expansion of its budget to increase the momentum it has created for educational research. At the institution I represent we have $263,723.20 research projects that we want to help support which are now awaiting approval by the U.S. Office of Education. Such approval, however, will not be forthcoming unless additional funds are made available to the cooperative research program to support extramural projects. Our situation more or less typifies the interest in educational research that now exists. We in Wisconsin recognize, too, the need to provide funds, in addition to those required for extramural research, to support certain large-scale projects to demonstrate how the Nation's schools can be improved. We understand that the new Commissioner of Education, Dr. Sterling McMurrin, has recommended that such allocations be included in the budget of the cooperative research program. His requests are strongly endorsed as logical and needed extensions of efforts of the U.S. Office of Education to help improve education.

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(By Dr. Alonzo G. Grace, dean, College of Education, University of Illinois)

I wish to present six items in support of the cooperative research program from the point of view of a college of education and a university. The statement of the President's Science Advisory Committee on "Scientific Progress, the Universities, and the Federal Government," issued in November 1960, is clear on this same point as these selected excerpts indicate:

"The truth is as simple as it is important: Whether the quantity and quality of basic research and graduate education in the United States will be adequate or inadequate depends primarily upon the Government of the United States. From this responsibility the Federal Government has no escape. Either it will find the policies—and the resources—which permit our universities to flourish and their duties to be adequately discharged—or no one will.

* * * * *

"American universities are far from perfect, and their best spokesmen are the first to admit it. In a sense they do not have the excuse of Government, which has entered the field only recently; their very reason for being is that they should support the high purposes we are concerned with here. Basic research and graduate education—as we have said and all will easily agree—are of the very essence of the fundamental purposes of the American university. Yet many do much too little, and none does all it should, in these great areas.

"It is often as hard for the university as for the Government to keep it clearly in mind that basic research and scientific education go together. The first and simplest temptation, we fear, is the neglect of research. Most American universities have their origin in a public need for education—for instruction—for teaching—and in most of them there is still maintained the same artificial and fundamentally wrong division between research and teaching that bedevils the Government's relations with universities. But while the Government finds it easier to pay for research than for teaching, the university, too often, budgets for teaching as a matter of course, and for research only when special circumstances permit. The result is that in all but a few American universities the standard teaching assignment of the professors (significantly called his teaching load) is such as to make it difficult for him to carry on any serious program of investigation of his own.

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"Yet the main trouble in the universities is not a failure of understanding or communication; it is lack of means."

The need for extensive research in the field of learning, critical thinking, more effective methods of teaching certain basic subjects is evident. Without further comment may I proceed to identify the areas in which the research programs of universities have been encouraged and assisted by the Federal Government through the cooperative research appropriation. I am confident if time were available, ample evidence could be presented indicating that substantial research funds are made available in many other areas exclusive of education. My six supporting statements are as follows:

1. Federal funds have made it possible to attract young, competent, and dedicated research talent on various projects, thus expediting the identification, recruitment, and education of hundreds of young men and women who have the potential to make major contributions to the scientific study and advancement of education.

The position of research assistant or associate on these projects has enabled many exceedingly competent young men and women with considerable sacrifice to become effective in the area of research.

2. As a result of these grants it has been possible more readily to eliminate the barriers to productive research that prevail in many universities. In other words important projects have been developed with respect to learning which supersede any one particular department and the freedom to utilize the complete resources of the university have been made feasible by this grant.

3. The financial assistance provided by the Federal Government for the cooperative research program has resulted in the more recent development of projects supported by increased State and local appropriations. While the situation in the State departments of education certainly is not yet satisfactory, the influence of the Federal program and leadership at the Federal level is evident in the improved situation at the State and local levels.

4. The collaboration of the university and State and local school systems is of major importance. Unless we are able to develop intelligent and economical methods of dis-

[34] "Second Report to the President," the President's Committee on Education Beyond the High School (Washington: U.S. Government Printing Office, 1957), pp. 51–52.

seminating the results of research, nothing much will happen to the educational process. This whole matter of the dissemination of research results deserves our earnest attention and financial aid in this connection. The University of Illinois projects in one area, both at the elementary and secondary school levels, have made an important contribution in this area of dissemination in the sense that whatever is revealed by the research becomes the property of over 200 school systems over the country.

5. The cooperative research program has accomplished more in the way of acceleration of basic research than any other one source. Moreover, the U.S. Office of Education in the Department of Health, Education, and Welfare in allocating these funds has done so on a completely objective basis and on the basis of the merit of the proposal at hand. No effort has been made to impose a particular point of view, to advance a particular type of research, or to enter into the actual direction of a research in a university. This cannot be said of financial aid from certain private funds.

6. While the cooperative research program has not been of long duration, it is evident that a major contribution will be made if this could be spread over a period of time. For example, in the field of the education of the mentally retarded, research indicates that many children in this classification are educable in the normal public school organization. The research also indicates marked progress in the direction of the identification of the talented and the development of an environment compatible with the proper education of this talent. I am of the opinion, however, that the major attention of the country has been centered on the intellectually exceptional child and too little has been accomplished in the way of identifying the talent in the areas of inventiveness, creativeness, or others.

I sincerely hope the cooperative research program will continue and that the appropriation will be increased.

COOPERATIVE RESEARCH PROGRAM

(Information concerning (A) how the program has helped educational research at the University of Illinois and (B) why the program should be expanded and strengthened)

I offer the following additional statement in support of the cooperative research program as representative of members of the faculty who have participated in this program. This memorandum was prepared by Prof. N. L. Gage, coordinator of research in the college of education.

A. The cooperative research program of the U.S. Office of Education has had a salutary effect on educational research at the University of Illinois. It has made possible a vast improvement in the utilization of the outstanding research talent present in our faculty. And the research done under this program already has had extremely beneficial effects on education in Illinois and throughout the Nation. Here are some of the topics on which we have done research under cooperative research program contracts:

(a) The logical structure of teaching and the development of critical thinking. Methods of teaching for the development of critical thinking have been developed.

(b) The use of test results in schools. Millions of dollars are currently being spent to give standardized tests to schoolchildren in the United States. How are these test results used by the schools which give the tests? Our project has thrown valuable light on this question. Methods for improving the use of test results have been developed.

(c) The efficacy of special class training on the development of mentally retarded children. This project has resulted in the development of new techniques for such special classes.

(d) The extent to which group counseling improves the academic and personal adjustment of underachieving gifted adolescents. Results of this study have led to improved methods for getting gifted adolescents to make full use of their talents, to their own benefit and that of the Nation.

(e) Principles for programing learning materials in self-instructional devices for mentally retarded children. This project represents an attempt to exploit the promise of so-called teaching machines in teaching mentally retarded children.

(f) The prediction and understanding of the effect of children's interests on school performance. How traits other than intelligence affect school performance is a promising but still unmined area of research.

(g) The effects on the use of tests by teachers trained in a summer institute. Summer institutes for guidance workers in the school have been carried out at the University of Illinois and elsewhere under the National Defense Education Act. This project is studying how such an institute changes the ways in which teachers use tests after attending such a summer institute.

(h) Mass communications and popular conceptions of education in the United States and in several European countries. This project will throw light on what the press, radio, television, and the like, do to people's ideas about schools and teachers. These popular conceptions affect how people support education financially and who goes into the teaching profession, among other things.

(i) Improved school adjustment of underachieving gifted fifth graders, and response patterns associated with group counseling.

(j) Changes in schools which do and do not send staff members to training institutes in counseling.

(k) Productive thinking of gifted children. This project should yield ways of improving the teaching and learning of such children.

B. Additional funds should be appropriated for the cooperative research program for at least the following reasons:

(a) Present funds already inadequate: It is an understanding that the cooperative research program is already unable to grant contracts to all the projects that it considers to be highly meritorious.

(b) More faculty research talent: The staff of the College of Education at the University of Illinois will be growing larger in the next few years due to increased enrollments. This larger staff will bring with it increased resources and talents for educational research. To make it possible for the talent of our additional staff members to be used to do such research means, in general, that such major sources of research support as the cooperative research program should be expanded. What is true at the University of Illinois is true of most of the colleges and universities for teacher education in the United States.

(c) Indirect costs: There should be an increase in the percentage of indirect costs assumed by the U.S. Office of Education in its cooperative research contracts. Presently, indirect costs on such contracts may not exceed 15 percent of the direct costs to be charged against U.S. Office of Education funds. Such a rate covers less than one-half of the university's actual indirect costs. A most recent indirect costs rate agreement reached with the Government provides for a rate of 55 percent of salaries and wages to provide for full reimbursement. This rate, when converted to a rate applicable to total direct costs, is approximately 35 percent. Thus, the university's contribution for indirect costs on Federal share of direct costs is at present 20 percent.

The reimbursement for indirect costs presently allowed may provide for most of the incremental indirect costs contributed to a specific project. Such an incremental approach is, however, indefensible when all contracts and grants are viewed simultaneously and when the effect of such an approach is projected many years into the future. If universities continue to accept less than full reimbursement for indirect costs, they will be forced to divert funds appropriated for other purposes. Such action, of course, cannot be justified to the persons and agencies providing the other funds.

(d) Fellowships: Fellowships for research trainees are urgently needed. The statement of the President's Science Advisory Committee on "Scientific Progress, the Universities, and the Federal Government," with respect to graduate education in science in general, applies with particular force to graduate training in educational research. Graduate study leading to a doctor's degree in educational research is expensive, and lack of financial means probably is the greatest single difficulty faced by the American graduate student. Although the Federal Government already has taken a hand in solving this problem, we believe, because of the size and urgency of the need, that the level of Federal support should be increased substantially, and the best and most direct form of support for graduate education is the graduate fellowship. Truly promising candidates for such fellowships can be found. Fellowships should be provided both directly, by the Federal Government, to talented graduate and postdoctoral students, and also to selected universities for allocations to promising applicants. Such fellowships should include a supplementary grant to universities to help them meet the full cost of such education. Further, such programs should not exclude the student from part-time assignments in research or teaching or from payment for such services when it is appropriate.

(e) Psychologists: I should like to add a point called to my attention by Professor Gage. He was appointed to represent the 18,000-member American Psychological Association in its efforts to support an expansion of the cooperative research program. Psychologists already have participated greatly in the cooperative research program. In fact, more than 50 percent of the principal investigators of research contracts awarded under the cooperative research program have been members of the American Psychological Association. In recent decades, due to lack of funds, a disproportionately small share of the Nation's psychological research talent has gone into research in education, as compared with research on industrial, military, clinical, and other kinds of problems. The cooperative research program has done more than anything else to get psychologists to devote their research talents to educational problems. To achieve a more appropriate allocation of the Nation's psychological research talents to educational problems, the present cooperative research program needs the kind of strengthening that is being advocated.

(f) Long-term grants: I wish to endorse a change in the cooperative research program that would meet the need for grant authority to permit long-term grants to particular research projects. Here again, permit me to cite the statement by the President's

Science Advisory Committee: "The Federal Government should continue and enlarge the practice, now followed with great success in a few agencies, of providing research support over long terms and for broad objectives." Further, "* * * in its essence the concept of 'purchase of services,' which is implied in any Government contract, was and is a doubtful one, when applied to basic research. Basic research, almost by definition, has no clearly predictable practical result, and so the Congress and the Federal agencies involved have had to interpret very broadly the notion of 'value received' in return for sum spent on research contracts." Educational research will contribute fully to the national welfare only when it receives the kind of support which the President's Science Advisory Committee advocated for all American science.

FEDERAL AID FOR WHAT?

(By Mortimer Smith)

Financial aid to education needs to be accompanied by the raising of questions about what in education is worthy of being aided. As we enter a period when the question no longer seems to be whether or not we will have Federal aid, but how soon and how much, it seems to us to be more essential than ever to inquire about sound educational purpose and solid educational content. We cannot be satisfied with genuflections in the direction of good education, undefined, or safely assume that huge sums of money thrown into the educational hopper will automatically enrich the education product. Without careful definition of, and insistence on, what is worthy in education, more money may simply serve to perpetuate and entrench an unsatisfactory status quo.

We are led to these reflections after reading two recent reports, one by the President's task force on education and the other the report of a panel, appointed by the outgoing Secretary of Health, Education, and Welfare, on the extension and expansion of the National Defense Education Act, which expires in 1962. While the contributors to these reports are in favor of good education and recommend governmental allocation of handsome sums of money in support thereof, they are both notably reticent when it comes to spelling out what they mean by "good."

The task force, headed by President Frederick L. Hovde of Purdue University, proposes Federal aid over the next 4½ years of no less than $9,390 million. It recommends Federal grants to States of $30 annually per pupil; an additional $20 per pupil to assist States with low income; grants of $20 per pupil to schools in large urban centers which have unique and grave problems; and colleges and universities would receive $3,550 million over 4½ years for assisting academic and building facilities.

In proposing these astronomical sums, the authors of the task force report have surely been more generous with money than they have in telling us what the money should buy. They do speak of the national interest demanding a first-rate system of schools but they do not describe such a system. Do they mean a system that would satisfy NEA or one that would be approved by CBE? They call for a vigorous program to lift the schools to a new level of excellence, but whose conception of excellence, that of the advocate of life adjustment, former U.S. Commissioner of Education Lawrence Derthick, or that of the advocate of strict academic standards, Vice Adm. H. G. Rickover?

One indication that the authors of the report have not thought carefully about what constitutes excellence in education is to be found in their suggestion that legislation governing the $20 per pupil grant for low income States should provide for construction, salaries, or other purposes related to the improvement of education in the public schools, as the State may decide. But State departments of education, like the U.S. Office of Education, can be infiltrated by advocates of the kind of education-for-adjustment which has landed us in the mess we are now in. If these people are in the departments of education in many of the Southern States (which States would be among the chief beneficiaries of this grant), what is to prevent them from spending the new grants for beefing up the driver education program or for building more model living rooms for the homemaking course or for underwriting any number of things which have little or nothing to do with genuine improvement of education in the public schools?

The panel of 20 citizens which reported to the Department of Health, Education, and Welfare on the extension of the National Defense Education Act (it recommended extension and wide expansion of the act) also approached the problem of aid to education in vague and general terms. One member of the panel, Arthur Bestor, professor of history at the University of Illinois, filed a minority report in which he summed up admirably the shortsightedness of recommending vast sums of money without precise definition of educational purpose:

"Committees, I discover, will always agree to spend more money, whether or not they agree on anything else. I cannot conscientiously subscribe to a report like the present that refuses to discriminate the conspicuously valuable program from the comparatively worthless one, and devoutly prays Congress to make its sun to rise on the evil and on the good alike.

"The National Defense Education Act of 1958 is a hodgepodge of different measures. Certain of these have contributed importantly to the improvement of American educational weaknesses in the first place. Such tendencies include an overemphasis on allegedly practical courses at the expense of solid learning, an obsession with mere pedagogical methods, and excessive reliance on gadgets and media. The various Federal educational programs that point in this adverse direction should, I feel, be abandoned or curtailed."

Professor Bestor struck a note which should, we think, be dominant in all proposals for governmental aid to education. Said he: "The resources of the Federal Government should be husbanded for the purpose of stimulating the full development of our intellectual resources. Local communities should pay the full cost of the frills to which they may be addicted."

We hope we will not compromise our political neutrality by saying that in one respect we find President Kennedy's $5,600 million aid-to-education message to Congress rather disappointing. While the President speaks of the need for "a new standard of excellence," states that "the human mind is our fundamental resource," and that "the demands of citizenship require the maximum development of every young American's capacity," these commonplaces are nowhere spelled out. We think that the President, who is himself a literate man with some conception, surely, of what constitutes a sound education, missed a golden opportunity to define excellence in education and to inform his fellow Americans what it is he wants to buy for them with their $5 billion. We feel that Americans cannot be satisfied with genuflections in the direction of good education, undefined, or safely assume that huge sums of money thrown into the education hopper will automatically enrich the educational product.

What disturbs us is that there is no indication anywhere in the President's message that all this money will be used for the proper things and not used to bolster the status quo, to strengthen all the worst features of American public education; bad guidance practices, driver education on school time, social adjustment courses, and general emphasis on the nonintellectual side of school activities.

The National Education Association will support the President's program without "ifs" and "buts," says the executive secretary of that great organizational advocate of "things are pretty good just as they are." Perhaps what bothers us is that we are not sure that what is good for the NEA is necessarily good for the country.

As we stated at the beginning, we bring up these matters of emphasis because increasing Federal aid to education seems now to be a certain fact of life. When it comes, let's make sure it is education that is being aided.

INVESTMENT IN MAN: AN ECONOMIST'S VIEW

(By Theodore W. Schultz)

My plan is first to comment on the state of our knowledge about investments that people make in themselves and, then, to consider briefly the reluctance that we have in thinking about human wealth, and to give reasons why modern economists have shied away from it. I plan, then, to show how wholly new and important questions can be examined, once we acknowledge the role of human wealth, and how a number of big puzzles in our economic data may be solved. I venture to suggest a human wealth hypothesis and to note that estimates from two recent studies are consistent with it.

It is a simple truth that people invest in themselves. They do it as individuals and as families and through their national and local communities. In making these investments, there are many different combinations of family and community arrangements. Our knowledge, however, of the comparative advantages of having either the family or the community or combinations of the two make these investments is very limited. Much of the income that is used in making these investments in ourselves is classified as consumption. Much of the human effort that enters is thought of as leisure, although education, which is one of these investments, is mainly hard work, as any student will say. No doubt most education rates high in serving both consumption and production. This should give it a special priority. But we go on counting expenditures for education as if they were only consumption. Then, by some strange twist, when we look at the vast expenditures that the U.S.S.R. has been pouring into education, we fail to see that many millions of families of that country have valued them highly as consumption and may well have looked upon their level of living as having risen accordingly.

THE NEGLECT OF THE STUDY OF HUMAN WEALTH

People are, also, an important part of the wealth of nations. Moreover, as people invest in themselves they can augment the amount of human wealth: in many countries this form of wealth, measured by what it renders to production, is now vastly larger than all other forms taken together. But our knowledge about national wealth is almost wholly restricted to the nonhuman components, that is, to reproducible physical capital and land. The study of human wealth is everywhere neglected notwithstanding its importance and notwithstanding the fact that people all about us are investing in themselves.

Why are we so reluctant to acknowledge the role of human wealth? The mere thought of doing so seems to offend us; to discuss it openly appears to rub many people the wrong way. Why is it in bad taste? The answer is that we cannot easily rise above our values and beliefs; we are strongly inhibited from looking upon men as

an investment, except in slavery, and this we abhor. Nor is it good by our lights for man to look upon himself as an investment, for it too could be debasing. Our political and legal institutions have been shaped to keep man free from bondage. All this must be seen against a long historical struggle to rid our society of indentured service and to eliminate all vestige of feudalism with its lord and vassal relations. Thus it is understandable why a study of man, treating him as if he were wealth, runs counter to deeply held values, for it would seem to reduce him once again to a material component, to something akin to property, and that would be wrong. Above all, freemen are the object to be served. No less a person than J. S. Mill insisted that the people of a country are not to be looked upon as wealth because wealth exists only for the sake of a people.[1]

But surely Mill was wrong, because there is nothing in the concept of human wealth that implies that it may not exist wholly for the sake of a people. Mill saw this at a later stage of his work when he considered skills. If by investing in themselves people enlarge the choices that they can exercise, it follows that this is one way of enhancing, rather than impairing, the role (welfare) of freemen.

Even so it is the acknowledged task of poets and philosophers to keep us on guard. What is hard to explain, however, is the long neglect of investment in man by modern economists. Clearly, they have shied away from the study of human wealth. This may come as a surprise because economists are usually not thought of as being shy when it comes to abstracting from those values and beliefs that do not fit their particular calculus. It should be said that the philosopher-economist Adam Smith boldly treated all of the acquired and useful abilities of all the inhabitants or members of a society as part of capital, although he was also the father of errors in not seeing clearly that capital is a stock.

THE OMISSION OF HUMAN WEALTH BY ECONOMISTS

Nevertheless, the main stream of modern economics has bypassed undertaking any systematic analysis of human wealth. On why this has happened, let me venture these reasons: The classical tripartite treatment of land, labor, and capital has been a heavy hand; it should have been the services of land, man, and reproducible capital forms, or of each as a stock, in which case human effort is represented by man. Then, too, economists have found it all too convenient to think of labor as a homogeneous input free of any capital components. Marx built his theory on a presumed dichotomy between capital and labor. Joan Robinson also takes her labor pure and straight.[2] One can always adjust and thus try to standardize the unit of labor, but there was no need of doing even that until fairly recently, because for a long time in Europe and in the United States, too, the statistics on hourly earnings and prices were so shaky that no one could say for sure that real wages were rising. Then, as it became apparent that real wages had been rising, the rate of this increase for many decades was so small that it was both easy and plausible to attribute all of it to factors other than an improvement in the quality of the labor force. Although there is presently much uneasiness about a concept of labor in which one abstracts from capital that has been invested in man, the conventional measure of labor as an input is still "man-hours worked." To add an hour of work of an electronic engineer and an hour of a migrant farmworker is to put together 2 very unequal hours of labor input; it may be likened to counting an acre of poor, dry farming land and an acre of very valuable irrigated land that has been made highly productive by large capital outlays in irrigation structures, as if the 2 acres were still comparable in producing farm products.

Another and more compelling reason why economists have neglected human wealth has arisen from a conventional restriction on the concept of capital. Instead of developing and using an all-inclusive concept of capital, economists have restricted their definition of capital to include only those classes of wealth that are commonly bought and sold in the marketplace. Irving Fisher, in a series of papers published just before the turn of the century and then in his excellent but grossly neglected book, "The Nature of Capital and Income,"[3] clearly and cogently presented an all-inclusive concept of capital. But the prestige of Alfred Marshall was too great; his ideas on this issue prevailed as his students and many followers entered upon the stage. Marshall dismissed Fisher's comprehensive concept of capital in these words: "Regarded from an abstract and mathematical point of view, his position is incontestable. But he seems to take too little account of the necessity for keeping realistic discussions in touch with the language of the marketplace."[4] Marshall concluded his appendix on "Definitions of Capital" by again making it clear that "we are seeking a definition that will keep realistic economics in touch with the marketplace."

Free men are not for sale, and, thus, Marshall's marketplace concept of capital had the effect of excluding all capital that becomes an integral part of a people. Granted that for particular purposes it is appropriate to restrict the concept of capital that one uses and granted also that the particular restriction imposed by the notion of the "marketplace" is altogether too narrow for many of the purposes to which I am addressing myself, Marshall's view of capital, nevertheless, could have been given a much broader interpretation than it has received. Obviously, labor is in touch with the marketplace as wages and salaries are presently determined. These wages and salaries represent income streams, and, like the income streams from property, they too may be discounted, and appropriate capital values may be imputed to each of them. Furthermore, investments in man, like investments in property, are ways of establishing additional income streams. Inasmuch as it is possible to observe their rates of return, these investments in man would appear to fall within the scope of Marshall's realistic economics. It is of course far from easy to estimate these rates from such statistics as are now being collected; useful statistics, however, could be had if we were to set our hand to the task.

I would be remiss if I did not acknowledge the fact that, in spite of the restriction that Marshall placed on his concept of capital, his writings are studded with gems of wisdom on the economic importance of adequate food, housing, and health and of developing the skills of workers. He also stressed the value of scientific training and the diffusion of scientific knowledge and looked upon education as a "national investment."[5]

NEW ECONOMIC HORIZONS

Once we are of a mind that it is meaningful to examine the role that investments in man perform in an economy, a wholly new set of questions becomes relevant and important. Underdeveloped countries everywhere want to accelerate their economic growth. Most of them are strongly committed to programs of constructing new dams and power facilities, roads and harbors, factories, and, above all, steel mills. Meanwhile, in many of these countries, few additional resources are being made available for training and education. The relevant and important question is clearly indicated: Are these countries making an optimum allocation of the resources at their command? To arrive at a valid answer we must use a concept of capital that includes both human and nonhuman wealth. To consider only the latter, as is almost everywhere the case, can give only misleading results. No wonder, therefore, that poor countries are in general being badly misled. There can be little doubt that they are presently allocating their resources in ways that are far from what would be required to achieve an optimum rate of growth. Harberger's study concentrating on Chile strongly supports this view, for he finds that technical advances are the key factor in achieving rapid development and that additional expenditures to improve the quality of the (technically trained) labor force are of primary importance in attaining this end.[6]

To consider a somewhat narrower question: Has India in recent years spent too much on irrigation and all too little on training her cultivators on how best to use the additional water? From reports that I get, this has been happening. The error appears to be a very costly one. In Iraq, where the government has been obtaining huge amounts of revenue from oil, the Development Board, according to Yudelman,[7] will have spent close to $1,400 million by 1960—virtually all on flood control, irrigation, drainage, and other physical structures and only a pittance on training and education to prepare farmers and others in the use of these new facilities. Yudelman concludes that this one-sided allocation represents a most serious error in the efforts of Iraq to achieve agricultural development.

But these are the mistakes of poor countries, especially those in which there are massive governmental programs. Although we may be giving some of these countries bad economic advice, presumably this does not impair our economy. We are always ready to take comfort in our long, gradual development, in the open and decentralized character of our economy, and in our large and impressive investments in what I am calling human wealth. There is, however, no room for complacency. We, too, are constantly confronted by the same allocative problem, that is, how much or how little to invest in nonhuman wealth relative to what we put into ourselves. How well or how badly we are doing on this score is subject to debate. But what is not debatable is the fact that there is little or no economic analysis to draw upon because these aspects of this problem have been almost wholly neglected.

In terms of both consumption and economic growth, I have little doubt that in recent years we have been allocating altogether too many of our resources to automobiles and roads compared to what we have allocated to education. But this is an opinion; let me consider situations in which there is some evidence. Negroes on the average earn only a fraction as much as do white

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[1] See J. S. Nicholson, "The Living Capital of the United Kingdom," Economic Journal, vol. I (March 1891).

[2] See The Accumulation of Capital (Homewood, Ill.: Richard D. Irwin, 1956).

[3] "The Nature of Capital and Income" (New York: Macmillan Co., 1906).

[4] "Principles of Economics" (8th ed.; London: Macmillan & Co., 1930), appendix E, pp. 787–788.

[5] Ibid., Book IV, pp. 216–217.

[6] Arnold C. Harberger, "Using the Resources at Hand More Effectively," to appear in the Proceedings of the American Economic Association (1959).

[7] Montague Yudelman, "Some Issues in Agricultural Development in Iraq," Journal of Farm Economics, vol. XL (February 1958).

workers. May not much and even most of this vast discrepancy in earnings be a direct consequence of the lower productivity of Negroes arising from the deplorably bad education that they have been obtaining? Morton Zeman's study of "White and Nonwhite Income Differentials in the United States" [8] strongly supports an affirmative answer. The very low earnings of many of the migrant farm workers may also rest primarily on this factor.

To take still another of the serious income inequalities marked against our national record, namely, the chronic poverty of so many of the rural areas in and about the Appalachian country consisting largely of whites: Is this poverty, also, rooted mainly in the relatively small investments that people in these areas have seen fit and have been able to make in themselves? Tang,[9] in a recent study of two groups of counties in the southern Piedmont region, has found that whereas they started from an equal income position at about the turn of the century, farm people in his developed counties have gained importantly in farm income per worker relative to those in his underdeveloped counties. This divergency in farm income per farmworker has become increasingly larger over time. Even the prosperous and full employment conditions that prevailed between 1940 and 1950 did not change this trend toward increasing income disparity.[10] Tang's findings are not inconsistent with the industrialization hypothesis that he sought to test. A preliminary examination of his data would seem to indicate that they are also consistent with another hypothesis, namely, one based on education and related investments in people as the principal explanatory variable.

PUZZLES AND A PARADOX

Some major puzzles in our economic data may be resolved, once we take investments in man into account. As the stock of capital increases and its use deepens, we might expect the capital-income ratio to increase. So it did for a long time. Kuznets [11] gives these ratios of reproducible capital to annual income:

	Ratio
Great Britain:	
1875	4.6
1905	6.5
United States:	
1879	2.8
1909	3.4

For the period since 1909, I turn to Goldsmith.[12] His national wealth estimates also include land and, therefore, give a larger ratio than those of Kuznets, cited above. Goldsmith's ratio of national wealth to annual national income declined 25 percent between 1909 and 1949:

[In billions of dollars]

Year	National wealth	Net national income	Ratio
1909	145	29	5.0
1949	898	237	3.8

[8] Ph. D. dissertation, University of Chicago, 1958.

[9] Anthony M. Tang, "Economic Development of the Southern Piedmont, 1860–1950" (Chapel Hill: University of North Carolina Press, 1958).

[10] Ibid., p. 220.

[11] Simon Kuznets, "Toward a Theory of Economic Growth" (lecture at the Bicentennial Celebration of Columbia University, May 1954), table 9.

[12] Raymond W. Goldsmith et al., "A Study of Saving in the United States" (Princeton, N.J.: Princeton University Press, 1956), vol. III, tables W–1 and N–1.

If we restrict ourselves to estimates of the private sector of the U.S. economy, it is abundantly clear that we have not been winning our increases in income from the use of more tangible capital [13] relative to income. Between 1919 and 1957, total income rose at an annual rate of 3.1 percent while that of tangible capital rose at a rate of only 1.8 percent.[14] But all these estimates of capital exclude human capital represented by training, education, additional capabilities based on health and new knowledge.[15] The stock of this human capital has been increasing more rapidly than that of tangible capital; therefore, the observed decline in the capital-income ratio may be largely, or even wholly, an illusion resulting from the omission of human capital.

There is, also, the Leontief paradox indicating that the U.S. exports mainly wage-goods and imports largely capital-intensive goods, contrary to what one might expect for a country with much capital and with very high real wages. But, here, again, no account is taken of the human capital that is represented by the acquired skills and abilities of engineers, chemists, and other workers. This human capital renders important services in the production of these wage-goods that we export. The value productivity of these particular forms of human capital may exceed that obtained on tangible (physical) capital used in producing the capital-intensive goods that we import.

The central puzzle, however, the one that encompasses the others, is in our economic growth as it is revealed in the many estimates that indicate a large and increasing divergency between the rise in income and in the resources that we use to produce the additional income. Our income has been going up much the faster of the two. For example, between 1889 and 1919 the rate of increase of labor and tangible capital combined was only 67 percent as large as that of income (both are for the private sector of the domestic economy).[16] Even so, between 1919 and 1957 the rate of increase of man-hours worked and of tangible capital, taken together, was down to a mere 32 percent of the rate at which our income rose. It is hard to believe, but wonderful if true, and if true, why? That is the puzzle.

A HUMAN WEALTH HYPOTHESIS

What is it that we have been doing that has given us a rate of economic growth that is three times as large as the rate of increase of labor and capital? My hypothesis is that the explanation is to be found in the large and rapid accumulation of human wealth that is being excluded from our conventional measures of "man-hours worked" and of tangible capital.

[13] As this capital is now conceived and measured.

[14] Solomon Fabricant, "Basic Facts on Productivity" (Occasional Paper No. 63 [New York: National Bureau of Economic Research, 1959]), table 5:

Average annual percentage rates of increase

	1889–1919	1919–57
1. Total output	3.9	3.1
2. Labor (weighted man-hours)	2.2	.8
3. Capital (weighted tangible capital)	3.4	1.8
4. Total inputs	2.6	1.0
5. Divergency (percentage line 4 is of line 1)	67.0	32.0

[15] It is necessary to distinguish between new knowledge that becomes embedded in tangible capital and new knowledge that becomes an integral part of a people. As tangible capital is presently measured, however, even much of the new knowledge that becomes a part of it is also being missed.

[16] See Fabricant, op. cit.

The preliminary results from two studies lend support to this hypothesis. The first of these is based on a study that I have made of the formation of human capital, represented by education beyond the eighth grade. This form of capital not only has become very large but has been increasing much more rapidly than has the formation of conventional nonhuman capital.[17] In estimating the gross capital formation entailed in a high-school education, I found that in current prices it cost the U.S. economy $127 per student in 1900, and $1,493 in 1956. My estimates for college and university education are $385 for 1900 and $3,580 for 1956; most of these costs are of the nature of opportunity costs because they consist of earnings that students have foregone while they were in school studying. The national totals for all public and private schools must suffice for now; they show that only $180 million of this capital (gross) was formed in 1900, whereas in 1956 it had become no less than $22,700 million. To compare this increase with that of nonhuman capital, I need burden you with only the percentage that one was of the other in each of the 2 years: In 1900, the formation of this kind of capital, i.e., represented by high school, college, and university education, was only 4 percent of that of all physical capital; by 1956 it had risen to 28 percent of that of physical capital. This dramatic rise in the relative position of this one form of human capital, as I have measured it, nevertheless, substantially underestimates the real relative increase because I am here relying on gross capital formation figures and it is the net figures that count. There are many indications that the net figures have gone up even more because, whereas the useful life of physical capital has been declining, that of human capital has been increasing.

The other study tells us something about the rates of return on this form of human capital. Here I draw on some of the estimates that Becker [18] reported in a recent lecture. He has found that, as of 1950, males were earning a 14.8-percent return on what they had privately invested in acquiring their high school, college, and university education, measured by their opportunity costs (earnings foregone while in school) and their direct costs (tuitions, books, etc.). When the other costs, those not borne by students or their families directly, are added to these private costs, this rate of return was still no less than 11 percent. How does this compare with the rate of return that owners of property were obtaining? Compared to that of corporations before taxes, it is probably not very different. What about the rate of return on all nonhuman wealth, namely, on the approximately $1,000 billion of national wealth, as estimated by Goldsmith? This figure includes all land (agricultural, forestry, and urban), producer and consumer durables, apartment buildings and private residences, Government structures, inventories, livestock, monetary metals, and net foreign assets. It is hard to believe that the 11-percent return on this human capital did not exceed by a wide margin the rate of return that was being realized on this huge stock of nonhuman wealth.

[17] My paper carries the title, "Gross Capital Formation Represented by High School, College, and University Education in the United States, 1900 to 1956" (AER Paper No. 5807, Department of Economics, University of Chicago, April 29, 1958).

[18] Gary S. Becker, professor at Columbia University, in a lecture given before the Economic Development Workshop at the University of Chicago, February 5, 1959. In this lecture he drew on a major study that he has been making of the economics of education for the National Bureau of Economics Research.

It should be pointed out that in both Becker's and my study none of the private or "public" costs of this education was charged to consumption or to other important goals. This means that we have overestimated the relevant costs of this kind of capital formation because a very substantial part is incurred for these other purposes and it should be attributed to them.

It should be evident that this has been a very preliminary treatment of the investments that we are making in ourselves. Education beyond the eighth grade is only one of the forms that this kind of capital formation takes, albeit a large and increasing form. Elementary education, which we take for granted, may rate even higher in what it renders to an economy. How else, for example, can one explain the early remarkable achievements in agriculture in Japan? Many poor countries are neglecting their elementary education relative to what they are spending on physical plants and equipment; moreover, the cost of this form of education is relatively low because of the low opportunity costs of taking students at that age away from other useful work.

On-the-job training is another way of accumulating some of this human capital. Still another goes back to measures that increase the strength and energy of a people and improve their health and vitality. New, useful knowledge is undoubtedly of strategic importance both in changing the nature of the useful skills that are of most value and in altering and improving the quality of the physical plant and equipment that we employ. I have not touched on the very important question of how we perpetuate this human capital in the home and through institutions other than through organized education.

I have tried to show that the state of our knowledge of investment in man is very meager. Our values and beliefs have hindered us greatly in thinking clearly about it. Economists too have missed seeing the important role that the increasing stock of human capital has come to play in the economy. A concept of capital restricted to tangible property will not do. A much more comprehensive concept of capital is required—one that will include human capital. Once we take this more comprehensive view, the central puzzle in our estimates of economic growth looks solvable; the human wealth hypothesis appears to gain support from studies now under way and it may go a long way in explaining the kind of economic growth that we have been achieving and that poor countries everywhere would like to understand with a view of using this experience to improve their economic lot. Finally, even though this approach to the investment in man were to put us on the right track, much hard thinking and research remain to be done.

Capital Formation by Education

(By Theodore W. Schultz, University of Chicago)

I propose to treat education as an investment in man and to treat its consequences as a form of capital. Since education becomes a part of the person receiving it, I shall refer to it as human capital. Since it becomes an integral part of a person, it cannot be bought or sold or treated as property under our institutions. Nevertheless it is a form of capital if it renders a productive service of value to the economy. The principal hypothesis underlying this treatment of education is that some important increases in national income are a consequence of additions to the stock of this form of capital. Although it will be far from easy to put this hypothesis to the test, there are many indications that some, and perhaps a substantial part, of the unexplained increases in national income in the United States are attributable to the formation of this kind of capital.[1]

Education can be pure consumption or pure investment, or it can serve both these purposes. But, whatever it is in these respects, education in the United States requires a large stream of resources. The principal task of this paper is to present a set of estimates of the value of the resources that have been entering into education. These resources consist chiefly of two components—the earnings that students forego while attending school and the resources to provide schools. Our estimates begin with 1900, cover the next 5 decennial years, and close with 1956. The annual factor costs are given in current prices. A major section is devoted to the earnings that students forego while they attend school, both because of their importance and because these foregone earnings have heretofore been neglected. More than half the total resources that enter into high school, college, and university education consists of the time and effort of students. The section on costs of the educational services that the schools provide introduces estimates of the value of school property used for education, along with current expenditures for salaries, wages, and materials.

Capital formation by means of education is neither small nor a neat constant in relation to the formation of nonhuman capital. It is not small even if a substantial part of the total cost of education were strictly for consumption. What our estimates will show is that the stream of resources entering into elementary education has increased less than that entering into either high school or higher education. But, even so, it has been increasing at a larger rate than has the gross formation of physical capital. In 1900 the total cost of elementary education was equal to about 5 percent of gross capital formation compared to 9 percent in 1956. Comparable figures for high school and higher education combined are 4 percent in 1900 and almost 25 percent in 1956.

Two more introductory comments seem necessary, one on the neglect of the study of human capital and the other on the moral issue of treating education as an investment in man. A serious fault in the way capital is treated in economic analysis has been the omission of human capital; this was a major part of the burden of my Teller lecture.[2] Had economists followed the conception of capital laid down by Fisher,[3] instead of that by Marshall,[4] this omission, so it seems to me, would not have occurred.

It is held by many to be degrading to man and morally wrong to look upon his education as a way of creating capital. To those who hold this view the very idea of human capital is repugnant, because for them education is basically cultural and not economic in its purpose, because education serves to develop individuals to become competent and responsible citizens by giving men and women an opportunity to acquire an understanding of the values they hold and an appreciation of what they mean to life. My reply to those who believe thus is that an analysis that treats education as one of the activities that may add to the stock of human capital in no way denies the validity of their position; my approach is not designed to show that these cultural purposes should not be, or are not being, served by education. What is implied is that, in addition to achieving these cultural goals, some kinds of education may improve the capabilities of a people as they work and manage their affairs and that these improvements may increase the national income. These cultural and economic effects may thus be joint consequences of education. My treatment of education will in no way detract from, or disparage, the cultural contributions of education. It takes these contributions for granted and proceeds to the task of determining whether there are also some economic benefits from education that may appropriately be treated as capital that can be identified and estimated.

Ideally, we should like to have estimates of the formation of human capital, both gross and net, and of the size of the stock. We should also like to know how much, if any, of the increase in national income is attributable to increases in the stock of human capital and what the "rate of return" on investment in education has been. There will then be the question, How do parents and students and public authorities respond to these investment opportunities?[5] In this paper, however, I take only one small step toward answering these questions.

Let me now present the sources of the estimates that follow, making explicit the underlying assumptions and commenting on the data so that the reader may have a basis for determining the limitations of these estimates. The more important economic implications that emerge from this study will be left until later.

I. Earnings that students forgo

It will be convenient to draw an arbitrary line between elementary and secondary schools and to assume that no earnings are forgone on the part of children who attend elementary schools.[6] Beyond the eighth grade, however, these earnings become important. The time and effort of students may usefully be approached as follows: (1) Students study, which is work, and this work, among other things, helps create human capital. Students are not enjoying leisure when they study, nor are they engaged

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[1] By "unexplained" I mean here the increases in measured national income that exceed the increases in measured resources, treated as inputs. For approximately the same period covered by this study, Solomon Fabricant, in Basic Facts on Productivity Changes ("National Bureau of Economic Research Occasional Papers," No. 63 (New York, 1959)), table 5, presents estimates that show the output of U.S. private domestic economy as having increased at an average annual rate of 3.5 percent between 1889 and 1957, whereas total inputs increased at an annual rate of only 1.7 percent. For the more recent part of this period, that is, between 1919 and 1957, these annual rates of increase were 3.1 and 1.0 percent, respectively.

[2] In "Investment in Man: An Economist's View," Social Service Review, vol. XXXIII (June 1959).

[3] Irving Fisher, "The Nature of Capital and Income" (New York: Macmillan Co., 1906).

[4] Alfred Marshall, "Principles of Economics" (8th ed.; London: Macmillan & Co., Inc., 1930). In discussing definitions of capital, Marshall commented on Fisher's concept as follows: "The writings of Professor Fisher contain a masterly argument, rich in fertile suggestion, in favor of a comprehensive use of the term. Regarded from the abstract and mathematical point of view, his position is incontestable. But he seems to take too little account of the necessity for keeping realistic discussions in touch with the language of the marketplace" (app. E).

[5] Surely some individuals and families make decisions to invest in some kinds of education, either in themselves or in their children, with an eye to the earnings that they expect to see forthcoming from such expenditures on education. It should be possible to analyze these decisions and their consequences as one does other private decisions that give rise to physical capital formation throughout the economy.

[6] This assumption is plausible enough in the case of our society at the present time. But back no further than 1900, many of these children were of considerable economic value as workers, and some parents were keeping them from school for that reason.

wholly in consumption; they are here viewed as "self-employed" producers of capital. (2) Assume, then, that if they were not in school, they would be employed producing (other) products and services of value to the economy, for which they would be "paid"; there is, then, an opportunity cost in going to school. (3) The average earnings per week of those young men and women of comparable age and sex who are not attending school or of students while they are not in school are a measure of the (alternative) value productivity of the students' time and effort. (4) The cost of living of students and nonstudents may be put aside because they go on whether young people go to school or enter the labor market and are about the same except for minor items, such as books, extra clothes, and some travel in getting to and from school.

TABLE 1.—*Estimates of earnings forgone by high school and college or university students in 1949*

Age	Median income (1)	Weeks worked (2)	Income per week (3)	Annual earnings forgone in attending school (4)	In weeks equivalent to average earnings of workers in manufacturing (5)
14 to 17:					
Male	$311	24	$13.00	$520	
Female	301	20	15.00	600	
18 to 19:					
Male	721	32	22.50	900	
Female	618	29	21.30	852	
20 to 24:					
Male	1,669	40	41.70	1,669	
Female	1,276	36	35.40	1,416	
25 to 29:					
Male	2,538	44	57.70	2,308	
Female	1,334	33	40.40	1,616	
Per student:					
High school				[1] 583	11
College or university				[2] 1,369	25

SOURCES AND NOTES

[1] Students enrolled in high school were approximately half males and half females; 92.7 percent were allocated to the age group 14 to 17, and 7.3 percent to ages 18 to 19. In making this allocation, it was assumed that those below the age of 14 offset those above the age of 19 ("Statistical Abstract of the United States, 1956," table 126).

Col. 1: "U.S. Census of Population, 1950, Special Report on Education, 1953," table 13, except for figures for age group 20 to 24, which are from Herman P. Miller, "Income of the American People" (New York: John Wiley & Sons, 1955), table 29. Virtually all the income in these age groups would appear to be from "earnings" according to Miller's table 34.

Col. 2: "U.S. Census of Population, 1950, Special Report on Employment and Personal Characteristics, 1953," table 14. Of the persons who did work in 1949, the census shows the percent who worked 1 to 13, 14 to 26, 27 to 39, 40 to 49, and 50 to 52 weeks, and, on the assumption that these classes averaged out to 7, 20, 33, 45, and 51 weeks, respectively, these were used as weights.

Col. 3: Col. 1 divided by col. 2.

Col. 4: Assumes that students forgo, on the average, 40 weeks of earnings; col. 3 multiplied by 40.

Col. 5: "Economic Report of the President, January 1957," table E-25. The average gross weekly earnings for all manufacturing was $54.92; col. 4 divided by $54.92.

[2] College or university students were distributed as follows:

Ages	Percent males	Percent females
14 to 17	3.5	5.0
18 to 19	18.2	16.0
20 to 24	30.6	11.5
25 to 29	14.7	.5
Total	67.0	33.0

These percentages were used as weights in calculating the estimate of $1,369 (based on Statistical "Abstract of the United States, 1956," table 126).

Estimates of the earnings that students have forgone were made in the following manner: High-school students were treated separately from college and university students. The year 1949 was taken as a base year in determining the "earnings" per week of young people, both males and females, for each of four age groups. Students' forgone earnings were calculated on the assumption that, on the average, students forego 40 weeks of such earnings, and then expressed in earning-equivalent weeks of workers in manufacturing in the United States. The results appear in table 1; they indicate that high-school students forgo the equivalent of about 11 weeks and college or university students about 25 weeks of such earnings. These 1949 earnings ratios were applied to particular years between 1900 and 1956; an adjustment was then made for unemployment, as set forth in table 2.

Two sorts of limitations need to be borne in mind in interpreting and in using these estimates. The first pertains to the 11-week and 25-week estimates for the base year 1949; the other is inherent in applying the 1949 relationships to other years.

Many of the young people who did work in 1949 were employed for only a few weeks during the year. It seems plausible that their earnings per week would be below those of workers of equivalent abilities who worked most or all of the year. To this extent, our estimates are too low.[7] Also, it could be that students rate somewhat higher per person in the particular abilities for which earnings are received than do those not in school who are earning income. To the extent that there are such differences, other things being equal, our estimates of earnings forgone are again too low. On the other hand, some students have held jobs while they were attending school; the earnings they have received from such jobs should have been subtracted from our estimates. Then, too, young people are probably burdened with more unemployment relative to the number employed than is the labor force as a whole.[8] Thus, of the four factors just mentioned, two pull in one direction and two in the other. They may be compensating factors.

TABLE 2.—*Annual earnings forgone by students, adjusted and not adjusted for unemployment, 1900–1956, in current prices* [1]

Year	Average weekly earnings, all manufacturing (1)	Annual earnings forgone per student while attending: High school, Unadjusted (2)	High school, Adjusted for unemployment (3)	College or university, Unadjusted (4)	College or university, Adjusted for unemployment (5)
1900	$8.37	$92	$84	$209	$192
1910	10.74	118	113	269	259
1920	26.12	287	275	653	626
1930	23.25	256	224	581	509
1940	25.20	277	236	630	537
1950	59.33	653	626	1,483	1,422
1956	80.13	881	855	2,003	1,943

[1] Sources:

Col. 1: "Economic Report of the President, January 1957," table E-25, and U.S. Department of Labor; and "Historical Statistics of the United States, 1789–1945," a supplement to "Statistical Abstract of the United States, 1949," series D, pp. 134–144.

Col. 2: For high school students, col. 1 multiplied by 11; based on table 1.

Col. 4: For college and university students, col. 1 multiplied by 25; based on table 1.

Cols. 3 and 5: The percent unemployed is based on Clarence D. Long, "The Labor Force under Changing Income and Employment" (a NBER study [Princeton: Princeton University Press, 1958]), app. C, table C-1 and, for 1956, table C-2. Unemployed adult male equivalents in percent of the labor force were as follows: 1900, 8.2; 1910, 3.9; 1920, 4.2; 1930, 12.4; 1940, 14.7; 1950 4.1; and 1956, 3.0.

There is also the question: What would the earnings of school-age workers have been if all of them had entered the labor market? But the question is not relevant because our problem is not one that entails a large shift in the number of human agents. The elasticity of the demand, either in the short or the long run, for such workers over so wide a range is not at issue. Instead, we want to know what earnings a typical student has been forgoing at the margin. Even so, our estimates of earnings forgone are substantially reduced by the effects of the large shift of students into summer employment; [9] the earning figures that we are using, drawing on the 1950 census, are heavily weighted by this summer employment. As pointed out above, many who did work for pay worked only a couple of months or so.[10]

[7] Of males aged 14 to 17 who worked in 1959, 44 percent worked only about 7 weeks (an average) and 19 percent worked about 20 weeks (average). Similarly, in the case of females aged 14 to 17 who worked, 53 percent worked only about 7 weeks and 21 percent about 20 weeks (averages). For ages 18 to 19, these figures are smaller, i.e., for males, 24 percent worked only 7 weeks and 19 percent about 20 weeks; and for females aged 18 to 19, the 2 figures are 29 and 23 percent, respectively. For ages 20 to 24, they are 10 and 12 percent for males and 17 and 15 percent for females.

[8] "The Economic Report of the President, January 1960," table D–18, gives some figures that appear relevant. They show total unemployed equal to 5.2 percent of the total employed, whereas for the 14 to 19 age group it was 11.8 percent.

[9] In 1955, for example, 1,200,000 individuals aged 14 to 19 entered the labor force between May and July, in contrast to about 400,000 in the ages 20 to 24.

[10] One can know something about the relation of the number of individuals in these age groups who are gainfully employed to the number enrolled in school. As one might expect, in the youngest of the 3 age groups, the number gainfully employed

The other difficulties stem from applying the 1949 "structural" relationships to other periods, especially to earlier years. The only adjustment that has been introduced is that for movements in unemployment. It is not easy to isolate the changes resulting from legislation. Stigler [11] suggests that "on the whole compulsory school attendance laws have followed more than led the increase in enrollments of children over 14." Child labor laws may have done likewise. In any case, these laws may be viewed as a comprehensive private and public effort to invest in education, the child labor laws having the effect of eliminating some job opportunities.[12]

(April 1950) was a little more than one-third the number enrolled in school (October 1950), whereas for the age group 20 to 24 there were fully 7 times as many in the gainfully employed group as there were enrolled in school. The figures for 1950 are as follows:

Ages	Enrolled in school (October) (millions)	Gainfully employed or in labor force (April) (millions)
16 to 17	3.06	1.12
18 to 19	1.19	2.39
20 to 24	0.96	7.09
Total	5.21	10.60

[11] George S. Stigler, "Employment and Compensation in Education" ("National Bureau of Economic Research, Occasional Papers," No. 33 [New York, 1950]), p. 8 and app. B.

[12] In commenting on child labor laws, Albert Rees has called my attention to the Census of Manufactures of 1890, which shows that 121,000 children (males under 16 and females under 15) were employed and that their annual earnings were 31 percent of those of all manufacturing wage earners. This is a substantially higher ratio than that implied for this age group in tables 1 and 2. Thus using 11 weeks' earnings forgone for 1900 may understate the investment in high-school education at the beginning of this period.

There is a presumption in favor of the view that high-school students in 1949 were attending school more weeks per year than did high-school students in earlier years. Such evidence as I have been able to uncover, however, suggests that for 1900, 1910, and 1920 most high-school students, including those who were attending secondary preparatory schools, were being instructed so that they could win entrance into a college or university and that these students were attending school about as many weeks per year as high-school students in more recent years. Between the early twenties and the midforties, there may have been a small dip in this variable as a consequence of the large increases in high-school enrollment and the fact that high-school instruction was no longer devoted primarily to the preparation of students for college.[13]

The weekly earnings of workers who possess the capabilities of students and who are of that age group may have changed substantially since 1900 relative to the earnings of those employed in manufacturing. But it is not possible even to guess whether their earnings have become more or less favorable relative to the earnings of workers in manufacturing. The age groups that appear in table 1 represent young people who had had more years of schooling than did the same age groups in 1900. But this would also be true of workers in manufacturing. The fact that the wage ratio between skilled and unskilled workers has narrowed may imply that our estimates of earnings forgone by high school students during the earlier years are somewhat too high, or more plausible, that the estimates for college and university students are on the low side for those years.[14] It would be exceedingly difficult, however, to isolate the effects of these changes.

[13] Unfortunately for our purposes, data for the United States do not separate elementary and high-school attendance. The data are mainly for the 5 to 17 age group with two sets of figures: (1) The average number of days that schools were in session and (2) the average number of days attended by each enrolled pupil 5 to 17 years of age. These are: 1900, 144 and 99 days, respectively; 1910, 156 and 113 days; 1920, 163 and 121 days; 1930, 173 and 143 days; 1940, 175 and 152 days; 1950, 178 and 158 days; and 1956, 178 and 159 days. Thus there has been a 60-percent increase in the average number of days that each enrolled student attended schools. This rise, however, has been dominated by changes that have occurred in the attendance of elementary students. In the early years, high-school students were heavily concentrated in States that had already established long school sessions and good attendance records. For example, the average number of days attended by high-school students in a sample of such States was 170 days in 1920; a 1925–26 set of 31 States shows 151 days, and another set of States for 1937–38 shows 168 days, rising to 178 days in 1945–46 and 176 days in 1959–50.

II. COSTS OF THE SERVICES PROVIDED BY SCHOOLS

Ideally, we want a measure of the annual flow of the inputs employed for education. This flow consists of the services of teachers, librarians, and school administrators, of the annual factor costs of maintaining and operating the school plant, and of depreciation and interest. It should not include expenditures to operate particular auxiliary enterprises, such as providing room and board for students, operating organized athletics or other noneducational activities. School expenditures for scholarships, fellowships, and other financial aids to students should also be excluded, because they are in the nature of transfer payments; the real costs involved in student time are already fully covered by the opportunity-cost estimates.

Tables 3 and 4 give these costs of schools for elementary, secondary, and higher education. Each table is essentially self-contained, with sources and notes.

[14] Paul G. Keat, "Changes in Occupational Wage Structure, 1900–1956" (unpublished Ph. D. thesis, University of Chicago, March 1959), p. 77, estimates the wage ratio of skilled to unskilled workers to have been 205 in 1900 and 149 in 1949.

TABLE 3.[1]—*Annual resource costs of educational services rendered by elementary and secondary schools in the United States, 1900–1956, in current prices*

[Millions of dollars except col. 4 in billions]

Year	Public schools						Private schools		Public and private schools		
	Gross expenditures	Capital outlay	Net expenditures	Value of property	Implicit interest and depreciation	Total public	Gross expenditures	Total private	Total	Secondary	Elementary
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1900	215	35	180	.55	44	224	27	28	252	19	233
1910	426	70	356	1.1	88	444	54	56	500	50	450
1920	1,036	154	882	2.4	192	1,074	104	108	1,182	215	967
1930	2,317	371	1,946	6.2	496	2,442	233	246	2,688	741	1,947
1940	2,344	258	2,086	7.6	608	2,694	227	261	2,955	1,145	1,810
1950	5,838	1,014	4,824	11.4	912	5,736	783	769	6,505	2,286	4,219
1956	10,955	2,387	8,568	23.9	1,912	10,480	1,468	1,404	11,884	4,031	7,853

[1] Sources and notes:

Col. 1: Lines 1–6, from "Statistical Abstract of the United States, 1955," table 145; line 7 from "Biennial Survey of Education in the United States, 1954–56."

Col. 2: Lines 1–6, from "Biennial Survey of Education in the United States, 1948–50," ch. 2, table 1; line 7 from the 1954–56 survey.

Col. 3: Obtained by subtracting col. 2 from col. 1.

Col. 4: From same sources as col. 2.

Col. 5: Obtained by taking 8 percent of col. 4. The distribution of physical assets is placed at 20 percent land, 72 percent buildings, and 8 percent equipment, following Robert Rude's study, "Assets of Private Nonprofit Institutions in the United States, 1890–1948" (N.B.E.R., April 1954, not published), table II–2a. With no depreciation or obsolescence on land, 3 percent on buildings (more obsolescence than for colleges and universities because of changing local and community populations to which high schools must adjust) and 10 percent on equipment, and with an implicit interest rate of 5.1 percent, we have an 8-percent rate per $100 of assets per year.

Col. 6: Obtained by adding cols. 3 and 5.

Col. 7: From same sources as col. 1, except that line 1 is based on the same ratio as line 2 between cols. 1 and 7; line 3 is based on the same ratio as line 4; and line 7 is based on the same ratio as line 6.

Col. 8: Obtained by taking the percentage that col. 7 is of col. 1 and multiplying by col. 6. The gross expenditures of private schools ranged from 9.7 to 13.4 percent of that of public schools. This procedure assumes that capital outlays, value of physical property, and imputed interest and depreciation bear the same relationship to gross expenditures for private as for public schools.

Col. 9: Obtained by adding cols. 6 and 8.

Col. 10: Obtained by allocating the total of col. 9 between elementary and secondary schools on the basis that it costs 88 percent more per student in secondary than in elementary schools. Expenditures for high schools determined by using George J. Stigler's estimates appearing in "Employment and Compensation in Education" ("Occasional Papers," No. 33 [New York: National Bureau of Economic Research, 1950]), tables 7 and 12. Enrollment in elementary schools is given as 33, and in secondary schools as 21 per teacher (using average for last 5 years in Stigler's table); and average salary of elementary school teachers in 1938 was $1,876, and of secondary school teachers it was $2,249. This is as 100 to 120. Accordingly, per student, we have: $\frac{120 \div 21}{100 \div 33} \times 100$ = an index of 188 for teacher salary per student in secondary schools compared to 100 for that in elementary schools. A slightly lower ratio appears in the "Biennial Survey of Education in the United States, 1939–40," ch. 1, table 42, note 1, in which secondary school costs per student are placed 74 percent higher than that in elementary schools. There are, however, no estimates in the 1939–40 survey which permit one to determine expenditures per student for elementary and secondary schools.

TABLE 4.[1]—*Annual resource costs of educational services rendered by colleges and universities in the United States, 1900–1956, in current prices*

[Millions of dollars]

Year	Gross expenditures (1)	Auxiliary enterprises (2)	Capital outlay (3)	Net expenditures (4)	Value of physical property (5)	Implicit interest and depreciation (6)	Total (7)
1900	46	9	17	20	254	20	40
1910	92	18	30	44	461	37	81
1920	216	43	48	125	741	59	184
1930	632	126	125	381	1,925	154	535
1940	758	152	84	522	2,754	220	742
1950	2,662	539	417	1,706	5,273	422	2,128
1956	4,210	736	686	2,788	8,902	712	3,500

[1] Sources and notes:

Col. 1: Lines 1–6, from Statistical Abstract of the United States, 1955, table 145; and line 17 from Biennial Survey of Education in the United States, 1954–56. These expenditures by public and private institutions were as follows:

[In million dollars]

	Public	Private
1920	116	100
1930	289	343
1940	391	367
1950	1,429	1,233
1956	2,375	1,835

Col. 2: Lines 5–7, same source as col. 1. For the 2 sets of institutions these were as follows:

[In million dollars]

	Public	Private
1940	59	93
1950	255	284
1956	364	372

Lines 1–4 were obtained by letting these auxiliary enterprises equal ⅓ of gross expenditures.

Col. 3: Lines 4–7 from Biennial Survey of Education in the United States, 1954–56, ch. iv, sec. II; lines 1–3 obtained by taking 6.5 percent of col. 5, lines 1–3.

Col. 4: Obtained by subtracting the sums of cols. 2 and 3 from col. 1.

Col. 5: From Biennial Survey of Education in the United States, 1948–50, ch. iv, sec. II, table I, and 1954–56. These estimates check closely with those of Robert Rude, "Assets of Private Nonprofit Institutions in the United States, 1890–1948," (National Bureau of Economic Research, April 1954, not published).

Col. 6: Obtained by taking 8 percent of col. 5; they assume no depreciation and obsolescence on land, 2 percent on buildings and improvements, and 10 percent on equipment. Following Robert Rude's study cited above, table II–2a, these physical assets were distributed 15 percent to land, 70 percent to buildings and improvements, and 15 percent to equipment. Assuming an interest rate of 5.1 percent, we have per $100 of assets:

Interest on all assets	$5.10
Depreciation and obsolescence:	
On buildings and improvements	1.40
On equipment	1.50
Total	8.00

Col. 7: Is the sum of cols. 4 and 6.

TABLE 5.[1]—*Earnings forgone and other resource costs represented by high-school education in the United States, 1900–1956, in current prices*

Year	Number of students (millions) (1)	Earnings forgone per student (2)	Total earnings forgone (3)	School costs (4)	Additional expenditures (5)	Total (6)
				Millions	*Millions*	
1900	0.7	$84	$59	$19	$3	$81
1910	1.1	113	124	50	6	180
1920	2.5	275	688	215	34	937
1930	4.8	224	1,075	741	54	1,870
1940	7.1	236	1,676	1,145	84	2,905
1950	6.4	626	4,006	2,286	200	6,492
1956	7.7	855	6,584	4,031	329	10,944

[1] Sources:

Col. 1: Statistical Abstract of the United States, 1955, table 145; and Biennial Survey of Education in the United States, 1954–56, ch. 2, table 44.

Col. 2: From table 2, col. 3.

Col. 3: Col. 1 multiplied by col. 2.

Col. 4: From table 3, col. 10.

Col. 5: Expenditures for books, supplies, extra clothes, and travel to and from school estimated at 5 percent of total earnings forgone, hence 5 percent of col. 3.

Col. 6: Sum of cols. 3, 4, and 5.

TABLE 6.[1]—*Earnings forgone and other resource costs represented by college and university education in the United States, 1900–1956, in current prices*

Year	Number of students (1)	Earnings forgone per student (2)	Total earnings forgone (3)	School costs (4)	Additional expenditures (5)	Total (6)
	Thousands		*Millions*	*Millions*	*Millions*	*Millions*
1900	238	$192	$46	$40	$4	$90
1910	355	259	92	81	9	182
1920	598	626	374	184	37	595
1930	1,101	509	560	535	56	1,151
1940	1,494	537	802	742	80	1,624
1950	2,659	1,422	3,781	2,128	378	6,287
1956	2,996	1,943	5,821	3,500	582	9,903

[1] Sources:

Col. 1: "Statistical Abstract of the United States, 1955," table 145; and the "Biennial Survey of Education in the United States, 1954–56," ch. 2, table 44.

Col. 2: From table 2, col. 5.

Col. 3: Col. 1 multiplied by col. 2.

Col. 4: From table 4, col. 7.

Col. 5: Expenditures for books, supplies, extra clothes, and travel to and from school estimated at 10 percent of earnings forgone; thus 10 percent of col. 3.

Col. 6: Sum of cols. 3, 4, and 5.

III. TOTAL COSTS OF EDUCATION

The estimates of the costs of elementary education were complete as set forth in column 11 of table 3, inasmuch as no earnings were forgone in accordance with our assumption.

Table 5 summarizes the principal components entering into the costs of high-school education. A comparison of columns 3 and 6 shows at once the importance of the earnings that students forgo relative to total costs of this education. That such forgone earnings should have been a larger proportion of total costs of high-school education during the earlier years (and a larger proportion of total costs of high school than of college and university education in all years) comes as a surprise. Earnings forgone while attending high school were well over half the total costs in each of the years; they were 73 percent in 1900 and 60 percent in 1956; the 2 low years were 1930 and 1940, when they fell to 57 and 58 percent of total costs. During 1950 and 1956 they were 62 and 60 percent, respectively. Other and more general economic implications of these changes in resource costs of high-school education will be considered later.

Table 6 provides similar estimates for college and university education. Here, too, earnings forgone by students are exceedingly important (see cols. 3 and 6). In 1900 and 1910 these earnings were about half of all costs, rising to 63 percent in 1920 and then falling to 49 percent in 1930 and 1940. With inflation and full employment, they then rose to 60 and 59 percent in 1950 and 1956.

IV. CONCLUDING OBSERVATIONS

When costs of all levels of education are aggregated, the proportion of total costs attributable to earnings forgone has clearly risen over time. This is due to the much greater importance of secondary and higher education in more recent years, a change that outweighs the decline in the forgone-earnings proportion of high-school education alone. For all levels of education together, earnings forgone were 26 percent of total costs in 1900 and 43 percent in 1956. Probably the actual 1900 figure should be somewhat higher than this because of forgone earnings of children in the higher grades of elementary school (ignored here), but such an adjustment would not substantially alter the picture.

Between 1900 and 1956, the total resources committed to education in the United States rose about 3½ times (1) relative to consumer income in dollars and (2) relative to the gross formation of physical capital in dollars. Accordingly, if we look upon all the resources going into education as consumption based on consumer behavior, our estimates would not be inconsistent with the hypothesis that the demand for education has had a high income elasticity.[15]

If, however, we treat the resources entering into education as investments based on the behavior of people seeking investment opportunities, our estimates then are not inconsistent with the hypothesis that the rates of return to education were relatively attractive; that is, they were enough larger than the rate of return to investments in physical capital to have induced the implied larger rate of growth of this form of human capital.[16]

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[15] A 1-percent increase in real income was associated with a 3.5 percent increase in resources spent on education, implying an income elasticity of 3.5, had other things stayed constant. Among other changes, the price of educational services rose relative to other consumer prices, offset perhaps in considerable part by improvements in the quality of educational services.

[16] Of course, other relevant factors may not have remained constant. For example, it seems plausible to believe that the grip of capital rationing is much less severe presently than it was during earlier years covered by this study.

Again, it should be stressed that the underlying private and public motives that induced the people of the United States to increase so much the share of their resources going into education may have been cultural in ways that can hardly be thought of as consumption, or they may have been policy determined for purposes that seem remote from investment. Even if this were true, it would not preclude the possibility that the rates of return on the resources allocated to education were large simply as a favorable byproduct of whatever purposes motivated the large increases in resources entering into education. If so, the task becomes merely one of ascertaining these rates of return. If, however, consumer and investment behavior did play a substantial role in these private and public decisions, then, to this extent, economic theory will also be useful in explaining these two sets of behavior.

Not only have the streams of resources entering into elementary, high school, and higher education increased markedly, but they have changed relative to one another.

1. Though elementary education by this measure has increased at a slower rate than has either of the other two, it has come close to doubling its position relative to gross physical capital formation; it rose from about 5 to 9 percent of the latter between 1900 and 1956.[17]

The total costs of elementary education have been strongly affected by changes in enrollment and attendance. Increases in the average number of days that enrolled students have attended school played almost as large a part as did the increase in enrollment; the first of these rose 60 and the second 73 percent between 1900 and 1956. However, it should be noted that this factor of attendance has nearly spent itself: average daily attendance is now within about 10 percent of its apparent maximum. Enrollment, on the other hand, will turn upward in response to the growth in population. Meanwhile, the salaries of elementary schoolteachers have been declining relative to wages generally.[18] Altogether, however, it seems plausible that investment in elementary education will not continue to rise at the rate that it did during the period covered by our estimates.

As previously noted, some earnings were undoubtedly forgone by elementary pupils, especially by children attending the upper grades. We have come upon bits of data that suggest that these earnings may have been appreciable during the early part of this period. Farm families, particularly, at that time still placed a considerable value on the work that their children could do for them; moreover, fully a third of the population had farm residences in 1900 and 1910. Surely, a poor country endeavoring to establish a comprehensive program of elementary education must reckon the cost entailed in the earnings that older children will have to forgo.

2. The annual national cost of high-school education has risen markedly, so much so that in 1956 it was equal in amount to nearly 13 percent of gross physical capital formation compared to somewhat less than 2 percent in 1900.[19]

Enrollment in high school advanced from 0.7 to 7.7 million between 1900 and 1956. It had already reached 7.1 million in 1940. The effect of the upsurge in population that began in the early forties had started to make itself felt by 1956, the proportion of young people embarking upon a high school education being very large—indeed, it was approaching its maximum. The increases in this ratio were striking; for example, in 1900 only about 11 percent of the 14- to 17-year age group was enrolled in secondary schools; by 1956 the percent was about 75.[20]

Let me emphasize once more the fact that earnings forgone have made up well over half the total costs of high-school education. In 1956 they were three-fifths of total costs, which is somewhat less than at the beginning of this period. From this experience one may infer that poor countries, even when they are no less poor than were the people of the United States in 1900, will find that most of the real costs of secondary education are a consequence of the earnings that students forgo while attending school.

3. The trend of total cost of higher education has been similar to that of high school costs. It rose at a slightly smaller rate than did total high school cost in the early part of the period, and at a larger rate later. Relative to gross physical capital formation, it was about 2 percent in 1900 and slightly less than 12 percent in 1956.

TABLE 7.[1]—*Total costs of elementary, high school, and college and university education in the United States, 1900–1956, in current prices*

[Millions of dollars]

Year	Elementary (1)	High school (2)	College and university (3)	Total (4)
1900	230	80	90	400
1910	450	180	180	810
1920	970	940	600	2,510
1930	1,950	1,870	1,150	4,970
1940	1,810	2,900	1,620	6,330
1950	4,220	6,490	6,290	17,000
1956	7,850	10,950	9,900	28,700

[1] Sources (figures have been rounded): Col. 1: From table 3, col. 11. Col. 2: From table 5, col. 6. Col. 3: From table 6, col. 6. Col. 4: Cols. 1+2+3.

Enrollment in higher education increased from 328,000 in 1900 to 2,996,000 in 1956. Of the 18 to 21 group, 4 percent were in residence and enrolled as undergraduates in higher education in 1900; by 1956, 32 percent of this age group were thus enrolled. The numbers in the college age group will increase substantially soon, as the children born with the upsurge in birth rates of the early forties reach these ages. The proportion of this age group that will begin higher education is not readily discernible. The upper limit is not near at hand, as it is for elementary- and high-school education; there are many indications that it will continue to increase for some time to come.

Earnings foregone by students attending colleges and universities were also about three-fifths of total costs in 1956. Here, however, we appear to observe an upward trend between 1900 and 1956.

4. Altogether, total costs of education have increased much more rapidly than have the total costs of the resources entering into physical capital. Between 1900 and 1956, the total costs of the three levels of education covered by this study have risen from 9 to 34 percent of the total entering into the formation of physical capital.

Several more steps must be taken, however, before we can gage the increases in the stock of capital developed by education and its contribution to economic growth. These steps will entail allocating the costs of education between consumption and investment, determining the size of the stock of human capital formed by education, and ascertaining the rate of return to this education. I plan to examine these issues in subsequent papers.

EDUCATION AND ECONOMIC GROWTH

(By Theodore W. Schultz)

Educators have turned to economists now and again on how best to finance our schools; even so, there are only a few crumbs in public finance on this important matter. Inflations of recent years have made teachers and school administrators aware of the index of consumer prices and of some of the implications of inflation to their earnings and to school finance. No doubt there has come some understanding of the role of fiscal and monetary policies in achieving economic stability. The new upsurge in population that began in the forties also has made itself felt; and there are now many simple projections of the future needs for more schools and teachers.

Education is like a mansion with many vistas. I know that the economic vista does not have a wide appeal, for it lacks both elegance and excitement. Old landmarks like public finance, rising prices, lagging salaries, crowded classrooms, and more costly construction are mundanely dull. So is the task of achieving efficiency in the way teachers and the school plant and its facilities are employed. There is, however, one attractive view to which I want to direct attention, namely, to the role of education in economic growth.

The level of income and the level of education of a country apparently are related, for when one is high so is the other. Does this simply mean that a country with a high level of income can afford to spend and, as a rule, does spend enough to obtain for its people a high level of education? This has been the predominant view because we have not been inclined to look upon education as an investment in people but have regarded it as a component in consumption, albeit not as urgent as our daily bread, although contributing to a fuller life. From this point of view, it has been clear that, while a poor people cannot afford a high level of education, the rich, of course, can.

But the connections between education and income are not this simple. Let us suppose that education were, among other things, a powerful engine in winning greater productivity and increases in real income. Under these circumstances one should look upon education as an investment contributing to economic growth. We observe that no country with an illiterate population has a modern economy (such a population is always saddled with a primitive or backward agriculture and little or no industry) and no country with a high output per person is manned by workers who have only a low

[17] Whenever I refer to estimates of gross nonhuman or gross physical capital formation, I shall base them on Simon Kuznets' "Annual Estimates 1869–1953" (New York: National Bureau of Economic Research, 1958), table T–8, technical tables in supplement to summary volume on "Capital Formation and Financing," mimeographed, used with his permission. Estimates for 1956, roughly comparable with that of Kuznets' series, is the 67.4 billion appearing in "Economic Report of the President, January 1960." Table D–1, raised by 26.4 (the percent by which Kuznets' estimate for 1950 exceeds commerce estimate of that year). Thus we have the total costs of elementary education increasing from $230 to $7,850 million and gross physical capital costs increasing from $4,300 to $85,200 million.

[18] Keat (op. cit., table 7, p. 25) presents estimates showing that these teachers in 1903 received 58 percent more earnings than did the average full-time employee in manufacturing during the year, compared to only 19 percent more in 1956. Comparable figures for high-school teachers are 188 and 36 percent; and for professors, 261 and 73 percent.

[19] Beginning with 1940, the total costs of high-school education exceeded that of elementary education; by 1956 they were almost 40 percent larger. In 1900 it was the other way around, with elementary education nearly three times as large as that of high school, measured in resources used (see cols. 1 and 3 of table 7).

[20] However, of this 14- to 17-year age group, 88 percent was enrolled either in elementary school, high school, or college.

level of education. Are these wholly spurious relationships? The plausible answer is "No."

The connections, however, between education and economic growth are exceedingly complex. It is far from easy to identify those fruits of education that consist of improvements in the capabilities of a people that are useful in economic endeavor. It takes years as a rule to develop these capabilities and then it requires more years for these capabilities to prove their worth in production. It is not as simple as adopting hybrid seed corn or applying a few bags of fertilizer in the spring and garnering the crop in the fall. But the mere fact that it is much harder to identify and measure the economic rewards from education does not mean that education viewed as an investment does not, under appropriate circumstances, contribute to national income.

Human investments,[1] as I conceive of them, include much more than formal education; they are the sum of all the acquired, useful capabilities of a people, whatever their sources. The health and vitality of a population are a part of it; on-the-job training also plays a large role; and the investment that it takes to move and change jobs in a progressive economy belongs here, in addition to formal education.

This is an exploratory study. Some of the results presented are necessarily tentative, especially the estimates of the stock of education and of returns to education and inferences based on them. Many new data will be included. This study consists of eight sections as follows: "Setting for Economic Growth," "Preliminary Issues," "Resources Entering into Education," "Stock of Capabilities Developed by Education," "Return to Education," "Contributions of Education to Economic Growth," "Sources of Inefficiency," and an appendix.

SETTING FOR ECONOMIC GROWTH

By economic growth, I mean an increase in production that gives a country more real income. Thus, increases in national income are a measure of economic growth.[2] The rate of this growth may be small or large but not so small that it fails to exceed the growth in population; accordingly, an increase in per capita income is implied. The national income as it increases may be variously distributed between public and private sectors and among families and individuals.

I take it to be true that individuals and countries want a higher level of real income than they presently command, which means, for the purpose at hand, they are motivated to achieve economic growth. The idea of economic growth has taken on worldwide importance, mainly because there is so much poverty in the world and because most peoples now believe that it can be reduced. People everywhere have the idea that it can be done; they no longer believe that poverty is ordained by God. No symbolism of a caste or class or religion can any longer support this idea. Men can, and men will, do something to reduce their poverty.

One of the basic ideas of our civilization is progress with much stress on economic progress. The idea of progress was not held by the Greeks or Romans or by Medieval and Renaissance Europeans. It had its origin in the rationalistic philosophy of the Enlightenment.[3] A few European countries slowly and gradually achieved enough economic growth to improve the lots of their people, despite a rapid growth of population. The United States long ago moved out ahead, but her economic growth was not nearly as dramatic as that of Germany and Japan toward the end of the 19th century. Then, following a profoundly deep revolution, came the forward thrust of Russia. Presently one poor country after another—to name a few, Mexico, Puerto Rico, and Israel—are demonstrating that rapid economic growth can be had. These achievements are becoming a part of the common knowledge of people everywhere. It is no wonder, therefore, that the once isolated, "backward," poor people of the world have begun to stir and are seeking means of improving their incomes. Even the very isolated Indians in the mountains of Guatemala and Peru are becoming informed about these developments.

But what are the sources of economic growth? A country's natural endowment—labor force and reproducible capital. What is required? The traditional answer is—work and save and manage prudently. Labor and capital become the essential components that can be augmented. But we find that our national income has been increasing at a much larger rate than either the labor force or the stock of physical capital. It would seem that increases in these two components leave much of our economic growth unexplained.

While man-hours rose less than 1 percent and physical capital less than 2 percent per annum, the output of the U.S. economy rose slightly more than 3 percent per annum between 1919 and 1957 (see table 1).[4]

The crucial figures in the above estimates are the 3.1 percent per annum for output and the 1 percent per annum for total input.

TABLE 1.—*Increases in output and input of the private domestic sector of the U.S. economy, 1919–57*

[Indexes, 1929=100]

	1919 (1)	1957 (2)	Increases in percent per annum (3)
Output	69.7	225.2	3.1
Input:			
Labor input (weighted man-hours)	86.7	116.9	0.8
Capital input (weighted tangible capital)	80.3	158.2	1.8
Total input (weighted man-hours and capital)	84.9	125.5	1.0

Thus, between 1919 and 1957 by adding only 1 percent to the total input, the economy in its generosity increased real income by a bit more than 3 percent.

How much is known about the mainsprings of economic growth? Much less than is commonly believed. It is quite apparent from public discussion and debate that we do not really understand the components that have entered into our economic growth. We concentrate on capital and labor with no consideration of the importance of the improvements in the capabilities of labor. Much stress is placed on the formation of capital, and yet human capital is omitted altogether. The omission is serious.

If education is in large part an investment that becomes an integral part of students, we should to this extent treat human beings as capital. But at this point we brace our feet and refuse to budge. Many educators, I am sure, will find such a treatment repugnant because according to their way of thinking man represents a unique set of values whether one calls this set spiritual or humanistic, whereas capital is necessarily materialistic. Some educators look upon economics as being materialistic, as a study of commodities and capital, and, in their view, man is neither of these.

What about the deeply held belief that education is basically cultural and not economic in its purpose, that the objective of education is to develop individuals to become competent and responsible citizens, that it gives men and women an opportunity to acquire an understanding of the values they hold and an appreciation of the fine arts and what these mean to life? My reply to those who believe thus is that an analysis that treats education as one of the activities that may add to the stock of human capital in no way denies the validity of their position; the analysis that follows is not designed to show that these cultural purposes should not be or are not being served by education. What is implied, however, in my approach is that, in addition to achieving these cultural goals, some kinds of education may improve the capabilities of a people on which they draw as they work and manage their affairs and that these improvements may increase the national income. These cultural and economic effects may thus be joint consequences of education. My treatment of education in no way detracts from or disparages the cultural contributions of education. It honors these and proceeds to the task of determining whether there are also some economic benefits from education that may appropriately be treated as capital which can be identified and estimated. Ultimately, we would like to estimate not only the size of this particular stock of human capital, but also its contributions to income. We want to measure the return attributable to various forms of such capital which may be revealed by the growth of the economy and by the way in which output responds to changes in education.[5]

I shall present estimates a bit later which will show that in the United States the rate of increase in our investments in students by means of education has been much larger than the rate at which we have invested in physical capital. Thus, education may well be an important key to the "unexplained" economic growth. But let me postpone introducing the underlying estimates until I have at least touched on the economic properties of education and the concepts for analyzing their behavior. In this paper, I can do no more than offer an outline of these matters.

PRELIMINARY ISSUES

Economic properties. Let me treat our schools as if they were a vast enterprise that

[1] I discussed this set of issues in an address which was then published as "Human Wealth and Economic Growth," The Humanist, II (1959), pp. 71–81.

[2] Our measures or estimates of national income are by no means foolproof. For example, the reduction in the hours that people work per week is a "credit" that does not get into the estimates of national income. The shifts from household production and from self-sufficient production to a dependency on work for wages and market exchange can lead to an overestimate of the increase in real national income over a period of time.

[3] J. B. Bury, "The Idea of Progress: An Inquiry into Its Origin and Growth." New York: Dover publication, 1955.

[4] From Solomon Fabricant, "Basic Facts on Productivity Change." Occasional paper No. 63, National Bureau of Economic Research, New York, 1959. Columns 1 and 2 are from table A which is based on John Kendrick's forthcoming study, "Productivity Trends in the United States," and column 3 from table 5. These estimates are for what Kendrick calls the "private domestic economy."

[5] Some individuals and families make decisions to invest in some kinds of education, either in themselves or in that of their children, with an eye on the earnings that they expect to see forthcoming from such expenditures on education. It should be possible to analyze these decisions and their consequences as one does other private decisions that give rise to physical capital formation throughout the economy.

"produces" educational services. Schools require a special of resources—teachers, school administrators, buildings, et cetera—to "produce" these particular services. Thus, educational services are not "free" to the economy even though no charges were made for them. Educational services entail costs, they involve a production process, and there is a supply. We can look upon some of these educational services as having properties that satisfy particular preferences that people have as consumers and also as having properties that can be transformed into human capabilities useful in economic endeavor and, as such, represent investment opportunities. In studying the demands for education, it will be convenient to classify them as follows: (1) Those educational services that are purely for consumption, (2) those that are purely for investment, and (3) those that are intrinsic complements in serving both consumption and investment objectives.

Are there any services that are purely for consumption? Difficult as it may be to identify them, surely there are some such. Education prides itself on its contributions to the quality of life. An appreciation of the fine arts belongs here, as does a part of a liberal education as traditionally conceived, and so do parts of home economics and courses in finishing schools. Kindergarten and education for the use of free time by older children and adults are also of this sort, so it would seem.

Other educational services are acquired purely as an investment. Education which is undertaken by individuals to improve their capabilities to do the work they are at belongs in this class. The attendance at school on a part-time basis while working is of some importance. On-the-job training undoubtedly is a large factor in this connection but it is not acquired in our schools. In some vocational training, and also in some technical and professional education, schools do offer programs of instruction for individuals who only want to qualify for better jobs on ahead. Nevertheless, it seems that only a small part of the education in our schools should be classified as being purely for investment.

By all odds, most education is neither pure consumption nor pure investment but serves both of these purposes, and the two are complements. It may be helpful to try to rank them as follows: (1) Primarily consumption and only secondarily investment. Most families in the United States presently seem to look upon elementary education in this way. (2) Consumption and investment considerations that are more nearly equal: our secondary schools that are not mainly vocational belong in this class as they are viewed both by parents and students of that age group, as does much of the education in some of the liberal arts colleges. (3) Educational services that are sought primarily for investment and only secondarily for consumption purposes. This class includes most college and university education in the United States, nearly all professional education (lawyers, doctors of medicine, engineers, technologists with advanced degrees), and some adult education and organized extension programs.

It may turn out that some educational services are subject to particular cost conditions, that is, to constant costs; others to decreasing costs; and still others to increasing costs. I know of no evidence that would indicate that something useful can be done along these lines at present. Given the dynamic character of the economic growth we have had for some decades, and given the fact that most of the resources used in producing educational services are the work of human agents (teachers and the time and effort of students) and that the prices of these productive services per unit have been rising relative to the prices of the material goods used in education, the supply price of a unit of education has been rising relative to other things that require proportionally less human effort to produce.[6]

It should, also, be noted that, since the quality of educational services has been improved over time, it is important to take account of such improvements both in studying the demand for and the supply of these services.

The demand: The demand for educational services as shown above is of two parts; one, based on consumer behavior in consumption, and the other based on the behavior of people in investing in themselves.

But is this not pressing the use of economic concepts all too far? Is there any reality in applying these notions about demand and those that we come to later about supply to the behavior of families, students, and those who manage our schools? Children are legally required to attend school for many years. Neither students nor parents have any choice in the matter. The services of our schools are not for sale; schools are not run for a profit; they are beyond the calculus of the market; and, for all these reasons, it will be said that an attempt such as this to apply economic concepts to education is highly artificial.

Some personal introspections may be permissible to get at motivations and to see how people may think and act with regard to these issues. Let me take the reader back to a small rural community in a setting where elementary education was provided by an efficient one-room school. Members of these families were the board that made all the basic decisions. Think of this board as a very small consumer cooperative in which each member had one vote. The members of this board paid the bills by voting taxes on their property. The salary of the teacher was the principal item in the money costs that had to come out of taxes. The members of this board considered this salary with care against what they received in education as they saw it. In the case of the older children, parents were, also, very much aware of the income foregone in their not having their children available for farmwork while they attended school. Compulsory school attendance laws followed more often than they took the lead in making for school attendance.[7] For high school and college, the connections between taxes and value received from education were less close. On the other hand, for children in high school or college, it was necessary to enter upon several expenditures that were large for the family, and these were much discussed and carefully evaluated, i.e., board and room (high school, too, meant leaving home), tuition, some travel, books, and appropriate clothes. Income forgone became exceedingly important. It is fair to say that the costs of having a student attend high school and college was not for the parents or for the student merely consumption; it was primarily an investment in the student's future capabilities. In making its decision the family was keenly aware that it must cut into its savings or reduce its consumption of conventional things, or do both. This meant that the family income was reduced from what it would have been had the student stayed at home and helped with the farmwork. These economic attributes of education in such a face-to-face rural community were readily discernible. While they may not be quite this evident and as observable in today's larger and more complex urban communities, the underlying elements of costs and value received are fully as real.

So let me return to the demand for education. Much, of course, depends upon the growth, composition, and location of the population. Immigration plays a role even today, and the people who enter may come with little or with much education. Most of this growth has been indigenous but uneven, and mainly because of variations in birth rate the changes in population growth since the thirties have very much altered the size of various age groups in the school population.

The increases in these age groups have been moving through the total population like successive large waves following a storm. The crests of these waves vary substantially in time and by location. Internal migration has altered these locational effects (internal migration is an exceedingly complex variable). Some of it is in response to differences in earning opportunities as people leave agriculture and other depressed areas; some of it is an adjustment to differences in the attractiveness of communities as a place to live and to rear a family, as people leave the core of the big cities and take up residence in suburban areas or move to the west coast.

The number of children per family of the various subpopulations has been narrowed significantly since the early forties, and the median number has become larger.

Economists make much of the income elasticity of the demand, which expresses a relationship between income and the quantity of a good or service acquired by consumers, other things equal. If income were to rise 10 percent per family and families were to increase their consumption of a particular good by less than 10 percent, it is said to be inelastic. The income elasticity of the demand for farm foods, for example, in the United States, is highly inelastic, about two-tenths. (A 1-percent rise in income person gives rise to two-tenths of 1 percent of such purchases, other things equal.) As yet we have very little empirical knowledge about income elasticity of the demand for education, viewed as a "consumer good." Such bits of evidence as we have suggest that it is highly elastic.

In any attempts that are made to determine the demand for education, we do well to introduce the level of education of parents as a variable. If this is an important factor, then the increase in the level of the education of parents that has taken place during recent decades in the United States will play a substantial role in the way families allocate their income to obtain more and better education for their children.

The more equal distribution of personal income that has taken place in recent decades and, also, the equalization in the number of children among families has enhanced the income elasticity of this part of the demand for educational services.

We have made no comment about the price elasticity of this demand. It may not be as useful as is the income elasticity of the demand for education in studying economic growth. Be that as it may, the price elasticity is very hard to gauge. So much, then, about a consumer demand for education in an expanding economy.

There is also a derived demand, and it may be much the more important of the two in education. A derived demand is the demand for a producer good, namely, for a resource employed in production. Most resources are reproducible, and the stock of such resources can be increased by appropriate investments. The behavior of parents and students in deciding to invest in an education represents such a derived demand. Here it is the anticipated rate of return on such an investment that matters.

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[6] In "The Emerging Economic Scene and Its Relation to High School Education," in "The High School in a New Era," pp. 97–109 (edited by Francis S. Chase and Harold A. Anderson. Chicago: University of Chicago Press, 1958), I consider why it is that the costs of education rise more than does the cost of living.

[7] See George J. Stigler, "Employment and Compensation in Education," p. 8 and appendix B. Occasional Paper No. 33. New York: National Bureau of Economic Research, 1950.

Inasmuch as the next section of this essay will be devoted to capital formation by education, only two issues related to family income and to investments in education will be mentioned here. First, relatively fewer families in the United States are now subject to as much capital rationing as formerly; and, second, many families and students have been learning that they can invest in an education and that they are likely to realize a relatively high rate of return on such an investment in themselves and in their children. Some estimates of these rates of return will be presented later.

The Supply: There is little point in considering the elasticity of the supply of educational services under stationary constraints. In a dynamic economy, in which real earnings of workers rise, the relative supply price of education per enrolled student rises because of the large part that human effort plays in the costs of education.

Education is indeed a large enterprise in the United States. During 1956, the value of all resources entering into elementary, secondary, and college and university education was $28.7 billion. The educational enterprise is, as a rule, of slow growth; its output does not fluctuate as do crops; nor does it swing up and down with business cycles. Major wars, however, have altered its services substantially. It is slow in adjusting to inflation.

More teachers are required per 1,000 students as the number of students in high school and in higher education increases relative to those in elementary schools. The total high school, college, and university enrollment in 1900 (940,000) was not quite 6 percent as large as the enrollment in elementary schools (16.3 million); in 1956 it was about 38 percent (10.7 and 28.2 million, respectively).

The salary per teacher rises relative to costs of plant and equipment (per some standard unit) as a consequence of the rise in wages and the salaries relative to costs of physical inputs throughout the economy. The value of the time of students (per student per year) also rises for two reasons: (1) The wages (earnings) that a student forgoes in attending school have been increasing relative to the price of nonhuman inputs, as in the case of teachers' salaries, and (2) a larger proportion of all students are in high school and college or university coupled with the fact that the earning capacity of students is substantial during the years that they attend high school, and especially so during the years they devote to higher education.

A comment seems warranted about the educational enterprise, when we look at it as producing a stream of outputs relative to the input of resources that it employs. The inputs, of course, consist of the time of teachers, school administrators, and students and the services of plant and equipment. A basic difficulty arises in determining changes in this output-input ratio because there are as yet no satisfactory standards for measuring the performance of these inputs in terms of educational output. The qualitative differences in education are exceedingly hard to determine. Even so, we know that teachers have a larger and better stock of knowledge to draw upon than formerly. Some of this new knowledge may have favorable effects upon teaching that are similar to those of new techniques in the production of other commodities and services. For example, it is widely held that the instruction offered by most engineering schools is much better today than it was, say, in 1930. Nevertheless, education is not like most of the other sectors of industry or agriculture in which output per unit of conventional input rises markedly over time. Gains in factor productivity may be hard to realize in education. Accordingly, as economic growth proceeds and salaries rise relative to the costs of nonhuman inputs, the real costs of education per student per year rise. In this sense, education is a rising-cost industry. The importance of finding ways of determining the nature and the quality of the educational output needs to be stressed.

RESOURCES ENTERING INTO EDUCATION

Whether we treat educational services as a cultural component free of any investment entanglement, or as a pure investment, or as some combination of these two purposes, the costs of education are basic economic facts. The upper limit in any case would be had if we were to allocate all of these costs to one or the other of these purposes. Whatever the true allocation between these purposes may be, the central question underlying this section is: How many resources go into education in the United States? We now present several sets of estimates to reveal the magnitude of the major costs components of education and the accumulated costs per student at successive levels of education.[8]

Three ratios and what they might mean: We are looking for connections between education and economic growth. Three different ratios will be introduced: (1) An education-labor ratio to show the amount of human effort going into education relative to the total labor force. (2) An education-income ratio which relates the resources entering into education to consumer income. (3) An education-investment ratio to show the relation between the resources entering into education and the resources going into reproducible physical capital.

The education-labor ratio is based on teachers and on students old enough to work relative to the employed labor force. If we count only teachers, we observe a rise from 504,000 to 1,522,000 between 1900 and 1956, which represents an increase from 1.86 to 2.34 percent of the employed labor force of the United States. If we count high school and college and university students who forgo doing other forms of productive work to attend school, their numbers were equal to 3.5 and 16.5 percent, respectively, of the otherwise employed labor force in these 2 years. (See line A–6 of table 2.) Teachers and the students together were equal to 5.3 percent of the employed labor force in 1900 and to 18.8 percent in 1956 (shown in line A–7).

TABLE 2.—*Selected measures of resources entering into education in the United States in 1900 and 1956*

	1960		1956	
	In thousands	Percent	In thousands	Percent
A. Labor inputs (in number of persons):				
1. Teachers	504	100.0	1,522	100.0
1a. Elementary	429	85.0	817	53.7
1b. High school	31	6.2	461	30.3
1c. Higher education	24	4.8	228	15.0
1d. Unclassified	20	4.0	16	1.0
2. Students (high school and higher education)	938		10,696	
3. Total, lines 1 and 2	1,442		12,218	
4. Employed labor force	27,100		65,000	
5. Percent line 1 of line 4		1.86		2.34
6. Percent line 2 of line 4		3.5		16.5
7. Percent line 3 of line 4		5.3		18.8
	Million dollars	Percent	Million dollars	Percent
B. Consumer income (in current prices):				
1. Total	13,700		279,000	
2. Percent line C–1 of line B–1		2.9		10.3
C. Gross resources costs (in current prices):				
1. Total	400	100.0	28,700	100.0
1a. Elementary	230	57.5	7,850	27.4
1b. High school	80	20.0	10,950	38.2
1c. College and university	90	22.5	9,900	34.4
2. Gross physical capital formation	4,300		85,200	
3. Percent line 1 of line 2		9.3		33.7

The education-income ratio connects the rise in educational resources to consumer income. It appears in line B–2 of table 2, and it indicates that these educational resources rose from 2.9 to 10.3 percent relative to consumer income between 1900 and 1956.

The education-investment ratio is based on the resources entering into education relative to the resources used for investments as conventionally defined, namely, for nonhuman capital formation. This ratio increased from 9.3 to 33.7 percent between 1900 and 1956. This is a critical ratio in this study; it appears in line C–3 of table 2. It should be noted also that whereas 58 percent of the educational resources in 1900 was for elementary education, in 1958 only 27 percent was used for this purpose.

In one important respect, these three ratios give strikingly similar results: between 1900 and 1956, the resources allocated to education rose about 3½ times (a) relative to consumer income in dollars, (b) relative to the gross formation of physical capital in dollars, and (c) in terms of labor inputs, counting teachers and the number of students who forgo earnings in attending school, relative to the employed labor force of the United States.

What inferences do these ratios support? If we look upon all of the resources going into education as consumption based on consumer behavior, these estimates would not be inconsistent with the hypothesis that the income elasticity of the demand for education is highly elastic. A 1 percent increase in real per capita income was associated with a 3.5 percent increase in the allocation of resources to education.[9]

But if we look upon all of the resources entering into education as investments based on the behavior of people seeking investment opportunities, these estimates are not inconsistent with the hypothesis that the rate of return to education was very attractive. The returns presumably were larger than those to physical capital to have in-

[8] Based mainly on my study "Capital Formation by Education." See the December 1960, issue of the Journal of Political Economy.

[9] Had other things stayed constant, this would indicate an income elasticity of 3.5. But the prices of educational services rose relative to other consumer prices, offset perhaps in considerable part by improvements in the quality of the educational services.

duced the implied larger rate of growth of this form of capital.

I hasten to add that the underlying private and public motives may have been cultural in ways that can hardly be thought of as consumption, or they may have been policy determined for purposes that seem remote to investments. Even if this were true, it would not preclude the possibility that the rates of return on the resources allocated to education were large simply as a favorable byproduct of whatever purposes motivated the large increases in resources entering into education. If so, the task becomes one of ascertaining these rates of return. If, however, explicit consumer and investment calculations do play a substantial role in these private and public decisions, then, to this extent, economic theory will be a useful tool for analyzing and explaining these two sets of behaviors.

Factor costs of education: In this section, I present a set of estimates that are basic in determining the real costs of education to the economy. Whether we treat education as consumption or investment, or as complements in these respects, or as serving still other purposes, these estimates will be essential. They are presented, therefore, in some detail so that others can use them in studies that require knowledge about the aggregate costs of education.

Among the principal components in the total real costs of education, the earnings that students forgo while they attend school are of major importance. These are indeed real costs, and they are much larger than educators realize. In both higher and secondary education they account for more than half of total costs. But how much thought is given to ways of economizing on the time and energy of students? Their contributions, measured in terms of earnings forgone, are exceedingly large, and, yet, all too little account is taken of this important economic characteristic of education in organizing and administering the educational enterprise.

Two master tables appear in an appendix, table A and table B, which set forth the conventional costs of elementary, secondary, and higher education, for both public and private schools. They are more complete than those heretofore available, mainly in providing estimates of the services of land, buildings, and facilities that are used in education (see columns 4 and 5 of table A and columns 5 and 6 of table B). In elementary and secondary education, the value of the services of property represented about one-fifth of all conventional costs (excluding the earnings that high-school students have forgone). In college and university education, however, the services of property were formerly a substantially larger part of total costs, although by 1956 they were only about one-fifth of total costs, leaving aside the value of the earnings that students forgo.

As already stated, an economist will attach much importance to the earnings students forgo while they are in school. These are real costs to parents, to students, and to the economy. Estimates of the annual earnings forgone, per student, while attending high school and while attending college and university appear in table C of the appendix.[10] In 1900 these forgone earnings were $84 per student in high school and $192 per student in college and university; by 1956 forgone earnings were $855 and $1,943, respectively (see columns 3 and 5 of table C).

We are now prepared to bring together the various cost components that enter into education. Our estimates for elementary education are complete as they appear in column 11 of table A in the appendix, inasmuch as we assume that no earnings were forgone in the case of elementary pupils.

The principal items entering into the costs of high school education appear in table 3. One sees at once, in comparing columns 3 and 6, the importance of the earnings that students forgo relative to total costs of this education. The fact that this component has declined with time is surprising. It is also surprising that this component is relatively larger for secondary students than for college students. Earnings forgone while attending high school were well over half of the total costs in each of the years; they were 73 percent in 1900 and 60 percent in 1956; the 2 low years were 1930 and 1940, when they fell to 57 and 58 percent of total costs. Other and more general economic implications of these changes in resource costs of high school education will be considered later. Table 4 provides similar estimates for college and university education. Here, too, earnings forgone by students were exceedingly important (see columns 3 and 6). In 1900 and 1910 these earnings were about one-half of all costs, rising to 63 percent in 1920 and then falling to 49 percent in 1930 and 1940. With inflation and full employment, they then rose to 60 and 59 percent in 1950 and 1956.

TABLE 3.—*Earnings forgone and other resource costs represented by high school education in the United States, 1900 to 1956, in current prices*

	Number of students (1)	Earnings forgone per student (2)	Total earnings forgone (3)	School costs (4)	Additional expenditures (5)	Total (6)
	Millions		*Millions*	*Millions*	*Millions*	*Millions*
1900	0.7	$84	$59	$19	$3	$81
1910	1.1	113	124	50	6	180
1920	2.5	275	688	215	34	937
1930	4.8	224	1,075	741	54	1,870
1940	7.1	236	1,676	1,145	84	2,905
1950	6.4	626	4,006	2,286	200	6,492
1956	7.7	855	6,584	4,031	329	10,944

Sources: Col. 1: "Statistical Abstract of the United States, 1955," table 145; and "Biennial Survey of Education in the United States, 1954–56," ch. ii, table 44.
Col. 2: From table C (appendix to this chapter), col. (3).
Col. 3: Col. (1) multiplied by col. (2).
Col. 4: From table A (appendix to this chapter), col. (10).
Col. 5: Expenditures for books, supplies, extra clothes, and travel to and from school estimated at 5 percent of total earnings forgone; hence, 5 percent of col. (3).
Col. 6: Cols. (3)+(4)+(5).

TABLE 4.—*Earnings forgone and other resource costs represented by college and university education in the United States, 1900–1956, in current prices*

	Number of students (1)	Earnings forgone per student (2)	Total earnings forgone (3)	School costs (4)	Additional expenditures (5)	Total (6)
	Thousands		*Millions*	*Millions*	*Millions*	*Millions*
1900	238	$192	$46	$40	$4	$90
1910	355	259	92	81	9	182
1920	598	626	374	184	37	595
1930	1,101	509	560	535	56	1,151
1940	1,494	537	802	742	80	1,624
1950	2,659	1,422	3,781	2,128	378	6,287
1956	2,996	1,943	5,821	3,500	582	9,903

Sources: Col. 1: "Statistical Abstract of the United States, 1955," table 145; and the "Biennial Survey of Education in the United States, 1954–56," ch. ii, table 44.
Col. 2: From table C (appendix in this chapter), col. (5).
Col. 3: Col. (1) multiplied by col. (2).
Col. 4: From table B (appendix in this chapter), col. (7).
Col. 5: Expenditures for books, supplies, extra clothes, and travel to and from school estimated at 10 percent of earnings forgone; thus 10 percent of col. (3).
Col. 6: Cols. (3)+(4)+(5).

TABLE 5.—*Total costs of elementary, high school, and college and university education, in the United States, 1900 to 1956, in current prices*

[In millions of dollars]

	Elementary (1)	High school (2)	College and university (3)	Total (4)
1900	230	80	90	400
1910	450	180	180	810
1920	970	940	600	2,510
1930	1,950	1,870	1,150	4,970
1940	1,810	2,900	1,620	6,330
1950	4,220	6,490	6,290	17,000
1956	7,850	10,950	9,900	28,700

Sources (figures have been rounded: Col. 1: From table A (appendix in this chapter), col. (11). Col. 2: From table 3, col. (6). Col. 3: From table 4, col. (6). Col. 4: Sum of cols. (1), (2), and (3).

Factor costs per student: The total costs per enrolled student in 1956 were $280 per elementary student, $1,420 per student in high school, and $3,300 per student in higher education. Using these estimates, we can readily calculate the accumulated total cost of the education per student at different stages. These are shown in table 6.

The factor cost represented by 8 years of elementary school based on 1956 prices was $2,240 per student. Four years of high school added $5,680, making the total cost of 12 years of schooling $7,920 per student, of which amount 43 percent was attributable to earnings forgone. Four years of college or university education required $13,200 per student, bringing the total cost of elementary school, high school, and higher education to $21,120 per student, with 53 percent arising from earnings forgone. If we add 3 years of postgraduate work, the accumulated total becomes $31,020 per student—of which 55 percent was attributable to earnings forgone.

THE STOCK OF CAPABILITIES DEVELOPED BY EDUCATION

The economically useful capabilities of a people that are developed by education specifically have the properties of a factor of

[10] A full discussion of the source of these estimates and their limitations appears in my study "Capital Formation by Education," op. cit.

production. The concept of a factor of production, however, is very tricky because it always has two economic faces. In one, a factor appears as Dr. Stock and in the other as Mr. Flow. It is all too easy to become confused by these changes in face. Land is a stock; rent is a flow. The size, composition, and capabilities of a labor force represent a stock; the services of the work that is done in an hour or during a week is, on the other hand, a flow. Inputs, which are sometimes referred to as resources or as productive services, whether rendered by man or by material things, are all flow concepts. The natural endowment (land), reproducible capital (plant, equipment, inventories), and the labor force (workers) are all stock concepts.

TABLE 6.—*Resource costs per student through elementary, high school, and higher education in the United States at 1956 prices*

	School inputs (1)	Earnings forgone (2)	Total (1)+(2) (3)	School inputs (4)	Earnings forgone (5)	Total (4)+(5) (6)
8 years elementary school (dollars)	2,240		2,240	2,240		2,240
1 year high school (dollars)	568	852	1,420			
2 years high school (dollars)	1,136	1,704	2,840			
3 years high school (dollars)	1,704	2,556	4,260			
4 years high school (dollars)	2,272	3,408	5,680	2,272	3,408	5,680
Total through 4 years high school (dollars)				4,512	3,408	7,920
In percent				(57)	(43)	(100)
1 year college (dollars)	1,353	1,947	3,300			
2 years college (dollars)	2,706	3,894	6,600			
3 years college (dollars)	4,059	5,841	9,900			
4 years college (dollars)	5,412	7,788	13,200	5,412	7,788	13,200
Total through 4 years college (dollars)				9,924	11,196	21,120
In percent				(47)	(53)	(100)
1 year graduate or professional (dollars)	1,353	1,947	3,300			
2 years graduate or professional (dollars)	2,706	3,894	6,600			
3 years graduate or professional (dollars)	4,059	5,841	9,900	4,059	5,841	9,900
Total through 4 years graduate or professional school (dollars)				13,983	17,037	31,020
In percent				(45)	(55)	(100)

NOTE.—1956 costs were $280 for elementary, $1,420 for high school and $3,300 for higher education per year of school. During high school 60 percent of the $1,420 represented earnings forgone per student, and 59 percent of the $3,300 are earnings forgone per student while attending college or university.

Our measure of a factor of production will differ depending upon whether we use a stock or a flow concept; for example, a parcel of land with perpetual life may have a value that is 20 times as great as its annual rent.

The productive life of the capabilities of man at a given moment will differ depending, among other things, upon his age. Consider two engineers who are equally capable and who do the same amount of engineering work during a particular year. Their respective contributions as engineers during that year are the same, although each may be very different when viewed as a stock of engineering capabilities because one of them may be a young engineer, just starting his career and with a long productive life ahead of him; the other may be an old man, doing his last year of work before he retires. The age of engineers is, therefore, important in gaging the stock of engineering capabilities.

When the young people who enter the labor force have more education than the old people who retire, the value of the stock of education in the labor force will rise even with no change in the number of workers. Such has been the case in the United States for a long time. Though younger workers back in 1900 had only little more schooling than older workers, this difference has become larger, much to the advantage of those in the younger age groups. The stock of education, accordingly, has become more valuable in two ways: (1) Each successive age group has more years of schooling and (2) a larger share of the total education has been carried by the younger persons than formerly—and as a consequence the average productive life of this education has been increasing.

It is not an easy task to measure changes in the stock of any form of wealth in a dynamic economy. It is doubly difficult to do this for education, for we are beset by both inadequate concepts and a lack of information. As a preliminary step, I propose to consider a year of school as a basic unit, as reported in national statistics. Later, I use a year of school adjusted to the length of the school year. We cannot yet estimate the weighted productive life of all of the education that the labor force possesses, although a rough indication is obtainable by examining the changes in the distribution of this education among the labor force.

Number of school years.—A year of school completed is a convenient unit of measurement. It is possible, also, to aggregate the education of a population, in a very rough manner, by counting the number of school years as one might count acres, houses, or tractors. By such a count the labor force in 1957 had completed a total of 776 million years of school compared to 216 million years in 1900. (See table D of appendix.) If a year of schooling were about the same in amount of quality of education in both years and if the distribution of these years of school completed among the components of the labor force were comparable, it would be quite meaningful to infer that the stock of education that the labor force possessed had increased about three and one-half times between 1900 and 1957.

But we know that a year of school acquired in earlier years represented many fewer days of attendance than has been true more recently. The average attendance of enrolled pupils, age 5 to 15, was only 99 days in 1900, whereas it had leveled off at 159 days in 1957. Moreover, the labor force of 1900 consisted mostly of workers who had been in school when the average daily attendance was even less than 99 days; for example, most of those who then were 35 to 45 years of age were presumably in school in 1870 when the average daily attendance was only 78 days (this leaves aside the schooling possessed by immigrants).

I have adopted a procedure developed by Prof. Clarence D. Long [11] to adjust school years completed for the effects of the changes in school attendance. It gives me an equivalent school year based on 1940, equal to 152 days of school attendance. This procedure gives the results that appear in table 7.

Clearly, the schooling of the working population was greatly overstated in the early years relative to the more recent period. Accordingly, adjusting for differences in school attendance, we find that between 1900 and 1957 the total stock of equivalent school years in the labor force rose from 116 to 740 million: this is an increase of 6⅓, instead of about 3½-fold. (See cols. 4 and 6 of table D of the appendix.)

But the distribution of education among members of the population and of the labor force has also changed. As a flow of productive services rendered by labor, younger members, say those from ages 14 to 24, contributed somewhat less of the total education entering into the labor force in 1956 than they did in 1900 because a smaller proportion of this age group were in the labor force in 1956 than was the case in 1900, mainly because so many more of these younger people were continuing their education. When we give appropriate weights to each age group, we obtain the distribution shown in table 8.

TABLE 7.—*Years of school per member of the labor force, 14 years and older, 1910–57*

Year	Years of school completed (1)	Equivalent school years completed (2)	Percent col. 2 is of col. 1 (3)
1900	7.70	4.14	54
1910	7.91	4.65	59
1920	8.12	5.25	65
1930	8.41	6.01	71
1940	9.02	7.24	80
1950	10.10	8.65	86
1957	10.96	10.45	95

TABLE 8.—*Distribution of equivalent school years in the labor force*

Age group	Number of school years per 100 laborers		Percentage distribution of education by age groups	
	1900	1957	1900	1957
14 to 19	61	91	15	9
20 to 24	74	132	18	13
25 to 44	187	547	45	52
45 to 64	78	249	19	24
65 and over	14	26	3	2
Total	414	1,045	100	100

As a stock, however, the changes in the distribution of education carried by the labor forces have been shifting strongly in favor of the younger members of the labor force so that the total stock is becoming more valuable because more of it has become concentrated in younger people. For example, those from age 20 to 24 had 12.8 years of school equivalent in 1956 compared to only 4.6 years in 1900; whereas those in the labor force who were in the ages 45–64 had increased from 3.8 to 7.8 years. A comparison of columns 4 and 5 of table 9 supports this inference.

[11] Set forth in his excellent study, "The Labor Force under Changing Income and Employment." Princeton, N.J.: Princeton University Press, 1958. See especially appendix F. Professor Long has very kindly made available to me his basic worksheets which provide the adjustment factors on which my estimates of equivalent school years are based. I am indeed much indebted to him.

TABLE 9.—*Equivalent school years per member of labor force*

Age group	Number of years of school		Relative to the average	
			4.14=100	10.45=100
	1900	1957	1900	1957
(1)	(2)	(3)	(4)	(5)
14 to 19	4.2	11.0	101	105
20 to 24	4.6	12.8	111	122
25 to 44	4.2	12.2	101	117
45 to 64	3.8	7.8	92	75
64 and over	3.3	5.6	80	54

We conclude from this treatment of the stock of school years that it has been increasing rapidly and at a greater rate than has the stock of reproducible physical capital. The total equivalent school years at selected dates are shown in table 10.

TABLE 10.—*Total equivalent school years of the labor force and of the population, 14 years and older, 1900 to 1957*

[In millions of school years equivalent]

Year	Labor force	Population
1900	116	212
1910	167	299
1920	217	388
1930	293	535
1940	382	715
1950	520	951
1957	740	1,173

Source: Based on tables D and E of the appendix. The population series is somewhat better than the labor force series because the procedure used may underestimate the proportion of the population with advantages in education entering the labor force relative to those who did not have the same educational advantages.

Stock of education at costs: The stock of nonhuman reproducible wealth did not increase nearly as much as did the education of the labor force, measured in school years equivalent. Between 1900 and 1957, the stock of reproducible wealth increased about 4.5 times, whereas the education of the labor force rose about 6.4 times. Even so, our unit of measurement, a year of school equivalent, still understates substantially the increase in the stock of education that has occurred. We have already noted that older members of the labor force have much less education per person than the younger workers. Moreover, this difference increased markedly as the level of education rose. Accordingly, not only has the stock of school years risen relative to reproducible physical wealth but it has also become more heavily concentrated in the younger ages; and, therefore, it has a longer average productive life than would be the case if the rise in education were distributed equally among the various age groups. We have not adjusted for this gain in our estimates.

Another important improvement in both the stock and flow of productive services from education has been the large increase in the number of years of high school and college relative to the elementary instruction. A school year, however, makes no distinction among these, although they differ greatly in value in terms of costs. In 1957, the labor force had 7.5 elementary, 2.4 high school, and 0.6 college and university years of school; in 1900, the comparable numbers were 3.4, 0.56, and 0.15 years of school. Moreover, these estimates for 1900 are very likely on the high side, as will be noted later.

Each of these years of schooling has its costs. I propose to use the following price tags—elementary, $280; high school, $1,420; and college and university, $3,300. These are based on 1956 prices. Using these prices, the costs of an average school year, which the labor forces of 1957 had acquired, was $723.[12] The underlying estimates are shown in table 11.[13]

TABLE 11.—*Costs of education in labor force in 1957 as measured by years of school per member*

	Years of school per member	Costs per year in 1956 prices	Costs per member of labor force 1×2	Percent
	(1)	(2)	(3)	(4)
Elementary	7.52	$280	$2,106	28
High school	2.44	1,420	3,458	45
College and university	.64	3,300	2,099	27
Total	10.6		[1] 7,663	100

[1] Average cost per school year: $7,663÷10.6=$723.

The members of the labor force of 1957, 14 years and older, carried in their persons a total of 740 million equivalent years of school, representing a total cost of $535 billion.[14] Census data for 1940 are comparable with those for 1957, which encourages us to make parallel estimates of the stock of education within the labor force of 1940. Table 12 gives these estimate for 1940.[15]

TABLE 12.—*Costs of education in labor force in 1940 as measured by years of school per member*

	Years of school per member	Costs per year of school	Costs per member of labor force 1×2	Percent
	(1)	(2)	(3)	(4)
Elementary	6.85	$280	$1,918	33
High school	1.71	1,420	2,428	41
College and university	.46	3,300	1,518	26
Total	9.02		[1] 5,864	100

[1] Average cost per school year: $5,864.00÷9.02=$650.00.

The total equivalent school years in the 1940 labor force, accordingly, cost $248 billion at 1956 prices.

We made two tentative estimates for 1900. These are, in substance, a lower and an upper limit of the costs per equivalent school year. The lower one is $423, and the upper, $540 in 1956 prices. In the lower estimate, high school and college education is allocated within the labor force roughly as it was distributed in the population over the comparable age groups; in the higher estimate, all of this education was allocated to the labor force. The procedures for obtaining the higher estimate for 1900 are displayed in table 13.[16]

TABLE 13.—*Costs of education in labor force in 1900 as measured by years of school per member*

	Years of school per member		Costs of school per year (upper limit)	Cost per member of labor force (upper limit) 1b×2	Percent
	(1a)	(1b)	(2)	(3)	(4)
Elementary	3.75	3.437	$280	$962	43
High school	0.31	0.556	1,420	790	35
College and university	0.08	0.147	3,300	485	22
Total	4.14	4.14		[1] 2,237	100

[1] Average cost per school year: $2,237.00÷4.14=$540.00.

Stocks of education and reproducible wealth compared: For reproducible wealth we draw on the studies of Goldsmith. For education we take those presented in this study. It should be emphasized that our estimates of the stock of education are still very tentative and incomplete. They are incomplete in that they do not take into account fully the increases in the average life of this form of human capital arising from the fact that relatively more of this education is held by younger people than was true in earlier years. They are incomplete also because no adjustment has been made for the improvements in education over time except as reflected in the changes in the proportions of elementary, high school, and higher education.

Keeping these qualifications in mind, even so, the stock of capital formed by education increased much more than did the stock of reproducible (nonhuman) capital. Between 1900 and 1957, the former rose 8.5 times, whereas the latter increased only 4.5 times, both in constant 1956 prices.[17] The underlying value estimates in billions of dollars appear in columns 2 and 3 in table 14.

[12] An alternative estimate places this figure at $735, obtained by taking 6 instead of 7 years as the average schooling of those who had completed 5 to 8 years of school.

[13] Based on table 138 of the 1959 "Statistical Abstract of the United States" which gives the percentage distribution by years of school completed for the labor force 18 to 64 years old, 1957. The elementary subtotal is $(4\times5.6)+(7\times26.2)+(8\times68.3)\div100=7.522$; the high school subtotal is $(2.5\times19.8)+(4\times48.5)\div100=2.435$; and the college subtotal is $(2\times8.8)+(5\times9.2)\div100=0.636$. Column 3 is based on these numbers, whereas those that appear in column 1 have been rounded.

[14] Obtained by multiplying 740 million by $723,000. The same result will be had when one adjusts the $7,663 per member of the labor force from 10.6 school years for the 18–64-year-old labor force to 10.45 school years for the 14-and-older labor force; this adjustment makes for $7,556 per member and, multiplied by 70.8 million, the total labor force of 1957, we have $535 billion.

[15] These estimates are also based on table 138 of the "Statistical Abstracts of the United States, 1959," and are restricted to the labor force 18 to 64 years old. Column 1 is derived for elementary $(4\times8.7)+(6\times39.4)+(8\times51.8)\div100=6.85$; high school $(2\times18.1)+(4\times33.7)\div100=1.71$; and college $(2\times7)+(5\times6.4)\div100=0.46$.

[16] These estimates are from a study of the high school enrollment and graduates and also of college enrollment and graduates from 1900 back to 1850. High school enrollment represented about 0.636 of 1 percent; and graduates, 0.351 of 1 percent of the population; and, for college, the two comparable estimates were 0.270 and 0.135 of 1 percent. Distributing all of these among the labor force of 1900, we have for elementary, $(83.5\times2.53)+(16.58)\div100=3.43$; high school, $(2\times5.16)+(4\times11.33)\div100=0.556$; and college, $(2\times2.46)+(4\times2.46)\div100=4.147$.

[17] Again, it should be emphasized that our procedure understates the increase in the value of stock of education within the labor force. For 1900, we allocated all of the high school and college and university education to the labor force, whereas this was not the case for 1957 and 1940 because available population surveys gave us the necessary information on this point. Then, too, the "durability" of the stock has been increasing as a consequence of the gains in education among the younger age groups relative to the older ages. In addition, there is the improvement in quality referred to in the text.

TABLE 14.—*Total value of the stock of education and of reproducible nonhuman wealth in the United States, 1900 to 1957, in 1955 or 1956 prices*

[In billions of dollars]

	Educational stock of population 14 years and older (1)	Educational stock of labor force 14 years and older (2)	Stock of reproducible nonhuman wealth (3)	Percent column 2 is of column 3 (4)
1900	114	63	282	22
1910	168	94	403	23
1920	227	127	526	24
1930	328	180	735	24
1940	465	248	756	33
1950	656	359	969	37
1957	848	535	1,270	42

Source: Cols. 1 and 2 are in 1956 prices, and they are based on table F of the appendix; col. 3 is from Raymond W. Goldsmith who kindly made available to me his estimates of U.S. (national) reproducible wealth in 1947–49 prices. I then adjusted them to 1956 prices.

RETURN TO EDUCATION

If education were only consumption, we would restrict our study to the behavior of people as consumers, and we would try to estimate and explain their demand for education. To the extent that education is an investment, we would like to know the return and, among other things, its contribution to economic growth. Can we make any meaningful allocation of the costs of education between consumption and investment?

Let us review these costs with this allocation in mind. The costs of a year of school in 1956 prices were: elementary, $280; high school, $1,420; and college and university, $3,300. Thus, the education of a particular student who advances through the grades and continues on until he has won a Ph. D. or a professional degree would have entailed the following accumulation of costs:[18] elementary (8 years), $2,240; high school (4 years), $7,920; college (4 years), $21,120; graduate or professional school (3 years), $31,020. The percentage of these costs, consisting of earnings forgone, are 0, 43, 53, and 55, respectively.

The total stock of education in 1957, valued at these costs, carried by the population 14 years and older, was 848 billion dollars.

As a first step, let us exclude from investment all of the education of the population that is not in the labor force. By this procedure we remove 37 percentof the education in the population 14 years and older from the investment category. This step then excludes all education that is not a part of the labor force from human capital formed by education. The value of the total stock of education in the labor force was, therefore, $535 billion. This allocation, while simple and convenient, is undoubtedly too drastic because the education of many individuals who are not in the labor force, consisting mainly of women, is important for economic growth for a number of reasons. The education of women, for example, reduces the subsequent effective costs of education because of the critical role that mothers play in motivating their children to obtain an education and to perform well while they are attending school. Thus, if we could get at the factors underlying the perpetuation of education, it is likely that we would discover that the education of many persons not in the labor force contributes heavily to the effective perpetuation of the stock of education. To the extent that this is true, some part of the education not in the labor force contributes to this investment process.

Another step in allocating the costs of education between consumption and investment would be to pursue our earlier speculations and to assume that families and students in our society do not think of elementary education as investment, that they look upon high school as both consumption and investment in about equal parts, and that they view college and university education mainly or wholly as an investment. These assumptions would warrant a 50–50 division[19] and would allocate either $424 of the $848 billion, or $267.5 of the $535 billion stock of education carried to investment by the labor force in 1957.

But to allocate the costs of education in this way would seem to be quite arbitrary when we come to examine the apparent return to education. Although parents and students may view the various levels of education as implied by the above assumptions, the return to education is also a relevant criterion. The return to elementary education, for instance, would appear to exceed by a wide margin to return to either high school or college education. The implications of this fact would be that, whereas parents might look upon elementary school as essentially cultural (in our terminology as consumption), it is nevertheless an exceedingly productive investment in human capital.

Elementary school and earnings. In 1939, when the costs of a year of elementary school were about $86, white urban males with 7 or 8 years of school earned from $175 to $304 more than did those who had only 5 to 6 years of school, the differences increasing with age. Zeman's estimates of mean wage or salary income of white urban males in 1939, for three of the younger age groups, are shown in table 15.[20]

TABLE 15.—*Estimate of wage and salary income of white urban males in 1939 for three age groups based on years of elementary-school education completed*

Age in years	North and West			South		
	Income (based on years of school completed)		Difference	Income (based on years of school completed)		Difference
	7 to 8	5 to 6		7 to 8	5 to 6	
25 to 29	$971	$796	$175	$896	$688	$208
30 to 34	1,194	984	210	1,094	850	244
35 to 44	1,456	1,152	304	1,305	1,045	260

In 1949, when the costs of a year of elementary school were close to $190, the median income of males who had completed 8 years of school was from $492 to $551 larger than it was for those males who had completed 5 to 7 years of school. Table 16 gives the figures for the three age groups.[21]

The data for 1956 are available for males who completed 8 years and those who completed less than 8 years of school. For the 25 to 34 age group the difference in mean income (or earnings) was $1,023 and for the 35 to 44 age group, $1,087, at a time when the costs of a year of elementary school were $280. These three sets of raw data are not inconsistent with the view that the latter years of elementary school contribute appreciably to the productivity and earnings of members in the labor force.

Moreover, the ratio of the increase in lifetime earnings associated with 8 years of elementary education over the earnings of those with less than 8 years of school to the differences in the costs is fully twice as large as the comparable ratio for earnings and costs of a college education.[22]

TABLE 16.—*Median income in 1949 of males completing 8 years of school, as compared with similar groups completing 5 to 7 years*

Age groups	Years of school completed		Difference
	8	5 to 7	
25 to 29	$2,255	$1,763	$492
30 to 34	2,557	2,038	519
35 to 44	2,803	2,252	551

Return to high school education: Becker's[23] forthcoming study places the return on total high school costs in 1939 at 14.3 percent, and on earnings forgone, which in his study represents virtually all of the private costs, at 19.2 percent, after adjusting the income data for mortality and unemployment. These estimates, however, are not adjusted for differences in abilities of IQ between elementary and high school students. Becker indicates that these differences appear to be substantial, although he stresses that there is little available evidence.[24]

Return to college education: Here, again, I turn to Becker's estimates based on the

[18] From table 6.

[19] In the preceding section of this chapter, "Stock of Capabilities Developed by Education," we noted that 28 percent of the total costs of education per member of the labor forces consisted of elementary education and 45 percent of high school education. Add half of the 45 to the 28 and it would allocate 50 percent of these educational costs to consumption.

[20] Morton Zeman, "A Quantitative Analysis of White-Nonwhite Income Differentials in the United States," adapted from table 14. Unpublished doctor's dissertation, University of Chicago, September 1955.

[21] From "Statistical Abstract of the United States, 1959, table 140, p. 110.

[22] In 1956, the lifetime earnings from 18 years to 64 for those with 8 years of elementary school was $43,000 more than for those with less than 8 years of such school (see table 17). On extreme assumption that those with less than 8 years of elementary school had no years of school, we would have 8 years of costs or $280×8=$2,240, giving a ratio 19.2. If we assume that those with less than 8 years of school had completed 4 years, the additional costs were $1,120 and this ratio of earnings to costs would be 38.4. These ratios for 1939 and 1949 were quite similar to those for 1956 (see table 17 for further detail).

[23] Gary S. Becker of Columbia University is completing a comprehensive study of returns to education as a part of the research program of the National Bureau of Economic Research. These estimates are quoted with his permission.

[24] My study leads me to believe that these returns to high school education are somewhat on the high side for another reason which, however, would reduce the IQ differences. There was a considerable difference in the elementary education of those terminating their school at that point and of those continuing into high school. Years of school completed is not a satisfactory measure of elementary education. For the labor force in 1940, years of school completed exceeded by 25 percent equivalent years of school, based on 152 days of attendance per year. Those in the labor force who received only an elementary education originated mainly in States in which a relatively low proportion of those in the 14-to-17 age group were enrolled in high school (with less IQ difference, accordingly, between those going on and those not continuing with high school) and in which the average number of days of elementary school attendance per year was substantially below the average of the United States. (There were 8 States in 1940 in which less than half of the 14-to-17 age group was enrolled in high school, whereas at the other end of the scale 87 to 90 percent were enrolled.)

difference in income between high school and college graduates, adjusted for ability, race, unemployment, and mortality. For white urban males, the private return in 1940 and 1950 was 12.5 percent and the return to total college costs, including both earnings forgone and the conventional college costs as estimated by Becker, was 9 percent.[25]

Lifetime earnings relative to educational costs: The ratio of additional lifetime earnings to the costs of the education associated with such earnings provide a clue for interpreting the return to education. The lifetime income of males from age 18 to 64, in 1939, with 4 or more years of college, exceeded that of such male high school graduates by $39,000. Total costs was $1,087 per year, thus $4,348 for 4 years of college. The earnings-cost ratio would be 8.97. (Becker's estimate of the return to total cost for college education of urban white males in 1939 is 9 percent.) For high school education, the lifetime income of males from 18 to 64 with 4 years of high school exceeded that of males with 8 years of elementary school by $25,000, and here the total costs were $1,636 indicating a ratio of 15.3. (Becker's estimates of the return to this education for white urban males in 1939 is 14.3 percent.)

These raw data for lifetime income to educational costs for all males in the United States from age 18 to 64 (table 17) indicate that:

1. The ratio of lifetime earnings to educational costs is larger for 5–8 years of elementary school than it is for either high school or college.

2. These ratios have been rising since 1939 for college and elementary education. They appear to have declined substantially for high school education between 1939 and 1949, but to have risen somewhat since 1949.

3. Adjusting the college and high school ratios to Becker's estimates, the return to college education rises from 9 to 11 percent and the return to high school education falls from 14.3 to 10.3 percent between 1939 and 1958.

[25] Gary S. Becker, "Underinvestment in College Education?" Proceedings, American Economic Review, 1960. The private return after taxes in 1940 was 12.5 and, in 1950, 10 percent. Before tax, these rates are about the same; the lower return for 1950 is caused by the increase in personal income tax. The 9-percent rate for total costs is before tax for both 1940 and 1950.

THE CONTRIBUTION OF EDUCATION TO ECONOMIC GROWTH

A preliminary guess at this contribution is now possible. I shall restrict it to the period between 1929 and 1957, during which the stock of education carried by the labor force rose by $355 billion in 1956 prices. I propose to treat this increase in the stock of education in two parts. One part is to be attributed to the growth in the size of the labor force; it accounts for $69 billion. The other part represents the increase in the level of the stock of education per laborer; it comes to $286 billion.

TABLE 17.—*Additional lifetime income of males from ages 18 to 64 in the United States, by years of school completed and costs of education for 1939, 1949, 1956, and 1958*

Years of school completed	1939	1949	1956	1958
College:				
A	$39,000	$92,000	$120,000	$151,000
B	$4,348	$9,456	$13,200	$13,780
C (ratio)	8:97	9:73	9:77	10:96
High school:				
A	$25,000	$42,000	$64,000	$70,000
B	$1,636	$4,056	$5,680	$5,930
C (ratio)	15:3	10:36	11:27	11:80
Elementary:				
A	$12,000	$30,000	$43,000	$47,000
B	$344	$760	$1,120	$1,169
C (ratio)	34:9	39:5	38:4	40:2

NOTE.—A=additional lifetime earnings; B=additional costs of education; C=ratio=A/B.

Source: Lifetime income estimates are based on "Annual and Lifetime Income in Relation to Education: 1939–1959," Herman P. Miller, Bureau of Census, table 15, an unpublished paper. Estimates used here with author's permission. Costs of education are from my study. The elementary education takes the difference in lifetime earnings of those with 8 years of school and those with less than 8 years; and, for costs, it is assumed that those with less than 8 years of school had completed 4 years; therefore, the costs estimates are for 4 additional years of elementary school, thus undoubtedly overstating the costs because the average number of years of school completed of those with less than 8 years of school was surely more than 4 years.

Between 1929 and 1957, the real income of the United States doubled, increasing from $150 to $202 billion in 1956 prices.[26] The proportion attributed to human effort appears not to have changed appreciably between these two dates.[27] If we take the share earned by labor to have been 75 percent, its contribution increased from $112.5 to $226.5 billion over this period.[28] The labor force in 1929 consisted of 49.2 million persons, resulting in an earned income of $2,287 per member of the labor force. If the earnings per person were held constant,[29] the labor force of 68 million in 1957 would have earned $155.5 billion. Labor, however, earned $226.5 billion or $71 billion more than it would have had the earnings per person in the labor force not risen. How much of this $71 billion is attributable to more education?

[26] Based on Simon Kuznets' estimates of net national product. The size of the labor force represents the civilian labor force; see table D–17 of Economic Report of the President, January 1960.

[27] For summary, see I. B. Kravis, "Relative Income Shares in Fact and Theory," American Economic Review, XLIX (December 1959), 931.

[28] Thus, 25 percent of the national income is here attributed to nonhuman wealth; $37.5 billion in 1929 and $75.5 in 1957. Here, too, there is a substantial unexplained increase, if the rate of return to this capital in 1929 were to have prevailed during 1957.

The stock of reproducible nonhuman wealth was $735 and $1,270 billion for the above two dates, in 1956 prices (see table 14). Adding to these the stock of land, valued at $248 billion in 1957, the total national nonhuman wealth becomes $983 and $1,518 billion for the 2 years under consideration. A return of $37.5 billion on a stock of $983 billion in 1929 implies a rate of return of 3.8 percent. Applying this rate to the 1957 stock of $1,518 billion we obtain $57.7 billion, thus leaving $17.8 billion unexplained (75.5−57.7=17.8). If we now add this $17.8 to the $71 billion for labor, the unexplained total becomes $88.8 billion.

[29] Thus, the task here is to explain the increase in real income per person in the labor force. Our hypothesis is that some of this increase in earnings can be explained by increases in the stock of education per person in the labor force.

TABLE 18.—*Estimates of the contribution of education in the labor force to earnings and to national income, between 1929 and 1956, in the United States*

Estimate	Rate of return	Stock of education added (in billions of dollars)		Income attributable to this additional education (in billions of dollars)			Proportion of unexplained increase in national income (in billions of dollars)	
		Part 1	Part 2	Part 1 (2)×(3)	Part 2 (2)×(4)	Total (5)+(6)	Of the $71,000,000,000 increase in earnings of labor Col. (6)/71×100 (percent)	Of the $88,800,000,000 increase in returns to capital and labor Col. (6)/88.8×100 (percent)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	[1] 9	69	286	6.2	25.7	31.9	36	29
2	[2] 11	69	286	7.6	31.5	39.1	44	36
3	[3] 17.3	69	286	11.9	49.5	61.4	70	56

[1] For this set I take the estimate reported by Becker, which is for college education of white urban males adjusted for ability, employment, and mortality, for 1940 and 1950.
[2] My estimate of the return to college education in 1958.
[3] In this estimate I have given weights to each level of education and applied different rates of return as follows:

1957	Weights in educational stock (1)	Rate of return (percent) (2)	Total 1×2 (percent) (3)
Elementary	0.28	35	9.80
High school	.45	10	4.50
College	.27	11	2.97
Total	1.00		17.27

This estimate of returns is high relative to the other 2 because of the very large contribution attributed to the investment in elementary education as seems to be the case from the ratios of additional lifetime earnings over costs of elementary education indicated in table 17. I have taken the lowest of the ratios, i.e., that for 1939. For high school and college I have applied my estimates for 1958.

The total stock of education carried by the labor force in 1930 had a value of $180 billion in 1956 prices. The labor force increased slightly more than 38 percent between 1929 and 1957. Accordingly, to keep the stock of education per laborer constant at its 1929 level, it would have required $69 billion more, increasing it to $249 billion.[30]

With this adjustment, the per laborer stock of education would have been the same in 1957 as it was in 1929. The total stock of education, however, had risen by $355 billion in 1956 prices; it, therefore, rose by $286 billion beyond the $69 billion required to keep the per laborer stock constant.

How much did these two parts, namely the $69 and $286 billions invested in education of the labor force, contribute to the national income? The answer depends upon the rate of return earned on this investment. Three estimates of the rate of return are presented along with the result that each implies.

Thus, this treatment of the increase in the education per person of the labor force that occurred between 1929 and 1957 explains between 36 and 70 percent of the otherwise unexplained increase in earnings per laborer, depending on which of the estimates of the rate of return that is applied.

SOURCES OF INEFFICIENCY IN EDUCATION

We have established that the educational enterprise in the United States is, indeed, a vast undertaking; measured by the resources it employs, it was a $28.7 billion operation in 1956, having risen from a small $400 million enterprise in 1900 in prices of that time. It would be surprising if there were not some major inefficiencies in the way resources are used in education, giving this history of its growth and the weak incentives that exist to adjust to changes in the value of the product and in the prices of the resources employed, even if there had been no technical developments relevant to education whatsoever.

We can do no more at this juncture than to indicate the more likely sources of inefficiency that may beset the educational enterprise.

1. It is plausible that all too little has been done to economize on the time that students put into education. It could be argued that the time of students is treated as if it were of low value, whereas in fact, as we have shown, the earnings that students forgo in attending high school and college are more valuable than all of the other resources employed.

2. The price of human effort of both teachers and students has risen markedly relative to the price of material inputs. Such a large shift in the relative prices of inputs argues for the substitution of material inputs for human effort in education wherever this is feasible. There is always the unsettled question: Is it possible to make such substitutions within the realm of education? The facts are far from clear. To the extent that it is possible to achieve substitutions, tradition is strongly set against doing so. There are firmly established beliefs that equipment, better classrooms, and library facilities, and other material inputs can supplement teachers and students but cannot in any significant measure substitute for their time. These traditional beliefs must be put to test because of changes in economic circumstances. We need to find ways of substituting some material inputs for some human effort in education if it is possible.

3. If the economic benefits from the capabilities that education presently develops in students is as important as this study implies, there is a strong presumption that more thought should be given to the changing demands for these capabilities and to efficient ways of developing those capabilities that are most in demand. Both private and public decisions affecting investment in education are based on unnecessarily vague information about prospective demands, and they are made in a frame of reference that blunts private initiative and swamps public policy with other considerations of minor importance to the ultimate purposes that are to be served by education.

4. There can be little doubt that inflation can be a major disturbing factor in achieving an efficient educational enterprise. This enterprise is slow and cumbersome in adjusting to changes in the price level; the lags are many, and they exact a substantial cost. It can take years before there is a realization that competition from industry for talent, whether for teachers or students, makes itself felt sufficiently to force salary readjustment in education. Meanwhile, the teaching force becomes depleted before it becomes evident to the public. Contrary views notwithstanding, even in education we get and hold about the quality of talent that we pay for.

5. I would stress the need to introduce new techniques in education. By new techniques I mean new kinds of resources or inputs that are superior to the old resources that they replace, in this case, in producing educational services. Clearly, one thing that is involved here is the addition to the stock of knowledge to be taught. As noted earlier, educational institutions that concentrate on engineering, produce better engineers in 4 years presently than was the case two or three decades ago. The notion of new and better techniques in this context, however, has many facets in addition to that of improvements of knowledge per se. Here, too, tradition is strongly set against the introduction of new and superior resources, and thus it shelters inefficiencies; new techniques that are at hand or could be developed are not employed.

6. Lastly, and perhaps more important than any of the other factors already noted, is the apparent underinvestment in education. Even when none of the costs of education of those people who enter the labor force are allocated to consumption, the large rate of return on the total costs of education creates a strong presumption that more could be invested in education relative to other forms of investment to the advantage of economic growth.

[30] Note here that it required an educational investment of $69 billion (180+69=249) to provide enough education to bring the 18.8 million persons who were added to the labor force between 1929 and 1957 to the same average level of education that characterized the labor force of 1929. Although this part of the educational investment does not enter into the observed increase in earnings per laborer, it undoubtedly contributed to the increase in national income but not to the unexplained part earned by labor.

TABLE A.[1]—*Annual resource costs of educational services rendered by elementary and secondary schools in the United States, 1900 to 1956, in current prices*

[In millions of dollars, except col. 4 in billions]

Year	Public schools						Private schools		Public and private schools		
	Gross expenditures	Capital outlay	Net expenditures	Value of property	Implicit interest and depreciation	Total public	Gross expenditures	Total private	Total	Secondary	Elementary
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1900	215	35	180	0.55	44	224	27	28	252	19	233
1910	426	70	356	1.1	88	444	54	56	500	50	450
1920	1,036	154	882	2.4	192	1,074	104	108	1,182	215	967
1930	2,317	371	1,946	6.2	496	2,442	233	246	2,688	741	1,947
1940	2,344	258	2,086	7.6	608	2,694	227	261	2,955	1,145	1,810
1950	5,838	1,014	4,824	11.4	912	5,736	783	769	6,505	2,286	4,219
1956	10,955	2,387	8,568	23.9	1,912	10,480	1,468	1,404	11,884	4,031	7,853

[1] Sources and notes:

Col. 1: Lines 1-6, from "Statistical Abstract of the United States, 1955," table 145; and, line 7, from "Biennial Survey of Education in the United States, 1954-56."

Col. 2: Lines 1-6, from "Biennial Survey of Education in the United States, 1948-50," ch. 2, table 1; and, line 7 from the 1954-56 survey.

Col. 3: Obtained by subtracting col. 2 from col. 1.

Col. 4: From same sources as col. 2.

Col. 5: Obtained by taking 8 percent of col. 4. The distribution of physical assets is placed at 20 percent land, 72 percent buildings, and 8 percent equipment, following Robert Rude's study, "Assets of Private Nonprofit Institutions in the United States, 1890-1948," National Bureau of Economic Research, April 1954 (not published) table II-2a. With no depreciation or obsolescence on land, 3 percent on buildings (more obsolescence than for colleges and universities because of changing local and community populations to which high schools must adjust), and 10 percent on equipment, and with an implicit interest rate of 5.1 percent, we have an 8 percent rate per $100 of assets per year.

Col. 6: Obtained by adding cols. 3 and 5.

Col. 7: From same sources as col. 1, except line 1 is based on the same ratio as line 2 between cols. 1 and 7; and, in line 3 is based on the same ratio as line 4; and line 7 is based on the same ratio as line 6.

Col. 8: Obtained by taking the percentage that col. 7 is of col. 1 and multiplying by col. 6. The gross expenditures of private schools ranged from 9.7 to 13.4 percent of that of public schools. This procedure assumes that capital outlays, value of physical property and imputed interest and depreciation bear the same relationship to gross expenditures for private as for public schools.

Col. 9: Obtained by adding cols. 6 and 8.

Col. 10: Obtained by allocating the total of col. between elementary and secondary schools on the basis that it costs 88 percent more per student in secondary than in elementary schools. Expenditures for high schools determined by using George J. Stigler's estimates appearing in "Employment andCompensation in Education," "Occasional Paper 33," National Bureau of Economic Research, New York, 1950, tables 7 and 12. Enrollment in elementary schools is given as 33, and in secondary schools as 21 per teacher (using average for last 5 years in Stigler's table); and average salary of elementary school teachers in 1938 was $1,876, and of secondary school teachers it was $2,249. This is as 100 to 120. Accordingly, per student, we have: $\frac{120\div21}{100\div33}\times100$=an index of 188 for teacher salary per student in secondary schools compared to 100 for that in elementary schools. A slightly lower ratio appears in the "Biennial Survey of Education in the United States, 1939-40," ch. 1, table 42, footnote 1, in which secondary-school costs per student are placed 74 percent higher than that in elementary schools. There are, however, no estimates in the 1939-40 survey which permit one to determine expenditures per student for elementary and secondary schools.

TABLE B.—*Annual resource costs of educational services rendered by colleges and universities in the United States, 1900 to 1956, in current prices*

[In millions of dollars]

Year	Gross expenditures (1)	Auxiliary enterprises (2)	Capital outlay (3)	Net expenditures (4)	Value of physical property (5)	Implicit interest and depreciation (6)	Total (7)
1900	46	9	17	20	254	20	40
1910	92	18	30	44	461	37	81
1920	216	43	48	125	741	59	184
1930	632	126	125	381	1,925	154	535
1940	758	152	84	522	2,754	220	742
1950	2,662	539	417	1,706	5,273	422	2,128
1956	4,210	736	686	2,788	8,902	712	3,500

SOURCES AND NOTES

Col. 1: Lines 1 to 6, from "Statistical Abstract of the United States, 1955," table 145; and, line 7 from "Biennial Survey of Education in the United States, 1954–56." These expenditures by public and private institutions were—

[In millions of dollars]

	Public	Private
1920	116	100
1930	289	343
1940	391	367
1950	1,429	1,233
1956	2,375	1,835

Col. 2: Lines 5 to 7, same source as col. 1. For the 2 sets of institutions these were—

[In millions of dollars]

	Public	Private
1940	59	93
1950	255	284
1956	364	372

Lines 1 to 4 obtained by letting these auxiliary enterprises equal ⅓ of gross expenditures.

Col. 3: Lines 4 to 7 from "Biennial Survey of Education in the United States, 1954–56," ch. 4, sec. II; and, lines 1 to 3 obtained by taking 6.5 percent of col. 5, lines 1 to 3.

Col. 4: Obtained by subtracting the sums of cols. 2 and 3 from col. 1.

Col. 5: From "Biennial Survey of Education in the United States for 1948–50," ch. 4, sec. II, table I, and 1954–56. These estimates check closely with those of Robert Rude, "Assets of Private Nonprofit Institutions in the United States, 1890–1948," National Bureau of Economic Research, April 1954 (not published).

Col. 6: Obtained by taking 8 percent of col. 5; they assume no depreciation and obsolescence on land, 2 percent on buildings and improvements, and 10 percent on equipment. Following Robert Rude's study cited above, table II–2a, these physical assets were distributed 15 percent to land, 70 percent to buildings and improvements, and 15 percent to equipment. Assuming an interest rate of 5.1 percent, we have per $100 of assets—

Interest on all assets	$5.10
Depreciation and obsolescence:	
On buildings and improvements	1.40
On equipment	1.50
Total	8.00

Col. 7 is the sum of cols. 4 and 6.

TABLE C.—*Annual earnings forgone while attending high school and college and university, adjusted and not adjusted for unemployment, 1900 to 1956, in current prices*

Year	Average weekly earnings, all manufacturing (1)	Annual earnings forgone per student while attending: High school, Unadjusted (2)	High school, Adjusted for unemployment (3)	College and university, Unadjusted (4)	College and university, Adjusted for unemployment (5)
1900	$8.37	$92	$84	$209	$192
1910	10.74	118	113	269	259
1920	26.12	287	275	653	626
1930	23.25	256	224	581	509
1940	25.20	277	236	630	537
1950	59.33	653	626	1,483	1,422
1956	80.13	881	855	2,003	1,943

Sources:

Col. 1: Economic Report of the President, January 1957, table E–25, and U.S. Department of Labor; and Historical Statistics of the United States, 1789–1945, a supplement to Statistical Abstract of the United States, 1949, series D 134–144.

Col. 2: For high school students, col. 1 multiplied by 11.

Col. 4: For college and university students, col. 1 multiplied by 25.

Cols. 3 and 5: The percent unemployed is based on Clarence D. Long, "The Labor Force Under Changing Income and Employment," a NBER study (Princeton University Press, 1958), app. C, table C–1, and, for 1956, table C–2. Unemployed adult-male equivalents in percent of the labor force were as follows: 1900, 8.2; 1910, 3.9; 1920, 4.2; 1930, 12.4; 1940, 14.7; 1950, 4.1; and 1956, 3 percent.

TABLE D.—*Total school years completed of the labor force of the United States, 1900 to 1957*

Year	Labor force (millions) (2)	School years completed per person (3)	Total school years completed (millions) (4)	Equivalent 1940 completed school years per person (5)	Total equivalent 1940 school years completed (millions) (6)
1900	28.1	7.70	216	4.14	116
1910	35.8	7.91	283	4.65	167
1920	41.4	8.12	336	5.25	217
1930	48.7	8.41	410	6.01	293
1940	52.8	9.02	476	7.24	382
1950	60.1	10.10	607	8.65	520
1957	70.8	10.96	776	10.45	740

TABLE E.—*Total school years completed of the population 14 and older in the United States, 1900 to 1957*

Year	Population (millions) (2)	School years completed per person (3)	Total school years completed (millions) (4)	Equivalent 1940 school years completed per person (5)	Total equivalent 1940 school years completed (millions) (6)
1900	51.2	7.64	391	4.13	212
1910	64.3	7.86	505	4.65	299
1920	74.5	8.05	600	5.21	388
1930	89.0	8.32	741	6.01	535
1940	101.1	8.85	895	7.07	715
1950	112.4	9.95	1,118	8.46	951
1957	117.1	10.70	1,253	10.02	1,173

TABLE F.—*Value of the stock of education of the labor force and population, 14 years and older, for the United States in 1956 prices*

Year	Value of an equivalent year of school (in 1956 prices) (2)	School years equivalent (in millions of years): Labor force (3)	School years equivalent (in millions of years): Population 14 years and older (4)	Total value (in billions of dollars): Labor force 2 times 3 (5)	Total value (in billions of dollars): 14 years and older 2 times 4 (6)
1900	540	116	212	63	114
1910	563	167	299	94	168
1920	586	217	388	127	227
1930	614	293	535	180	328
1940	650	382	714	248	465
1950	690	520	951	359	656
1957	723	740	1,173	535	848

Source: Discussed throughout the text of a preceding section of this chapter, "The Stock of Capabilities Developed by Education."

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INVESTMENT IN HUMAN CAPITAL

(By Theodore W. Schultz)

Although it is obvious that people acquire useful skills and knowledge, it is not obvious that these skills and knowledge are a form of capital, that this capital is in substantial part a product of deliberate investment, that it has grown in Western societies at a much faster rate than conventional (nonhuman) capital, and that its growth may well be the most distinctive feature of the economic system. It has been widely observed that increases in national output have been large compared with the increases

of land, man-hours, and physical reproducible capital. Investment in human capital is probably the major explanation for this difference.

Much of what we call consumption constitutes investment in human capital. Direct expenditures on education, health, and internal migration to take advantage of better job opportunities are clear examples. Earnings forgone by mature students attending school and by workers acquiring on-the-job training are equally clear examples. Yet nowhere do these enter into our national accounts. The use of leisure time to improve skills and knowledge is widespread and it too is unrecorded. In these and similar ways the quality of human effort can be greatly improved and its productivity enhanced. I shall contend that such investment in human capital accounts for most of the impressive rise in the real earnings per worker.

I shall comment, first, on the reasons why economists have shied away from the explicit analysis of investment in human capital, and then, on the capacity of such investment to explain many a puzzle about economic growth. Mainly, however, I shall concentrate on the scope and substance of human capital and its formation. In closing I shall consider some social and policy implications.

I. SHYING AWAY FROM INVESTMENT IN MAN

Economists have long known that people are an important part of the wealth of nations. Measured by what labor contributes to output, the productive capacity of human beings is now vastly larger than all other forms of wealth taken together. What economists have not stressed is the simple truth that people invest in themselves and that these investments are very large. Although economists are seldom timid in entering on abstract analysis and are often proud of being impractical, they have not been bold in coming to grips with this form of investment. Whenever they come even close, they proceed gingerly as if they were stepping into deep water. No doubt there are reasons for being wary. Deep-seated moral and philosophical issues are ever present. Freemen are first and foremost the end to be served by economic endeavor; they are not property or marketable assets. And not least, it has been all too convenient in marginal productivity analysis to treat labor as if it were a unique bundle of innate abilities that are wholly free of capital.

The mere thought of investment in human beings is offensive to some among us.[1] Our values and beliefs inhibit us from looking upon human beings as capital goods, except in slavery, and this we abhor. We are not unaffected by the long struggle to rid society of indentured service and to evolve political and legal institutions to keep men free from bondage. These are achievements that we prize highly. Hence, to treat human beings as wealth that can be augmented by investment runs counter to deeply held values. It seems to reduce man once again to a mere material component, to something akin to property. And for man to look upon himself as a capital good, even if it did not impair his freedom, may seem to debase him. No less a person than J. S. Mill at one time insisted that the people of a country should not be looked upon as wealth because wealth existed only for the sake of people [15]. But surely Mill was wrong; there is nothing in the concept of human wealth contrary to his idea that it exists only for the advantage of people. By investing in themselves, people can enlarge the range of choice available to them. It is one way freemen can enhance their welfare.

Among the few who have looked upon human beings as capital, there are three distinguished names. The philosopher-economist Adam Smith boldly included all of the acquired and useful abilities of all of the inhabitants of a country as a part of capital. So did H. von Thunen, who then went on to argue that the concept of capital applied to man did not degrade him or impair his freedom and dignity, but on the contrary that the failure to apply the concept was especially pernicious in wars; "* * * for here * * * one will sacrifice in a battle a hundred human beings in the prime of their lives without a thought in order to save one gun." The reason is that, "* * * the purchase of a cannon causes an outlay of public funds, whereas human beings are to be had for nothing by means of a mere conscription decree" [20]. Irving Fisher also clearly and cogently presented an all-inclusive concept of capital [6]. Yet the main stream of thought has held that it is neither appropriate nor practical to apply the concept of capital to human beings. Marshall [11], whose great prestige goes far to explain why this view was accepted, held that while human beings are incontestably capital from an abstract and mathematical point of view, it would be out of touch with the marketplace to treat them as capital in practical analyses. Investment in human beings has accordingly seldom been incorporated in the formal core of economics, even though many economists, including Marshall, have seen its relevance at one point or another in what they have written.

The failure to treat human resources explicitly as a form of capital, as a produced means of production, as the product of investment, has fostered the retention of the classical notion of labor as a capacity to do manual work requiring little knowledge and skill, a capacity with which, according to this notion, laborers are endowed about equally. This notion of labor was wrong in the classical period and it is patently wrong now. Counting individuals who can and want to work and treating such a count as a measure of the quantity of an economic factor is no more meaningful than it would be to count the number of all manner of machines to determine their economic importance either as a stock of capital or as a flow of productive services.

Laborers have become capitalists not from a diffusion of the ownership of corporation stocks, as folklore would have it, but from the acquisition of knowledge and skill that have economic value [9]. This knowledge and skill are in great part the product of investment and, combined with other human investment, predominantly account for the productive superiority of the technically advanced countries. To omit them in studying economic growth is like trying to explain Soviet ideology without Marx.

II. ECONOMIC GROWTH FROM HUMAN CAPITAL

Many paradoxes and puzzles about our dynamic, growing economy can be resolved once human investment is taken into account. Let me begin by sketching some that are minor though not trivial.

When farm people take nonfarm jobs they earn substantially less than industrial workers of the same race, age, and sex. Similarly nonwhite urban males earn much less than white males even after allowance is made for the effects of differences in unemployment, age, city size, and region [21]. Because these differentials in earnings correspond closely to corresponding differentials in education, they strongly suggest that the one is a consequence of the other. Negroes who operate farms, whether as tenants or as owners, earn much less than whites on comparable farms.[2] Fortunately, crops and livestock are not vulnerable to the blight of discrimination. The large differences in earnings seem rather to reflect mainly the differences in health and education. Workers in the South on the average earn appreciably less than in the North or West and they also have on the average less education. Most migratory farmworkers earn very little indeed by comparison with other workers. Many of them have virtually no schooling, are in poor health, are unskilled, and have little ability to do useful work. To urge that the differences in the amount of human investment may explain these differences in earnings seems elementary. Of more recent vintage are observations showing younger workers at a competitive advantage; for example, young men entering the labor force are said to have an advantage over unemployed older workers in obtaining satisfactory jobs. Most of these young people possess 12 years of school, most of the older workers 6 years or less. The observed advantage of these younger workers may therefore result not from inflexibilities in social security or in retirement programs, or from sociological preference of employers, but from real differences in productivity connected with one form of human investment, i.e., education. And yet another example, the curve relating income to age tends to be steeper for skilled than for unskilled persons. Investment in on-the-job training seems a likely explanation, as I shall note later.

Economic growth requires much internal migration of workers to adjust to changing job opportunities [10]. Young men and women move more readily than older workers. Surely this makes economic sense when one recognizes that the cost of such migration are a form of human investment. Young people have more years ahead of them than older workers during which they can realize on such an investment. Hence it takes less of a wage differential to make it economically advantageous for them to move, or, to put it differently, young people can expect a higher return on their investment in migration than older people. This differential may explain selective migration without requiring an appeal to sociological differences between young and old people.

The examples so far given are for investment in human beings that yield a return over a long period. This is true equally of investment in education, training, and migration of young people. Not all investments in human beings are of this kind; some are more nearly akin to current inputs as for example expenditures on food and shelter in some countries where work is mainly the application of brute human force, calling for energy and stamina, and where the intake of food is far from enough to do a full day's work. On the hungry steppes and in the teeming valleys of Asia, millions of adult males have so meager a diet that they cannot do more than a few hours of hard work. To call them underemployed does not seem pertinent. Under such circumstances it is certainly meaningful to treat food partly as consumption and partly as a current producer good, as some Indian economists have done [3]. Let us not forget that Western economists during the early decades of industrialization and even in the time of Marshall and Pigou often connected additional food for workers with increases in labor productivity.

Let me now pass on to three major perplexing questions closely connected with the riddle of economic growth. First, consider the long-period behavior of the capital-income ratio. We were taught that a country which amassed more reproducible capital relative to its land and labor would employ such capital in greater depth because of its growing abundance and cheapness. But apparently this is not what happens. On the contrary, the estimates now available show that less of such capital

[1] This paragraph draws on the introduction to my Teller lecture [16].

[2] Based on unpublished preliminary results obtained by Joseph Willett in his Ph. D. research at the University of Chicago.

tends to be employed relative to income as economic growth proceeds. Are we to infer that the ratio of capital to income has no relevance in explaining either poverty or opulence? Or that a rise of this ratio is not a prerequisite to economic growth? These questions raise fudamental issues bearing on motives and preferences for holding wealth as well as on the motives for particular investments and the stock of capital thereby accumulated. For my purpose all that needs to be said is that these estimates of capital-income ratios refer to only a part of all capital. They exclude in particular, and most unfortunately, any human capital. Yet human capital has surely been increasing at a rate substantially greater than reproducible (nonhuman) capital. We cannot, therefore, infer from these estimates that the stock of all capital has been decreasing relative to income. On the contrary, if we accept the not implausible assumption that the motives and preferences of people, the technical opportunities open to them, and the uncertainty associated with economic growth during particular periods were leading people to maintain roughly a constant ratio between all capital and income, the decline in the estimated capital-income ratio [3] is simply a signal that human capital has been increasing relatively not only to conventional capital but also to income.

The bumper crop of estimates that show national income increasing faster than national resources raises a second and not unrelated puzzle. The income of the United States has been increasing at a much higher rate than the combined amount of land, man-hours worked and the stock of reproducible capital used to produce the income. Moreover, the discrepancy between the two rates has become larger from one business cycle to the next during recent decades [5]. To call this discrepancy a measure of resource productivity gives a name to our ignorance but does not dispel it. If we accept these estimates, the connections between national resources and national income have become loose and tenuous over time. Unless this discrepancy can be resolved, received theory of production applied to inputs and outputs as currently measured is a toy and not a tool for studying economic growth.

Two sets of forces probably account for the discrepancy, if we neglect entirely the index number and aggregation problems that bedevil all estimates of such global aggregates as total output and total input. One is returns to scale; the second, the large improvements in the quality of inputs that have occurred but have been omitted from the input estimates. Our economy has undoubtedly been experiencing increasing returns to scale at some points offset by decreasing returns at others. If we can succeed in identifying and measuring the net gains, they may turn out to have been substantial. The improvements in the quality of inputs that have not been adequately allowed for are no doubt partly in material (nonhuman) capital. My own conception, however, is that both this defect and the omission of economies of scale are minor sources of discrepancy between the rates of growth of inputs and outputs compared to the improvements in human capacity that have been omitted.

A small step takes us from these two puzzles raised by existing estimates to a third which brings us to the heart of the matter, namely the essentially unexplained large increase in real earnings of workers. Can this be a windfall? Or a quasirent pending the adjustment in the supply of labor? Or, a pure rent reflecting the fixed amount of labor? It seems far more reasonable that it represents rather a return to the investment that has been made in human beings. The observed growth in productivity per unit of labor is simply a consequence of holding the unit of labor constant over time although in fact this unit of labor has been increasing as a result of a steadily growing amount of human capital per worker. As I read our record, the human capital component has become very large as a consequence of human investment.

Another aspect of the same basic question, which admits of the same resolution, is the rapid postwar recovery of countries that had suffered severe destruction of plant and equipment during the war. The toll from bombing was all too visible in the factories laid flat, the railroad yards, bridges, and harbors wrecked, and the cities in ruin. Structures, equipment, and inventories were all heaps of rubble. Not so visible, yet large, was the toll from the wartime depletion of the physical plant that escaped destruction by bombs. Economists were called upon to assess the implications of these wartime losses for recovery. In retrospect, it is clear that they overestimated the prospective retarding effects of these losses. Having had a small hand in this effort, I have had a special reason for looking back and wondering why the judgments that we formed soon after the war proved to be so far from the mark. The explanation that now is clear is that we gave altogether too much weight to nonhuman capital in making these assessments. We fell into this error, I am convinced, because we did not have a concept of all capital and, therefore, failed to take account of human capital and the important part that it plays in production in a modern economy.

Let me close this section with a comment on poor countries, for which there are virtually no solid estimates. I have been impressed by repeatedly expressed judgments, especially by those who have a responsibility in making capital available to poor countries, about the low rate at which these countries can absorb additional capital. New capital from outside can be put to good use, it is said, only when it is added "slowly and gradually." But this experience is at variance with the widely held impression that countries are poor fundamentally because they are starved for capital and that additional capital is truly the key to their more rapid economic growth. The reconciliation is again, I believe, to be found in emphasis on particular forms of capital. The new capital available to these countries from outside as a rule goes into the formation of structures, equipment, and sometimes also into inventories. But it is generally not available for additional investment in man. Consequently, human capabilities do not stay abreast of physical capital, and they do become limiting factors in economic growth. It should come as no surprise, therefore, that the absorption rate of capital to augment only particular nonhuman resources is necessarily low. The Horvat (8) formulation of the optimum rate of investment which treats knowledge and skill as a critical investment variable in determining the rate of economic growth is both relevant and important.

III. SCOPE AND SUBSTANCE OF THESE INVESTMENTS

What are human investments? Can they be distinguished from consumption? Is it at all feasible to identify and measure them? What do they contribute to income? Granted that they seem amorphous compared to brick and mortar, and hard to get at compared to the investment accounts of corporations, they assuredly are not a fragment; they are rather like the contents of Pandora's box, full of difficulties and hope.

Human resources obviously have both quantitative and qualitative dimensions. The number of people, the proportion who enter upon useful work, and hours worked are essentially quantitative characteristics. To make my task tolerably manageable, I shall neglect these and consider only such quality components as skill, knowledge, and similar attributes that affect particular human capabilities to do productive work. Insofar as expenditures to enhance such capabilities also increase the value productivity of human effort (labor), they will yield a positive rate of return.[4]

How can we estimate the magnitude of human investment? The practice followed in connection with physical capital goods is to estimate the magnitude of capital formation by expenditures made to produce the capital goods. This practice would suffice also for the formation of human capital. However, for human capital there is an additional problem that is less pressing for physical capital goods: How to distinguish between expenditures for consumption and for investment. This distinction bristles with both conceptual and practical difficulties. We can think of three classes of expenditures: Expenditures that satisfy consumer preferences and in no way enhance the capabilities under discussion—these represent pure consumption; expenditures that enhance capabilities and do not satisfy any preferences underlying consumption—these represent pure investment; and expenditures that have both effects. Most relevant activities clearly are in the third class, partly consumption and partly investment, which is why the task of identifying each component is so formidable and why the measurement of capital formation by expenditures is less useful for human investment than for investment in physical goods. In principle there is an alternative method for estimating human investment, namely by its yield rather than by its cost. While any capability produced by human investment becomes a part of the human agent and hence cannot be sold; it is nevertheless "in touch with the marketplace" by affecting the wages and salaries the human agent can earn. The resulting increase in earnings is the yield on the investment.[5]

Despite the difficulty of exact measurement at this stage of our understanding of human investment, many insights can be gained by examining some of the more important activities that improve human capabilities. I shall concentrate on five major categories: (1) Health facilities and services, broadly conceived to include all expenditures that affect the life expectancy, strength and stamina, and the vigor and vitality of a people; (2) on-the-job training, including old-style apprenticeship organized by firms; (3) formally organized education at the elementary, secondary, and higher levels; (4) study programs for adults that are not organized by firms, including extension programs notably in agriculture; (5) migration of individuals and families to adjust to changing job opportunities. Except for education, not much is known about these activities that is germane here. I shall refrain from commenting on study programs

[3] I leave aside here the difficulties inherent in identifying and measuring both the nonhuman capital and the income entering into estimates of this ratio. There are index number and aggregation problems aplenty, and not all improvements in the quality of this capital have been accounted for, as I shall note later.

[4] Even so, our observed return can be either negative, zero, or positive because our observations are drawn from a world where there is uncertainty and imperfect knowledge and where there are windfall gains and losses and mistakes aplenty.

[5] In principle, the value of the investment can be determined by discounting the additional future earnings it yields just as the value of a physical capital good can be determined by discounting its income stream.

for adults, although in agriculture the extension services of the several States play an important role in transmitting new knowledge and in developing skills of farmers [17]. Nor shall I elaborate further on internal migration related to economic growth.

Health activities have both quantity and quality implications. Such speculations as economists have engaged in about the effects of improvements in health,[6] has been predominantly in connection with population growth, which is to say with quantity. But surely health measures also enhance the quality of human resources. So also may additional food and better shelter, especially in underdeveloped countries.

The change in the role of food as people become richer sheds light on one of the conceptual problems already referred to. I have pointed out that extra food in some poor countries has the attribute of a "producer good." This attribute of food, however, diminishes as the consumption of food rises, and there comes a point at which any further increase in food becomes pure consumption.[7] Clothing, housing, and perhaps medical services may be similar.

My comment about on-the-job training will consist of a conjecture on the amount of such training, a note on the decline of apprenticeship, and then a useful economic theorem on who bears the costs of such training. Surprisingly little is known about on-the-job training in modern industry. About all that can be said is that the expansion of education has not eliminated it. It seems likely, however, that some of the training formerly undertaken by firms has been discontinued and other training programs have been instituted to adjust both to the rise in the education of workers and to changes in the demands for new skills. The amount invested annually in such training can only be a guess. H. F. Clark places it near to equal to the amount spent on formal education.[8] Even if it were only one-half as large, it would represent currently an annual gross investment of about $15 billion. Elsewhere, too, it is thought to be important. For example, some observers have been impressed by the amount of such training underway in plants in the Soviet Union.[9] Meanwhile, apprenticeship has all but disappeared, partly because it is now inefficient and partly because schools now perform many of its functions. Its disappearance has been hastened no doubt by the difficulty of enforcing apprenticeship agreements. Legally they have come to smack of indentured service. The underlying economic factors and behavior are clear enough. The apprentice is prepared to serve during the initial period when his productivity is less than the cost of his keep and of his training. Later, however, unless he is legally restrained, he will seek other employment when his productivity begins to exceed the cost of keep and training, which is the period during which a master would expect to recoup on his earlier outlay.

To study on-the-job training Gary Becker [1] advances the theorem that in competitive markets employees pay all the costs of their training and none of these costs are ultimately borne by the firm. Becker points out several implications. The notion that expenditures on training by a firm generate external economies for other firms is not consistent with this theorem. The theorem also indicates one force favoring the transfer from on-the-job training to attending school. Since on-the-job training reduces the net earnings of workers at the beginning and raises them later on, their theorem also provides an explanation for the steeper slope of the curve relating income to age, for skilled than unskilled workers, referred to earlier.[10] What all this adds up to is that the stage is set to undertake meaningful economic studies of on-the-job training.

Happily we reach firmer ground in regard to education. Investment in education has risen at a rapid rate and by itself may well account for a substantial part of the otherwise unexplained rise in earnings. I shall do no more than summarize some preliminary results about the total costs of education including income forgone by students, the apparent relation of these costs to consumer income and to alternative investments, the rise of the stock of education in the labor force, returns to education, and the contribution that the increase in the stock of education may have made to earnings and to national income.

It is not difficult to estimate the conventional costs of education consisting of the costs of the services of teachers, librarians, administrators, of maintaining and operating the educational plant, and interest on the capital embodied in the educational plant. It is far more difficult to estimate another component of total cost, the income forgone by students. Yet this component should be included and it is far from negligible. In the United States, for example, well over half of the costs of higher education consists of income forgone by students. As early as 1900, this income forgone accounted for about one-fourth of the total costs of elementary, secondary and higher education. By 1956, it represented over two-fifths of all costs. The rising significance of forgone income has been a major factor in the marked upward trend in the total real costs of education which, measured in current prices, increased from $400 million in 1900 to $28.7 billion in 1956 [18]. The percentage rise in educational costs was about 3½ times as large as in consumer income, which would imply a high income elasticity of the demand for education, if education were regarded as pure consymptoms.[11] Educational costs also rose about three and a half times as rapidly as did the gross formation of physical capital in dollars. If we were to treat education as pure investment this result would suggest that the returns to education were relatively more attractive than those to nonhuman capital.[12]

Much schooling is acquired by persons who are not treated as income earners in most economic analysis, particularly, of course, women. To analyze the effect of growth in schooling on earnings, it is therefore necessary to distinguish between the stock of education in the population and the amount in the labor force. Years of school completed are far from satisfactory as a measure because of the marked increases that have taken place in the number of days of school attendance of enrolled students and because much more of the education of workers consists of high school and higher education than formerly. My preliminary estimates suggest that the stock of education in the labor force rose about eight and a half times between 1900 and 1956, whereas the stock of reproducible capital rose four and a half times, both in 1956 prices. These estimates are, of course, subject to many qualifications.[13] Nevertheless, both the magnitude and the rate of increase of this form of human capital have been such that they could be an important key to the riddle of economic growth.[14]

The exciting work underway is on the return to education. In spite of the flood of high school and college graduates, the return has not become trivial. Even the lower limits of the estimates show that the return to such education has been in the neighborhood of the return to nonhuman capital. This is what most of these estimates show when they treat as costs all of the public and private expenditures on education and also the income foregone while attending school, and when they treat all of these costs as investment, allocating none to consumption.[15] But surely a part of these

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[6] Health economics is in its infancy; there are two medical journals with "Economics" in their titles, two bureaus for economic research in private associations (one in the American Medical and the other in the American Dental Association), and not a few studies and papers by outside scholars. Selma Mushkin's survey is very useful with its pertinent economic insights, though she may have underestimated somewhat the influence of the economic behavior of people in striving for health [14].

[7] For instance, the income elasticity of the demand for food continues to be positive even after the point is reached where additional food no longer has the attribute of a "produce good."

[8] Based on comments made by Harold F. Clark at the Merrill Center for Economics, summer 1959; also see [4].

[9] Based on observations made by a team of U.S. economists of which I was a member, see Saturday Review, Jan. 21, 1961.

[10] Becker has also noted still another implication arising out of the fact that the income and capital investment aspects of on-the-job training are tied together, which gives rise to permanent and transitory income effects that may have substantial explanatory value.

[11] Had other things stayed constant this suggests an income elasticity of 3.5. Among the things that did change, the prices of educational services rose relative to other consumer prices, perhaps offset in part by improvements in the quality of educational services.

[12] This of course assumes among other things that the relationship between gross and net have not changed or have changed in the same proportion. Estimates are from my essay, "Education and Economic Growth" [19].

[13] From [19, sec. 4]. These estimates of the stock of education are tentative and incomplete. They are incomplete in that they do not take into account fully the increases in the average life of this form of human capital arising out of the fact that relatively more of this education is held by younger people in the labor force than was true in earlier years; and they are incomplete because no adjustment has been made for the improvements in education over time, increasing the quality of a year of school in ways other than those related to changes in the proportions represented by elementary, high school and higher education. Even so the stock of this form of human capital rose 8.5 times between 1900 and 1956 while the stock of reproducible nonhuman capital increased only 4.5 times, both in constant 1956 prices.

[14] In value terms this stock of education was only 22 percent as large as the stock of reproducible physical capital in 1900, whereas in 1956 it already had become 42 percent as large.

[15] Several comments are called for here. (1) The return to high school education appears to have declined substantially between the late thirties and early fifties and since then has leveled off, perhaps even risen somewhat, indicating a rate of return toward the end of the fifties about as high as that to higher education. (2) The return to college education seems to have risen somewhat since the late thirties in spite of the rapid influx of college-trained individuals into the labor force. (3) Becker's estimates based on the difference in income between high school and college graduates based on urban males adjusted for ability, race, unemployment and mortality show a

costs are consumption in the sense that education creates a form of consumer capital [16] which has the attribute of improving the taste and the quality of consumption of students throughout the rest of their lives. If one were to allocate a substantial fraction of the total costs of this education to consumption, say one-half, this would, of course, double the observed rate of return to what would then become the investment component in education that enhances the productivity of man.

Fortunately, the problem of allocating the costs of education in the labor force between consumption and investment does not arise to plague us when we turn to the contribution that education makes to earnings and to national income because a change in allocation only alters the rate of return, not the total return. I noted at the outset that the unexplained increases in U.S. national income have been especially large in recent decades. On one set of assumptions, the unexplained part amounts to nearly three-fifths of the total increase between 1929 and 1956.[17] How much of this unexplained increase in income represents a return to education in the labor force? A lower limit suggests that about three-tenths of it, and an upper limit does not rule out that more than one-half of it came from this source.[18] These estimates also imply that between 36 and 70 percent of the hitherto unexplained rise in the earnings of labor is explained by returns to the additional education of workers.

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return of 9 percent to total college costs including both earnings forgone and conventional college costs, public and private and with none of these costs allocated to consumption. (See his paper given at the American Economic Association meeting, December 1959 [2].) (4) The returns to this education in the case of nonwhite urban males, of rural males, and of females in the labor force may have been somewhat lower. (See Becker [2].) (5) My own estimates, admittedly less complete than those of Becker and thus subject to additional qualifications, based mainly on lifetime income estimates of Herman P. Miller [12], lead to a return of about 11 percent to both high school and college education as of 1958. (See [19] sec. 5.)

Whether the consumption component in education will ultimately dominate, in the sense that the investment component in education will diminish as these expenditures increase and a point will be reached where additional expenditures for education will be pure consumption (a zero return on however small a part one might treat as an investment), is an interesting speculation. This may come to pass, as it has in the case of food and shelter, but that eventuality appears very remote presently in view of the prevailing investment value of education and the new demands for knowledge and skill inherent in the nature of our technical and economic progress.

[16] The returns on this consumer capital will not appear in the wages and salaries that people earn.

[17] Real income doubled, rising from $150 to $302 billion in 1956 prices. Eighty-nine billions of the increase in real income is taken to be unexplained, or about 59 percent of the total increase. The stock of education in the labor force rose by $355 billion of which $69 billion is here allocated to the growth in the labor force to keep the per-worker stock of education constant, and $286 billion represents the increase in the level of this stock. (See [19] sec. 6, for an elaboration of the method and the relevant estimates.)

[18] In percent, the lower estimate came out to 29 percent and the upper estimate to 56 percent.

IV. A CONCLUDING NOTE ON POLICY

One proceeds at his own peril in discussing social implications and policy. The conventional hedge is to camouflage one's values and to wear the mantle of academic innocence. Let me proceed unprotected.

1. Our tax laws everywhere discriminate against human capital. Although the stock of such capital has become large and even though it is obvious that human capital, like other forms of reproducible capital, depreciates, becomes obsolete, and entails maintenance, our tax laws are all but blind on these matters.

2. Human capital deteriorates when it is idle because unemployment impairs the skills that workers have acquired. Losses in earnings can be cushioned by appropriate payments but these do not keep idleness from taking its toll from human capital.

3. There are many hindrances to the free choice of professions. Racial discrimination and religious discrimination are still widespread. Professional associations and governmental bodies also hinder entry; for example, into medicine. Such purposeful interference keeps the investment in this form of human capital substantially below its optimum [7].

4. It is indeed elementary to stress the greater imperfections of the capital market in providing funds for investment in human beings than for investment in physical goods. Much could be done to reduce these imperfections by reforms in tax and banking laws and by changes in banking practices. Long-term private and public loans to students are warranted.

5. Internal migration, notably the movement of farm people into industry, made necessary by the dynamics of our economic progress, requires substantial investments. In general, families in which the husbands and wives are already in the late thirties cannot afford to make these investments because the remaining payoff period for them is too short. Yet society would gain if more of them would pull stakes and move because, in addition to the increase in productivity currently, the children of these families would be better located for employment when they were ready to enter the labor market. The case for making some of these investments on public account is by no means weak. Our farm programs have failed miserably these many years in not coming to grips with the costs and returns from off-farm migration.

6. The low earnings of particular people have long been a matter of public concern. Policy all too frequently concentrates only on the effects, ignoring the causes. No small part of the low earnings of many Negroes, Puerto Ricans, Mexican nationals, indigenous migratory farmworkers, poor farm people and some of our older workers, reflects the failure to have invested in their health and education. Past mistakes are, of course, bygones, but for the sake of the next generation we can ill afford to continue making the same mistakes over again.

7. Is there a substantial underinvestment in human beings other than in these depressed groups [2]? This is an important question for economists. The evidence at hand is fragmentary. Nor will the answer be easily won. There undoubtedly have been overinvestments in some skills, for example, too many locomotive firemen and engineers, too many people trained to be farmers, and too many agricultural economists. Our schools are not free of loafers and some students lack the necessary talents. Nevertheless, underinvestment in knowledge and skill, relative to the amounts invested in nonhuman capital would appear to be the rule and not the exception for a number of reasons. The strong and increasing demands for this knowledge and skill in laborers are of fairly recent origin and it takes time to respond to them. In responding to these demands, we are heavily dependent upon cultural and political processes, and these are slow and the lags are long compared to the behavior of markets serving the formation of nonhuman capital. Where the capital market does serve human investments, it is subject to more imperfections than in financing physical capital. I have already stressed the fact that our tax laws discriminate in favor of nonhuman capital. Then, too, many individuals face serious uncertainty in assessing their innate talents when it comes to investing in themselves, especially through higher education. Nor is it easy either for public decisions or private behavior to untangle and properly assess the consumption and the investment components. The fact that the return to high school and to higher education has been about as large as the return to conventional forms of capital when all of the costs of such education including income forgone by students are allocated to the investment component, creates a strong presumption that there has been underinvestment since, surely, much education is cultural and in that sense it is consumption. It is no wonder, in view of these circumstances, that there should be substantial underinvestment in human beings, even though we take pride, and properly so, in the support that we have given to education and to other activities that contribute to such investments.

8. Should the returns from public investment in human capital accrue to the individuals in whom it is made? [19] The policy issues implicit in this question run deep and they are full of perplexities pertaining both to resource allocation and to welfare. Physical capital that is formed by public investment is not transferred as a rule to particular individuals as a gift. It would greatly simplify the allocative process if public investment in human capital were placed on the same footing. What then is the logical basis for treating public investment in human capital differently? Presumably it turns on ideas about welfare. A strong welfare goal of our community is to reduce the unequal distribution of personal income among individuals and families. Our community has relied heavily on progressive income and inheritance taxation. Given public revenue from these sources, it may well be true that public investment in human capital, notably that entering into general education, is an effective and efficient set of expenditures for attaining this goal. Let me stress, however, that the state of knowledge about these issues is woefully meager.

9. My last policy comment is on assistance to underdeveloped countries to help them achieve economic growth. Here, even more than in domestic affairs, investment in human beings is likely to be underrated and neglected. It is inherent in the intellectual climate in which leaders and spokesmen of many of these countries find themselves. Our export of growth doctrines has contributed. These typically assign the stellar role to the formation of nonhuman capital, and take as an obvious fact the superabundance of human resources. Steel mills are the real symbol of industrialization. After all, the early industrialization of England did not depend on investments in the labor force. New funds and agencies are being authorized to transfer capital for physical goods to these countries. The World Bank and our Export-Import Bank have already had much experience. Then, too, measures

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[19] I am indebted to Milton Friedman for bringing this issue to the fore in his comments on an early draft of this paper. See preface of [7] and also Jacob Mincer's pioneering paper [13].

have been taken to pave the way for the investment of more private (nonhuman) capital abroad. This one-sided effort is underway in spite of the fact that the knowledge and skills required to take on and use efficiently the superior techniques of production, the most valuable resource that we could make available to them, is in very short supply in these underdeveloped countries. Some growth of course can be had from the increase in more conventional capital even though the labor that is available is lacking both in skill and knowledge. But the rate of growth will be seriously limited. It simply is not possible to have the fruits of a modern agriculture and the abundance of modern industry without making large investments in human beings.

Truly, the most distinctive feature of our economic system is the growth in human capital. Without it there would be only hard, manual work and poverty except for those who have income from property. There is an early morning scene in Faulkner's "Intruder in the Dust," of a poor, solitary cultivator at work in a field. Let me paraphrase that line, "The man without skills and knowledge leaning terrifically against nothing."

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THE PROGRAM FOR EDUCATIONAL LEADERSHIP

(Remarks by Bryce N. Harlow, director of governmental relations, the Proctor & Gamble Manufacturing Co.)

The newest phase in our program of aid to higher education is grants to support graduate schools of education. Beginning in 1961, we are providing $15,000 per year to each of the following graduate schools. We hope to be able to continue this level of support for a total of at least 5 years: Graduate School of Education, University of Chicago; Teachers College, Columbia University; Graduate School of Education, Harvard University; Graduate School of George Peabody College for Teachers; Graduate School of Education, Stanford University.

These grants are in special recognition of the fact that the quality of education depends on the quality of teaching—on the knowledge held by the teacher, on his ability to impart this knowledge to others and on his capacity for stimulating thought. As these areas of teaching capability are expanded, education itself is moved forward. Advances here come principally as a result of research and of sharing the results of this research throughout the broad spectrum of the educational system.

There are relatively few graduate schools in the country which not only train teachers but which also, through research, advance the art of teaching. The institutions named above are among those which are providing outstanding leadership in advanced education. On a highly selective basis they train those who are to teach and those who are to teach others to teach. In addition they carry on broad programs of educational research, the results of which are available to all other educational institutions. Thus, in supporting these graduate schools, an important measure of support is provided to all education throughout the country.

These graduate schools have another claim to the name of national educational institutions. They select their students from all parts of the United States and from an impressive part of the rest of the free world, returning them after training to schools, colleges and universities throughout this country and abroad. For this reason also, it is appropriate that support of these graduate schools of education should come from organizations which are, themselves, national or international in character and outlook.

Finally, our support of these graduate schools is impelled by the absence of well-to-do alumni of schools of education. In some other fields, successful alumni are in a position to make substantial contributions to the institutions which provided their education. With only a few exceptions, this is not the case with those in the teaching profession, whose earning power is relatively restricted. Unfortunately, this is true not only for the alumni of these graduate schools but for teacher-training institutions throughout the country. This fact opens a special opportunity and justification for the exercise of corporate support.

As stated with respect to large universities in our university program, we do not suggest that only these five graduate schools of education are worthy of corporate support. Many others also make heavy contributions to teaching and to the improvement of learning methods. Many others, which do not do extensive educational research themselves but which translate the advances of others into better education of teachers, also deserve financial assistance. It is our hope that other organizations, believing as strongly as does our own in the essentiality of meeting the Nation's need for more and better teachers, will compile their own lists of deserving institutions and provide to them the support they richly deserve.

The support of graduate schools of education indicated is only the newest part of a Procter & Gamble program which also includes: 240 four-year scholarships; certain technical scholarships totaling about 30; payments to all of the 40 State and regional associations of colleges, including approximately 475 different colleges; $20,000 each year to each of 10 large universities, to be used as the universities may choose; certain special grants to such organizations as the National Fund for Medicl Education and the United Negro College Fund. The total being contributed has now reached $1,100,000 per year.

The thought occurs to me that this kind of voluntary, private support of education is about the finest "aid to education" our free system can produce. Many other business groups are similarly engaged, and a compilation of these efforts ought to be illuminating. Certainly, an accurate appreciation of such efforts ought to give perspective to those who contend that public instrumentalities alone have the ability and zeal to advance the cause of American education.

[From Better Schools, June 1958]

NON-PUBLIC SCHOOL STUDENTS—SHALL PUBLIC FUNDS BE USED TO AID THEM?

(By Virgil M. Rogers, dean, School of Education, Syracuse University)

If we accept the American tradition concerning the relationship of church and state, which grew out of 250 years of painful experimentation in the Thirteen Colonies and later in the States, there can logically be only one answer to the question posed in the title above—no.

Yet as time passes, and with it a firsthand knowledge of the evils which brought forth recognition of the necessity for disestablishment, urgings become more numerous and demanding along two particular lines: (1) the introduction of religious observance and instruction into the public schools; and (2) the granting of public funds for the aid in one way or another of various private religious schools.

Such demands call constantly for interpretation of the Constitution, particularly of the first amendment, which says in part: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." In 1930 a Supreme Court decision in the case of *Cochran* v. *Louisiana State Board of Education* held to be legal the free distribution of textbooks to nonpublic school pupils.

This held that the State's obligation to all schoolchildren in the State transcends a strict observance of the principle of "a wall of separation" between church and state. The Louisiana decision served to cast a certain confusion over interpretation of what had formerly appeared to be a clear-cut guiding principle.

From the Court's child benefit theory, the public welfare theory has evolved. In the years immediately ahead we may expect to see an increasing number of cases brought to the testing under this public welfare theory.

Obvious difficulties present themselves in any attempt to apply this theory. First, who is to say where welfare stops? Are not

courses in arithmetic, English, geography, religion, etc., for the pupils' welfare? Who defines "welfare"? Further, if public funds are to be given for services which a nonpublic school would otherwise have to provide out of its own budget has not the first amendment been specifically violated?

If the funds from pocket No. 2 are shifted to pocket No. 1, and public funds then put into pocket No. 2, does it not remain that pocket No. 1 has twice the original funds? And has this increase not been brought about through public funds? Therefore fine-point distinctions on the basis of what such funds are to be used for can be nothing more than distinctions on paper.

The dangers inherent in this sort of thing are memorably stated in the dissenting opinion which Justice Rutledge of the U.S. Supreme Court wrote with Justice Burton in the famous (5 to 4 decision) *Everson* v. *Board of Education* case in the State of New Jersey, involving the question of free bus transportation for children attending parochial schools. The Court ruled that, under the New Jersey statute, free transportation could be provided these children. In dissenting, Justice Rutledge wrote:

"But we are told that the New Jersey statute is valid in its present application because the appropriation is for a public, not a private, purpose; namely the promotion of education, and the majority accept this idea in the conclusion that all we have here is 'public welfare legislation.' If that is true and the amendment's force can be thus destroyed, what has been said becomes all the more pertinent. For then there could be no possible objection to more extensive support of religious education by New Jersey.

"Conversely, to say that they (parochial schools) are for public purposes is to say that they are not for religious ones.

"This is precisely for the reason that education which includes religious training and teaching, and its support, have been made matters for private right and function, not public, by the very terms of the first amendment. That is the effect not only in the guarantee of religion's free exercise, but also in the prohibition of establishments. It was on this basis of the private character of the functions of religious education that this Court held parents entitled to send their children to private, religious schools.

"The great condition of religious liberty is that it be maintained free from sustenance as also from other interference, by the State. For when it comes to rest upon that secular foundation it vanishes with the resting. Public money devoted to payment of religious costs, educational or other, brings the quest for more. It brings too the struggle of sect against sect for the larger share or for any."

Eight years after Justice Rutledge's dissent, a statement by the administrative board, National Catholic Welfare Conference, in the name of the bishops of the United States (1955), said: "The students for these schools (parochial) have a right to benefit from these measures, grants, or aids, which are manifestly designed for the health, safety, and welfare of American youth, irrespective of the school they attend."

Many students of jurisprudence as well as of American education believe that the High Court made two or three major decisions at a time when the full implications had not been foreseen, and that eventually the Court will reverse these decisions in the interest of religious freedom and public welfare.

We have witnessed, I believe, the beginning of a series of "breachings" of the "wall of separation between church and state," which if extended will eventually erode the vast public school system which has been the pride of the American people and has become the model educational plan for the civilized world. Unless the trend is checked and some legislative revocations brought about—and this must surely happen as our citizens become aware of the perils inherent in the erosion of our freedom now taking place—public schools will be wrecked, religious freedom compromised, and the integrity of both public and nonpublic education destroyed.

REMARKS BY WALTER T. ANICKA, AMERICAN INSTITUTE OF ARCHITECTS

As a preface to the following remarks, it should be stated that the schools designed by this office have been, with few exceptions, designed for districts which are burdened with low valuation per child, based primarily on residential taxes, with negligible industrial assessments and ever-growing enrollments. The districts vary from 1,000 to 8,000 students, with an average valuation of $5,000 per child. The challenge of a limited budget, rather than being a handicap, has given this office the opportunity to produce an honest solution to a difficult problem, whenever we have had the understanding cooperation of our client.

Much has been expounded relative to the cost of a building: initial cost (construction), maintenance cost, operational cost, etc. All of these are important and reflect the true cost of any building. The first cost, the construction contract, is the price tag that assumes prime consideration of the taxpayer when he is presented with the proposal for the bond issue. However, the other costs mentioned must not be overlooked, and it is the diligent architect who must be able to resolve successfully within his design and construction budget not only the original cost, but also the control of the future expenditures necessary to use, operate, and maintain the building. He must design for economical maintenance and operation if he is to honestly solve the problem.

The often quoted price per square foot of construction, or the cost per pupil, though a handy guide for comparison, is not in itself a true barometer. Such comparisons are misleading, and certainly are not reliable on a broad geographic basic, because of the varying requirements of construction necessitated by climatic conditions. In this particular midwestern area, 35 percent of the school construction cost is absorbed in providing adequate heating, electrical, and mechanical facilities. To date it has been virtually impossible to reduce this amount to any degree and still provide the physical comfort necessary. The 65 percent remainder of the established cost, therefore, becomes the budget an architect has at his disposal to provide not only the physical building, but also the popular clichés of the hour deemed essential by the building committee and the educators who have recently visited the 12 most spectacular monuments in their area and have returned with a preconceived "dream school" in their minds which will undoubtedly include:

(a) Receptivity: A warm, welcoming atmosphere to favorably influence the attitude of the child.

(b) Beauty: Should be able to be recognized from a factory or a mausoleum.

(c) Versatility: It should be able to be used for all things by all people.

(d) Flexibility: It should be able to expand and contract all areas without disruption to various activities.

(e) Kid-proof: Nothing should be subject to tampering, mischievous destruction or breakage.

(f) Maintenance-free: Nothing should need repair because it is rare to have money to provide for the maintenance in the operating budget.

(g) Functionability: Every individual teacher using the building should have his every need satisfied, with the latest wrinkle in equipment pertaining to the subject he teaches (whether he will use it often or not).

All this, and still there must be funds left over for: lawns and landscaping, athletic and play fields, parking lots and loading ramps, covered porches and quiet study areas.

This is not meant to be ludicrous, but unfortunately, these are the desires and/or stipulations of many unrealistic school clients who want their building to equal the well-publicized monuments they have seen in the wealthiest districts, but cannot understand why they can't have all the frills and still keep within their very limited budget.

The legerdemain to accomplish the economical school:

1. The architect must have the understanding and cooperation of his client. Many a school is a monument to the ego of the client. For some reason, there is often a strong feeling of being in competition with adjoining districts and a tendency to exceed or at least equal the neighboring school plant, regardless of tax valuation; or they might want to experiment with a novel or advanced theory in education. This is admirable and desirous if they can afford it, but if they cannot, a compromise must be made.

2. On the other hand, the architect too is not justified in proposing a monument to his ego, and the client should be firm in forestalling such overenthusiasm for design at the expense of the necessities. The publicity gained from radical solutions does not (or at least should not) compensate for the constant inefficiencies in the use of buildings of this type.

3. The basic shape and size of the building is important. We have found that a single-story structure, with a compact zone type plan, is the most economical. It is necessary to keep the exterior perimeter to a minimum. A one-story plan more readily lends itself to satisfying the requirements of building and safety codes.

4. The provision and use of space should be well studied. The size and shape of an area is dictated by its ability to be used 100 percent of the time. It is not economical to provide areas which, however desirable they may be, cannot be used to the maximum. This requires ingenuity, knowledge, and cooperation in scheduling in the use of the building. The amount of space should be prorated in proportion to its relative importance to the established and foreseeable curriculum. Some of the individual desires for offices, consultation rooms, and separate areas for one particular minor activity or another are fine and useful to a limited degree, but when the budget is a stringent consideration, these desires must be rationalized between pure luxury and utility.

5. Built-in equipment: The same understanding must be established in terms of built-in equipment. If definite need and usefulness can be established, it is included; if not, some ingenious improvisation must be made. This is an important area in design, and the client and the teacher must be educated in the proper use of flexible space, equipment, and storage. It is granted that the architect must understand the teacher's problem, but the teacher also must be willing to consider the architect's alternate solution.

6. The timing of bids and the duration of construction are important. In this particular geographic area, certain seasons are more favorable to obtain bids than others in order that a project may be "closed in" before inclement weather, thus providing inside work during the cold season.

7. A project should be designed to facilitate rapid construction to minimize the field time, thereby making the structure available to the owner with less financing costs.

8. The completeness, accuracy, and clarity of the architectural documents are imperative. The contractor's proposal is definitely affected by his understanding of the project during the bidding period. In addition to the contractor's understanding of the plans and specifications, his opinion of the architect and the architect's knowledge, and the architect's field supervision and cooperation has a tangible affect on the cost. Each should have a mutual respect for the knowledge and capabilities of the other.

9. Finally, and certainly not the least important, is the selection of materials.

(a) Materials should be chosen which are readily available, and which local labor has had experience and knowledge in using.

(b) They should be fabricated or manufactured within a reasonable distance from the locality of construction in order to eliminate the nonproductive cost of transportation.

(c) They should be factory-assembled wherever possible to reduce the inefficiencies of onsite assembly and handling.

(d) Stock sizes and shapes are imperative. It should be planned to use the material as it is merchandised and fabricated, without additional refinishing, cutting or assembly.

(e) Materials specified should be easy to use and assemble, to eliminate confusion on the job.

(f) Strict adherence to the module principle should be observed: repetition of the same unit to make more efficient shop fabrication, handling, and installation. (Recently this office constructed a 1,000-student high school with but three lengths of steel: 14 feet, 28 feet, and 42 feet, thereby reducing the cost of the structural frame to approximately 80 cents per square foot.)

(g) Keep to a minimum the number of different types of materials and finishes to ease the factor of coordination and delivery.

(h) Choose the materials that are least subject to wear and destruction.

(i) Choose materials which through the architect's personal experience or reliable research have been proven to qualify for the job which they are supposed to perform, thereby not subjecting the owner to the expense of being a guinea pig for new materials which may have to be replaced because of poor performance.

EDUCATION: THE FOUNDATION OF FREEDOM AND MODERN TECHNOLOGY

(By Hollis L. Caswell, president, Teachers College, Columbia University)

I

To the Worldwide Conference of International Cooperation Administration Education Chiefs:

You are pioneering a new type of educational leadership. Your vision, your professional competence, your persistence against difficulties can exert a profound influence on the future of our country and the world.

In 1954 I visited a number of your missions and became somewhat acquainted with your programs. In 1958 I again visited several missions and became still better acquainted with your work. I was impressed with the change I felt had occurred in those 4 years. Programs had taken clearer form, working relations with educational authorities in host countries were stronger, new ways of working were being tested, but most apparent was an increase in the assurance and conviction of your staffs. Four years had made a great difference.

It becomes increasingly apparent that the task in which you are engaged is one of long duration. You are still in the vanguard. You must test your ideas and practices constantly, you must vigilantly seek better ways to achieve the great purposes you serve, you must build a sound foundation for the future. It is in this setting that I address you today.

I shall make some observations about the international scene, about the place of America in it, and about the role education must play. Some of these will be commonplace to you; yet I hope the total analysis will be helpful.

II

There are, I believe, two dominant, interrelated goals in our activities in aiding other countries. First, we wish them to choose freedom rather than tyranny as a way of life. Second, we wish them to abolish poverty, hunger, and disease and provide a fuller, richer life for their peoples.

It is imperative that these peoples choose freedom for several reasons. Tyranny is never satisfied; it always seeks to expand; the larger the area of conquest, the more it seeks to control. Free peoples make good neighbors whom we can trust, but peoples controlled by dictators are always dangerous neighbors. Tyranny provides an unstable treacherous base for government. It responds to the whims, the goals, the selfishness of a single individual or a small group of individuals. It thus compounds danger in a world in which all-inclusive tragedy is already the fear of all those who have ears to hear and minds to understand. Perhaps most important of all, we know that the spirit of man cries out for freedom. It is only the freeman who can develop his full potentialities as a human being. It is only in a setting provided by freedom that the greatest of all values—the inherent worth and dignity of each individual—can be realized. Therefore, we wish men to be free so that they will be good neighbors, so that our world will achieve a degree of stability which gives people confidence, and so that each and every person in whatever country will be respected and valued as an individual.

In our 20th century world the second great goal—the eradication of poverty, hunger, and disease—for the first time in mankind's history comes within the realm of possibility. Modern technology has so greatly increased our powers of producing goods and services that at last it is not idle dreaming to contemplate achieving a world in which people are not starving but are adequately fed, in which people by the millions are not suffering from terrible diseases which could be cured but have reasonable medical attention, in which countless children are not homeless and neglected and exploited but rather have opportunities for wholesome living and loving care.

These two great goals, I say, are interrelated and sometimes in conflict. In fact, the great political controversy of our time is whether a free nation can provide for the economic well-being of its people as adequately as a nation with dictatorial control of political, social, and economic life. This is indeed the heart of the issue where uncommitted nations are concerned.

On one point I believe history writes us a clear warning. If people have to choose between freedom and bread, the great majority will take bread. It is only the few great souls who will say with conviction, "Give me liberty or give me death."

These, then, are our two great goals: Freedom and the eradication of poverty, hunger, and disease. Let us see how the tasks to which you are assigned relate to these goals.

III

To achieve both of these goals education is absolutely essential—it must provide the foundation upon which all else rests. Nothing of permanence can be done without education.

People cannot be forced to love and preserve freedom and to create instrumentalities to carry it forward, they must learn these things. They must develop attitudes which permit freedom to prosper; they must grow in willingness to try new ways.

One of the most profound and significant insights of our Founding Fathers was their perception of this truth. Washington, Jefferson, Adams, Madison all noted the central importance of education in developing and maintaining a Nation of freemen. Jefferson perhaps put the matter most succinctly in his oft-quoted statement: "If a nation expects to be ignorant and free in a state of civilization, it expects what never was and never will be." A society of freemen must indeed be erected on a foundation of education.

Neither can modern technology be established and maintained except where education is widespread. We had a clear demonstration of this during World War II when we saw how ineffective recruits with little education were in our armed services. You can give a people plants and machinery, dams for irrigation and hydroelectric power, modern drugs, and even a food supply that will provide an adequate diet, but without the base which only education can provide the machines will rust, land will continue as desert, disease will persist, and the diet of the people will be little changed. Even when technicians are brought in to get the services started, unless a broad base of attitudes and skills is developed to support modern technology the results will be the same.

At the time of President Eisenhower's visit to the Middle East a correspondent quoted the King of Afghanistan as saying in an interview: "We are grateful for the airports, dams, and highways the United States has helped us build. But our greatest help has been in regard to education—and this help has come solely from Americans. Long after the highways and dams are forgotten, what you have done for our education will remain in the minds of men."

Statistics from many nations indicate unmistakably that the road to an economic system based on modern technology is through widespread education. Countries with a high level of natural resources and a low level of general educational development, such as Colombia, have low per capita incomes; countries with a low level of natural resources and a high level of general educational development, such as Denmark, have high per capita incomes. In the United States, which has a high level of natural resources, the advance of economic development is directly related to the level of education. Sections of the country with lower educational levels have lower rates of production and consumer income and expenditure. As industry and business become more advanced the demand for education increases. In 1910 of all men employed in the United States 24.1 percent were unskilled; by 1930 the percentage was 20.7; by 1950 it was 6.5. During the same period there was a steady increase in employment in positions requiring more education.

It is imperative that education underlie all our foreign aid efforts if they are to succeed. The program of education must not be thought of as one comparable segment of the total. It should relate to and seek to advance and make permanent every other type of activity such as agricultural and industrial improvement. I say again, education must provide the foundation upon which all else is built if our efforts are to have permanent and continuing effect.

IV

Yours is a complex task. Since we believe in freedom and seek to foster it we would not wish to impose American practices on any people—even though we were in position to do so. We are concerned with a far more difficult task—helping people to adapt from our culture those elements which are compatible with theirs and to identify in

their own culture those values and practices upon which they can build toward freedom and plenty. We Americans have had little experience in such an undertaking. We lack some invaluable tools, among them a wide command of foreign languages.

Yet I am convinced there is much in our experience which should prove extremely helpful to these neighbors of ours.

We are accustomed to creating new institutions to serve new purposes. We do not cling to tradition with the tenacity to be found in many older countries. The history of American education has many illustrations of new institutions arising better to meet the needs of our people and our Nation. The land-grant college, vocational agriculture, organized programs of adult education, the junior high school, and the community college are illustrative. This flexibility makes it easier for us to think beyond existing patterns than it is for educators from many other nations.

We have had a long experience in seeking to educate all the children of all the people—a necessary goal in the less well developed countries today. Lessons we have learned from our successes and our failures can be used to help them move ahead more rapidly.

Americans have minimized the use of education merely as a means of attaining social prestige. We have always viewed it as an instrumentality which should foster optimum development of the individual and provide service to our country. We have worked to destroy artificial barriers and standards. This is in contrast to substantial elements of European education. It is consistent with the need for education found in the countries where you work.

We have largely avoided the separation of the academic and vocational, with the attendant inclination to look down on work with one's hands. The United States has never had an "unemployment B.A." problem of the kind which exists in many places where vocational and technical education are given a subordinate place. There is much in our educational experience which supports the dignity of all labor that can be useful to countries seeking to move into a modern economy.

We have never hesitated to use education to serve the public good in helping meet our social problems. Citizenship, conservation, health, home and family life—all have received attention as conditions required. There is much in this experience from which these nations can learn.

In brief, it appears to me, as we consider the status and needs of the less well developed countries today, that America has a body of experience more applicable than that of any other nation to the conditions and problems which those countries face and greater compatibility of goals. You are a product of this experience. We will not impose, we will not encourage a nation to depart from its culture merely to copy American practice, but I say to you that America, with its devotion to freedom and its experience in achieving an economy of abundance, has much to offer the nations of the world which are seeking these same goals.

V

Now I shall present to you certain judgments about our educational efforts abroad, indicating points which I believe we should especially hold in mind as we go forward.

A. The creation of general enlightenment among a people is essential if freedom is to be prized and modern technology made effective. I ask you whether we are currently giving sufficient attention to this broad goal. There are some indications that we are not.

The spread and development of elementary and secondary education are primary means to this end. Yet our efforts directed at preparing leaders in elementary and secondary education, in school administration and supervision, and in teacher education are comparatively limited. For example, the number of students from other nations studying education in American institutions is relatively small. In 1958 from all Latin America there were only 439 persons studying education in the United States. At the same time there were 2,755 studying engineering. In 1959–60 there were approximately five times as many students from foreign countries studying engineering in the United States as were studying education. Education had next to the smallest number of students of all major fields.

Where is the leadership coming from to meet the tremendous challenge of developing the educational systems of these countries? It is indeed shortsighted to prepare scientists, linguists, economists, sociologists, engineers, and doctors if we neglect the preparation of men and women who can lead their people to achieve general enlightenment, a sense of social responsibility, and common vocational skills essential to an industrialized age. Wisdom indicates that in countries where this essential base is so inadequate, the preparation of educational leaders should receive priority.

American leadership in higher education, which exerts great influence on our foreign aid programs, does not adequately appreciate the critical importance of achieving the general enlightenment of the mass of people of these nations. The Committee of the American Council on Education on Institutional Projects Abroad as listed in its latest report has not a single member whose main interest is elementary, secondary, vocational, or teacher education. The 1959 conference had 31 participants on the program. Not one of them was a specialist in any of these areas. In the entire program as reported in the Proceedings, only one reference was made to these fields and that by Senator JAVITS.

It is my conviction that in the future substantially greater attention must be devoted—both at home and abroad—to those aspects of the educational program which focus on educating all the people in personal, social, and vocational attitudes and skills which are essential to the achievement and advancement of freedom and modern means of production and consumption. Failure to do this will demonstrate the truth for the 20th century of James Madison's observation that "A popular government without popular information or the means of acquiring it is but a prolog to a farce or a tragedy, or perhaps both."

B. In achieving general enlightenment and commonly needed vocational skills there is one point in particular which requires emphasis. Conditions push us; the time of decision is short. Children and youth must be educated, but we cannot wait as we have in the past so often for one generation to succeed another before change is accomplished. The education of adults—particularly young adults—should have a far larger place in our thinking and planning than it now appears to hold. We have been too satisfied to operate through established educational institutions and agencies, accepting the students who come under their influence.

Conditions call imperatively for a broader approach, an approach which inquires how the education of each person, young or old, may be furthered. I am convinced that in every country seeking rapid advancement the organized education of adults should play a very large part. Have we taken the steps which we should take to aid in developing powerful, effective programs for this group? It is my impression that we have not. Illustrations of good work can be given but the need is for massive efforts.

In this area above all, creative plans and programs should be developed. Trained workers in adult education are even fewer than in the schools. Advantage should be taken of mass means of communication, of volunteer services, of demonstrations and short training courses. Attention should be given not only to achieving literacy but also to cultivating vocationally useful skills, developing better understanding of the responsibilities of citizenship, and modifying attitudes so that improved community organization and effectiveness are achieved.

In brief, it is my suggestion that each of you, as you look at the program in the country where you serve, ask whether enough is being done for adults to help them achieve the new day for which so many of them aspire.

C. Most of you serve in host countries which have centralized educational systems. Like decentralization, centralization has its own particular advantages and limitations. One of the chief problems is to evolve new and improved practices. There is an inclination to accept only those changes which can be applied at one time throughout an entire eductional system. But there is great need for an increase in centers of intensive development—experimental and demonstration centers, if you will. People gain more from seeing one actual operating center of high efficiency and effectiveness then from hearing many words.

It would be highly desirable for ministries of education to be encouraged and aided in establishing divisions or departments of demonstration and experimentation. Schools and colleges could be assigned to such divisions or departments for periods of time and thus freed from general regulations and restrictions. Ministries would then accept the responsibility for planning and testing new practices before putting them into general operation. To have a spirit of experimental testing permeating the entire staff would change markedly the way in which many ministries function.

D. I have said that you are in the vanguard of a new and critically important educational development, one which promises to be of long duration. At the beginning, much had to be done "by guess and by gosh" or on the basis of what seemed to be commonsense. This is still true. A field of activity that is long pursued on this basis, however, bogs down in regulations, fails to develop improved ways of doing things, and tends to lose sight of the broad purposes which it should serve.

Systematic, rigorous inquiry concerning goals, activities, and outcomes provides the guard against such a situation's developing. Questions need to be asked and answered with the soundest possible base of assurance as to what goals are attainable under what conditions; what kinds of activities succeed and what fail and why; what kinds of persons are effective in your programs, what kinds ineffective and why; what kinds of training programs get the best results; and how cultural adaptation really occurs. These and many other important questions await study.

I am aware that the ICA office in Washington has been seeking information. I know that the officers have been trying hard to get beyond the "by guess and by gosh" stage of making decisions. I particularly applaud the establishment of a research arm in the Washington office to seek more vigorously for sound guides to solving the problems which you face.

However, I express the judgment that an enterprise as complex and vast as the one in which you are engaged will require for optimum development a substantial program of systematic, continuous research. Policy formulation, program development, and field operations all can profit from such an approach.

In considering such a development two points are particularly important. As I noted earlier, education provides the foundation upon which activities toward improvement in various aspects of the life of a

country can be based. In the final analysis, it is only as it is seen how education influences the actual health practices of people, the methods of farming employed, the adequacy of vocational skills, and the like that sound appraisal can be made. Furthermore, the improvement of aspects of living such as these always involves heavy emphasis on education. Consequently, I believe that research in education in your programs should not be narrowly conceived; it should permeate and relate to all efforts to improve the lives of people in the nations in which you work.

The second point is that much inquiry, particularly of the action research type, should be a part of the program development in each country. In some instances, type studies might be developed. In others, distinctive problems would require treatment.

In brief, I am saying to you that the size, complexity, and seriousness of the challenge you face call for rigorous, continuing, systematic analysis and study. Out of such a process carried through a period of a year a new body of knowledge of first importance may be developed about the field of international education. Such knowledge we desperately need as an aid in assuming our proper place in the modern world.

E. A program can be no better than the personnel which carries it forward. The best-conceived program in the world will fall flat if it is placed in the hands of incompetents. Dedicated, well-trained men will overcome unbelievable obstacles to achieve a goal in which they have faith. I observed earlier that the quality of ICA personnel with whom I came in contact in two trips appeared to have substantially improved over a 4-year interval.

It seems to me, however, that there is a strong possibility that greater attention should be given to the continuous improvement of personnel. Every ICA mission should have not only the regular activities of orientation of new personnel, but also a continuous program of in-service education for all. As you well know, educational institutions in the United States have found this essential. Increasingly, business and industry have discovered the same thing. Not only the workman, foreman, and supervisor are included; more and more opportunities are provided for all levels of management up to top executives.

I advise a careful review of the provisions you, as leaders in your missions, make for the in-service development of personnel and careful inquiry as to whether increased competence is being built as it should be.

F. My final suggestion relates to a general governmental policy. I do not know how much you can do about it, but I believe that if you can get across a vision of the real role education must play, your influence will be substantial.

From 1956 to 1959 of all the dollar obligations for ICA projects, only 6.7 percent went to education. The total allotted to education throughout the world in 1959 approximately equaled the cost of five DC–8 jet planes. I submit to you that in view of the basic role education must play and the great seriousness of the international situation, this is a penurious and totally inadequate provision. We Americans are a strange people in some ways. We say we believe in education, and I am sure most people are sincere in this statement. Yet we blithely go along spending huge sums for liquor, chewing gum, cosmetics, candy, and baseball while we view with apprehension the cost of providing a good education for our children. We cry out against taxes to support schools at the very time we increase our consumption of automobiles and send pleasure boat construction and maintenance skyrocketing to unbelievable heights.

In the foreign field we follow the same pattern. We proclaim our intention to be good neighbors; we say we will help those who are less fortunate than we; we urge them to take the path of enlightenment and freedom. Yet when the chips are down our Christian ideals too often give way. Our help turns toward the materialistic rather than toward the mind and spirit of man. We are more ready to give our neighbor a paved road down which to drive his camel or donkey, or even to give him an automobile to drive upon it, than we are to help him set in process education which will develop men and women better able to improve their own lot.

Those of us at home should carry the message that America must first and foremost invest in the spirits and minds of men. In schools and colleges and legislative halls, in factories and farms we must develop a generation of Americans who truly put human values ahead of things.

You in your turn should press this point from your position of vantage. You should help America see what she has to win and what she has to lose. If our people could but understand what it would mean to have India drop backward and Communist China move ahead, if they could but appreciate what it would mean to have large areas of Africa under the control of dictators, if they could but realize that our own salvation lies in willingness to befriend the poor, lift up the downtrodden, and eliminate ignorance and hatred, no sacrifice would be too great. Then first things would come first. To bring this to pass is the goal to which you and I, as loyal Americans and true educators, should be dedicated.

The School Lunch Program and Federal Controls

(By Donald H. Ackerman, Jr.)

When advocates of Federal aid to education discuss the problem of Federal controls, they normally challenge opponents to cite any examples of such control in existing programs, such as National Defense Education Act, impacted areas legislation, or similar current laws. For example, when Secretary Ribicoff testified this spring before the House Education Subcommittee, he stated that "these programs of Federal assistance to education have, in my judgment, been administered without evidencing one shred of Federal control * * *. In my 6 years as Governor of Connecticut, not once has the Federal Government exercised control directly or indirectly over education in my State. I doubt whether you will find any such control in any of our 50 States."

No doubt there have been examples cited both in agreement and disagreement with his views in relation to existing programs. However, letters from administrators in various school systems indicate that even in such a widely supported and supposed innocuous program as the national school lunch program, controls invariably result and interfere with the most practical, efficient, and beneficial local administration of the entire operation.

The Scottsdale, Ariz., High School District has discontinued the Federal school lunch program because they wish to offer their students a la carte meals, and their agreement with the Government required them to serve a plate lunch with limited selection. They thus felt that by this change their cafeteria program would be more attractive to the older students. These boys and girls had reached an age when they were quite capable of making such decisions.

Administrators of the Scottsdale school system also questioned the wisdom of the milk program which gives a greater cash subsidy for a half pint of milk sold to a child who carries a bag lunch than is given for the complete plate lunch, which includes a half pint of milk.

In a letter to a Member of Congress, an official of the Farm Bureau in Phoenix refers to the Scottsdale and also the Phoenix situation by stating that "when this program—one of the oldest, most widely and favorably accepted Federal aid programs—is being terminated because it actually costs more to administer free government surplus commodities than they are worth, it would seem that any further debate on whether you get controls with Federal aid is rather asinine!"

The Phoenix situation is somewhat similar, in that the business manager of the Phoenix Union High Schools and College System states, "The history of the situation by which we discontinued the Federal school lunch program in the high schools of our district involves not so much the actual law governing the Federal school lunch program as the regulations which seem to be typically bureaucratic interpretations of the law that work toward the detriment of the school lunch program." He felt that letters to that effect were at the instigation of the San Francisco office of the Federal school lunch program, with no referral to the Arizona State Board of Education.

In Phoenix, unless they offer an a la carte service there are many students who will not participate in the lunch program. Thus administrators had the choice between discontinuing their practice of making a la carte items available to the students in addition to the regular plate lunches, or being disqualified from the Federal school lunch program. If they had continued the program, under regulations being imposed, they would have had a severe drop in the participation of students who would not eat the plate lunches, preferring to bring their own food from home or to patronize off campus for restaurants. If they continued to participate in the program and discarded the a la carte service, they would have had to raise the price of meals to 40 cents.

The route was quite obvious. The plan adopted resulted in the greatest participation ever, with a freer operation, saving bookkeeping costs, and providing the type of menus demanded by students and their parents. Business Manager Mitchell found a question involved of arbitrary regulations and lack of local control of the lunch program for what the local authorities felt was the best need of the students.

In June 1955, the Los Angeles City Board of Education discontinued the school district's participation in the type A meal served to elementary pupils because—

(a) The cash subsidy over a period of years had been reduced from 9 cents per meal to less than 4 cents.

(b) Increase in the protein requirements for each meal reduced further the cash subsidy due to additional costs.

(c) Size of portions served, rigidly enforced, was too much food for many pupils, particularly the primary grades, first through third.

Thus, to remain on a solvent basis under the existing Los Angeles Board policy that cafeterias must be self-sustaining, it became necessary to either raise the price of the lunch or drop from the program. Later reevaluation of the present nonparticipation policy in the spring of 1961 showed that an even further drop by approximately 2 cents per meal would occur at that time. Sources indicate that in California, San Diego, Glendale, Riverside, Alhambra, and other areas have also dropped from the system recently.

Suggestions by the business manager of the Los Angeles City Board of Education for realizing the objectives of the program and achieving greater participation included provision for more control on a local school district basis for the enforced requirements of the protein, butterfat, vegetables, and fruit in the meals. In Los Angeles, this centralized local control would save approximately 200 man-hours per day.

The late Representative John Lesinski, Sr., former chairman of the House Education and Labor Committee, stated on May 8, 1957, that "it is impossible to draft a general Federal aid bill which will not contain a great deal of Federal control over local school systems * * *. I am convinced, after the hard study we have put to the question, that no acceptable bill preventing Federal domination of local schools can be drawn. I reluctantly come to the conclusion, but I had to face the facts." His successor as chairman, Representative Graham Barden, pointed to some of "the most horrible illustrations of interference and wrongdoing under that bill (Public Law 815—the Federal impacted area bill) that you can imagine, and I challenge anyone to deny that statement."

On the basis of the experiences of at least these school systems herein referred to, as well as equally convincing evidence in fields such as highways, agriculture, welfare, etc., it seems clear that as the Federal share increases, conflicts arise between Federal and local officials as to the most effective use of funds, and controls ultimately tighten.

Other school districts around the Nation may not have shared the same experiences as Los Angeles, Glendale, Scottsdale, and Phoenix—but these examples serve to answer those advocates of general Federal aid to education who plaintively ask, "Show us one single isolated example of Federal controls accompanying any form of Federal aid." The school lunch program is a case in point.

SCHOOL NEEDS AND FEDERAL AID TO EDUCATION

(By Roger A. Freeman)

Are we spending enough on education?

If not, how much should we spend?

How much will the schools need 5 or 10 years hence?

These and similar questions are being asked and eagerly debated in large and small communities throughout the country. Never before have the American people shown a deeper or more lively interest in their educational system and its improvement than at the present time. Nor does it seem that any single event ever did more to turn public interest in education into grave concern than the appearance of the sputniks.

There had been warnings galore for years about deficiencies in our schools and colleges and about Russian advances in education and science. But no complaints nor criticism seemed able to weaken the conviction that the United States has the best schools in the world.

The belief in the inevitable superiority of American education was shattered when the Soviets sent a small metal globe into orbit. This brought home, more effectively and more painfully than scholarly reports, that Russian-educated scientists can successfully challenge the products of our own education institutions. That it ended the era of complacency about American schools was shown in a public opinion poll by Life magazine early in 1958 in which two-thirds of U.S. college graduates rated Russian mathematics-science high school training superior to that in the United States. It is now self-evident that a major improvement in the quality of our educational product has become a matter of national survival. As one educator remarked: "The man who has done most for American education in 1957 may well have been Nikita Khrushchev."

UNDERFINANCED SCHOOLS?

While the events of 1957 helped focus interest on education, they have not, so far, led to a universal agreement on the nature and cause of the unsatisfactory status of American education. Why are the graduates of our schools 2 or 3 years behind their European and Russian counterparts? Are our schools losing out because they are not getting the funds needed to carry on a program that is adequate in today's world? Or is it because of lack of thorough training in the fundamentals, a substitution of easy courses for hard subjects, the shift from the subject-centered to the child-centered curriculum?

One body of opinion, consisting largely of college and university presidents and faculty members, scientists, engineers, and businessmen, holds that the watering down of the curriculum and the erosion of standards in the elementary and secondary schools are responsible for the absolute and relative decline in the educational level of our youth This group feels that the schools demand too little and fail to prepare their students properly for professional and scientific study.

Public school administrators, teachers' organizations, professors of education, and allied groups deny that the quality of public school education has declined. They insist that more children are getting a better education than ever before, and that the schools are prevented from raising educational levels even higher only by a lack of money. They point at shortages of teachers and classrooms, and predict that a serious deterioration of the schools is imminent and inevitable unless their financial support is quickly and substantially raised.

The educational policies commission of the National Education Association complained in a statement, "The Contemporary Challenge to American Education," on January 3, 1958:

"Every major study of the status of American education tells the same story of neglect. It is a story of crises in education, of teachers poorly paid and in inadequate numbers, of poor communities struggling to pay mounting school bills, of classroom shortages, of colleges and universities contending with overenrollment and undersupport, of waste of human talent. These problems are not entirely monetary, but lack of money is the major element."

It concluded that "At a minimum, expenditures for education should be doubled within a decade."

"We could make rapid and substantial improvements in the quality of our schools right now if we had the financial resources to do as well as we already know how to do," declared William G. Carr, executive secretary of the National Education Association.

A few years ago the then Administrator of the Federal Security Agency, Oscar Ewing, wrote: "The plain fact is that when public school education is bad, the basic fault is almost always lack of money."

Beardsley Ruml stated that "public education broadly speaking has failed to participate in national prosperity," and that "the public schools in 1957 are in the same position that the banks were in 1931. In a year or two or three, more and more public schools will become educationally insolvent."

"The Russian satellites may be the price we are paying for a generation of poorly financed schools," declared the president of the New Jersey Teachers Association; and the New York Herald Tribune, in an editorial, "The Lessons of Our Defeat," gave its answer to the question why we fell behind the Russians in missiles: "The Congressmen who killed Federal aid to schools won't have far to look to find the guilty party."

These and similar charges present a grave accusation against the American people: That they have been and are starving the schools while lavishing the abundance of their material prosperity upon personal consumption. They add up to a warning that the schools will be increasingly unable to provide for American youth the required level of education unless their income is vastly increased.

In between the two opposing views—those who blame our educational shortcomings on lack of money and those who trace it to a lowering of standards—there are, of course, many shades of opinion. One large group holds that the schools have done an admirable job in catering to the needs of millions of less-gifted young people whom compulsory attendance laws are keeping in the schools to a higher age, but that they have failed to challenge and develop the talents of the upper third or fourth of their students. This group does not place all responsibility at the door of insufficient funds but does believe that school support has badly lagged and must take its share of the blame.

THE RECORD OF SCHOOL SUPPORT

In evaluating the charge that American schools are inadequately financed, the emerging picture is clear cut and unequivocal. The American people have loyally and faithfully supported their schools. The record of steeply increasing school revenues is nothing short of spectacular and makes no persuasive case for holding insufficient funds responsible for shortcomings in the product of our public school system. Since the turn of the century enrollment has doubled, national income multiplied 25-fold, school expenditures multiplied 60-fold. School funds have increased much more rapidly than the gross national product, national income, personal consumption expenditures, or any other economic yardstick.

Contrary to a widespread belief, a smaller percentage of the population of the United States is now enrolled in the public schools than was in 1900. But school expenditures grew faster than outlays for the other governmental services except national defense. Expenditure per pupil in dollars of constant value has doubled every 20 years.

American public schools are better supported than the schools in other culturally and economically leading countries and keep more children for more years than foreign school systems. They enroll a much larger percentage of the young people 15 to 18 years old than the schools in any other country, and have taken on many responsibilities and teach many subjects which nowhere else are held to be in the domain of the public schools. But the children learn less, in terms of academic achievement, in American schools in 12 years than they do in Russian or other foreign schools in 10.

Shortages and overcrowding are far worse in Russian and other European school systems than in the United States. Factual analysis shows that teacher and classroom shortages in our schools have been greatly exaggerated and that they are rapidly diminishing. The U.S. Office of Education reported a need for 370,000 classrooms in fall 1954; in fall 1957 it placed the classroom shortage at 140,400. Within a few years, declining annual enrollment increases will make it unnecessary to maintain school construction at its present record level of over 70,000 classrooms a year.

The teacher-pupil ratio has been declining consistently, even during the recent years of unprecedented enrollment increases. We would have a surplus of almost 200,000 teachers if the schools now maintained the teacher-pupil ratio that prevailed in 1929 or if teachers worked the year round, as other people do. Several dozen research studies tried to find evidence of the advantages of smaller classes. But, surprisingly, the findings more often showed academic achievements to be higher in larger classes.

No other industry could afford to let its plant and trained staff go idle more than 3 months each year. But teachers' organizations have been showing a stiffening resistance to suggestions for all-year employment of teachers and buildings. They oppose the use of instructional television and films, teacher aids, or other means of making fuller or more effective use of the available manpower and material resources.

Has teaching lost its attractiveness because of low salaries? Over the past decade, the percentage of college graduates who go into

teaching has sharply risen, and the number of certificated teachers in the public schools has increased five times faster than the total labor force. The number and proportion of degrees in the teaching force has grown steeply and consistently. More persons are leaving nonschool jobs for teaching than quit teaching to accept private employment.

Teachers' pay is lower, on an annual basis, than the income of practitioners in such professions as law, medicine, or engineering. But teachers' salaries have risen proportionately more than per capita income, or the wages of workers in private industries and of other public employees. Relatively, the teachers are better off today than they were 30 years ago. Undoubtedly, many good teachers are woefully underpaid. What is worse, college students who rank in the upper half of their classes in ability, are likely to choose other careers which do not restrict their advance to inflexible annual increments. Can this be corrected by raises across the board? Probably not, because communities are unwilling to pay all teachers as much as they believe good teachers to be worth. It is no secret that many of our present teachers could not earn as much doing anything else. The trouble with teachers' salaries is not low starting pay but slow advance and low ceilings. Unfortunately, teachers' organizations insist on union-type salary scales and strongly oppose recommendations for paying teachers as other professional workers are compensated: competitively, according to merit and performance. Until this deadlock can be broken we probably shall go on underpaying good teachers while not getting the caliber of candidates the schools need.

DOES GOOD EDUCATION COST MORE?

Most studies which tried to equate the quality of education with the numbers of dollars spent, are long on presumption and short on evidence. As a rule, they rate a school not by the progress of its pupils in acquiring skills and knowledge, but by the desirable features of the school and its program, the variety of offerings, teacher-pupil ratio, etc. Many or most of these criteria depend on the amount of money spent and have little relationship to the quality of education transmitted to the pupils. The few studies which measured academic achievement against expenditures, such as the 1956 Connecticut project, found little or no correlation between the two.

Some observers hold that the rise in educational costs in the past two or three decades has raised the quality of education. But this is strongly denied by others who feel that the quality of public school education has gone down as the number of pupils and graduates soared.

Large enrollment and the declining value of the dollar bear some responsibility for increasing school outlays. But the sharp and consistent rise in the per pupil cost in constant dollars proves that the major cause of higher costs lies in other factors:

(a) While productivity—output per man-year—increased in most other fields of human endeavor, it declined in the schools. Technological progress which has raised productivity in other industries is being resisted by teachers' organizations.

(b) The proliferation of course offerings in a bewildering variety of subjects and the assumption of noneducational responsibilities by the schools probably is responsible for the employment of more than 100,000 additional teachers.

(c) The change from the subject-centered school which taught basic skills to the "child-centered" or activity school required more and roomier facilities. Building space allowances per pupil have gone up between 50 and 100 percent over the past 20 to 30 years.

The introduction of courses in marriage and family relationships, child development, grooming, junior homemaking for boys, teenage problems, beauty care, date behavior, consumer buying, stagecraft, square dancing, pep club, and fly casting without an increase in the number of classroom hours resulted in less time being spent on solid subject-matter learning. Pupils took the new courses not in addition to the fundamental subjects but instead of them. Mathematics became an optional subject through 4 years of high school in some of the country's largest school systems.

President Lee DuBridge of the California Institute of Technology observed: "There seems to be a kind of Gresham's law in high school and college courses—namely that the soft ones drive out the tough ones. And in certain places this softening, degenerating process appears to have gone to extreme limits."

President Grayson Kirk of Columbia University warned: "The primary purpose of any school is education, not social adjustment; the student becomes educated by hard work, not by entertainment."

To be sure, tens of thousands of dedicated and hard working teachers watched the trend with sorrow and anguish, and tried valiantly to maintain standards in their own classes. They were thwarted by parents who abdicated their responsibility to the schools, who, singly or in groups, clamored for easier courses, for instruction in subjects that used—and ought—to be taught in the home, who insisted that the schools lower their demands upon children and promote them each year regardless of merit and achievement. As local boards of education, overwhelmed by the pressure of numbers, devoted more and more of their time and attention to looking over bills, approving salary schedules, and building projects, worrying over the tax rates and bond issues, the control of the curriculum passed into the hands of the professional administrators. Some administrators, no doubt, deplored the drift toward an easier curriculum and tried to stem the trend. Others followed what seemed to be the line of least resistance to the pressures of small but vocal minorities among parents. But many who were steeped in an educational philosophy that recognizes no hierarchy of subjects and has little regard for intellectual excellence and mental discipline, welcomed and furthered the trend toward lower standards.

The results of these developments became apparent in recent years. An impressive array of the presidents and faculty members of America's leading colleges and universities and top scientists testified at congressional hearings or revealed otherwise that over the past quarter century the educational level of the high school graduates who applied for admission to or entered their institutions has seriously declined, their knowledge of science, mathematics, and humanities diminished.

During the same period the school's per pupil cost in constant dollars more than doubled. Is this a mere coincidence? Or could it be that the same guiding philosophy which caused school costs to rise, simultaneously lowered academic achievements? Sloan Wilson answered these questions in an article "It's Time To Close Our Carnival," which opened Life magazine's series "Crisis in Education" in March 1958. In describing how progressive educational policy took over American public schools, he recalled that "nobody foresaw how enormously expensive such a school system would be." He then went on to describe the results: "It is hard to deny that America's schools which were supposed to reflect one of history's noblest dreams and to cultivate the Nation's youthful minds, have degenerated into a system for coddling and entertaining the mediocre."

Some of the most eminent men in the sciences and humanities have stated their conviction that the needed uplift in the level of American education requires a renewed emphasis upon subject-matter learning, a major raising of academic standards in the elementary-secondary schools, and a new direction in the training and certification of teachers. The sentiment of the American people in the postsputnik period seems to demand just that. The increase in ballot box defeats of school proposals in the fall and winter 1957–58 are a reminder of widespread dissatisfaction with the results of the school system.

Will higher standards and greater emphasis upon subject-matter learning cause expenditures to rise? If the schools add courses in mathematics, science, history, and languages to the present curriculum without eliminating the soft courses and activities, costs will go up. But the problem in most schools is not that solid subjects are not offered but that their standards are too low and that not enough students enroll in them and are motivated to study with the necessary seriousness and dedication. If the popular courses for social conditioning are continued as part of the school curriculum, little progress will be made toward improving the skills and knowledge of the students. They will still prefer "co-ed cooking" to geometry if both carry credits.

Training in mathematics is no more expensive than "junior homemaking for boys." Nor does insistence on rigorous mental discipline raise operating costs. If the schools will concentrate on subject-matter teaching—as the public schools did until a quarter century ago, and as some American public and many nonpublic schools as well as schools outside the United States still do—costs will need to rise only moderately beyond the rate of increase in pupil enrollment.

To be sure, over the next decade the schools must get additional billions of dollars if they are to give an adequate education to an ever-growing number of pupils. Deficiencies in many areas require the infusion of more money. Also, if teachers' salaries are to keep pace with the rising general wage level, they will have to go on increasing.

Will school requirements be up $5 billion, $10 billion, $15 billion, over the next 10 years? That depends, above all, on how efficiently school funds are spent. Large amounts are presently wasted in keeping alive thousands of tiny school districts and uneconomical small schools which should long have been consolidated. Much of the inevitable cost increase could be offset by a more effective utilization of human and physical resources. The schools have been slow in abandoning a structure and methods which have long outlived their usefulness.

The choice in setting future policies does not necessarily lie between high-priced good schools and low-priced bad schools. The alternative may be between well organized schools which stress academic achievement, and can be operated at moderate cost, and life-adjustment-type schools which cost more and will not give our gifted young people the type of education which the Nation's cultural, scientific, economic, and political leadership requires in this atomic age.

It is now evident that we cannot, for any amount of money, buy a better education for our youth. Nor can education be fed painlessly on a silver spoon. The price of education is hard work, for which there is no substitute. Awarding students a high school degree for electing themselves out of an education with soft courses has led to a frightful waste of the ability and brainpower of the Nation's youth. Group dynamics and automatic promotion do not stimulate individual excellence. What is needed—and needed badly—is a general raising of educational standards in our public schools. There have been many suggestions on how this can be brought about. One of the best comes from the president

of Johns Hopkins University, Dr. Milton S. Eisenhower:

"I would like to see, say 100 presidents of our best public and private universities agree that, starting in about 1961 they will no longer accept a student unless he demonstrates genuine proficiency in English, a single foreign language, mathematics, science, and history. If this were done, it would have a profound influence upon secondary schools. I suspect the leaders of our secondary schools would welcome this external influence."

If methods are adopted for a fuller and more effective utilization of teachers and school facilities, if television, films, and other technological methods of widening the range of good teachers and saving manpower are adopted, if the schools concentrate on subject-matter teaching and eliminate frills, the quality of school education will be lifted but school funds will not need to rise much beyond the growth rate of the national income.

If, however, the trends of recent decades continue for the next 12 years, school revenue requirements will more than double by 1970. This will inevitably require a substantial increase in the tax burden.

Also, in the words of Bernard Iddings Bell, we may be "producing—at great expense and with the most incongruous self-congratulation—a nation of Henry Aldriches."

DO THE STATES NEED FEDERAL ASSISTANCE?

Some observers doubt that State and local governments will be able to meet school and other public needs in the years ahead and believe that they will have to depend increasingly upon Federal assistance. They point at the long-range trend of fiscal centralization which has raised the U.S. Treasury's share of all tax collections from one-third to three-fourths, and which has preempted the most lucrative sources of revenue.

When we analyze the financial history more closely we find that Federal taxes multiplied quickly and drastically during wars—World Wars I and II and the Korean conflict—while State and local governments kept their budgets and taxes stable. But during the intervening peace periods, both before and after each war, State and local governments invariably raised their tax receipts at a much sharper rate than the Federal Government. Since the end of World War II, Federal revenues have doubled while State and local revenues tripled. The Federal share of all taxes dropped between World Wars I and II, and has fallen from 82 to 67 percent since 1944. The cause of these varying trends is plain: wars require a concentration of effort in the National Government; but during peacetime emphasis shifts to domestic public services which are the primary responsibility of States and communities.

Has the Federal Government preempted the most lucrative sources of revenue? It probably has pushed income taxes to their productive limit and made it almost impossible for the States to add substantially to the existing load. Even exorbitant income tax rates have not produced a U.S. Treasury surplus that would enable the Federal Government to expand its commitments: its income fell short of outgo 80 percent of the time in the past three decades and met only 80 percent of the aggregate Federal expenditures. The national debt grew to astronomical proportions.

If income tax rates have reached a level that cannot be exceeded with impunity, neither the States nor the Federal Government can be expected to venture much deeper into this field. Thus, greater funds needed for schools and other purposes will probably have to be obtained by other means.

Federal levies on alcohol and tobacco also limit the additional rates which the States can collect. But the National Government barely utilizes other types of consumption taxes and has left this potentially fertile field almost entirely to the States.

The charge of Federal exploitation to the fullest, bordering on preemption, is well substantiated for the income tax (and possibly for estate taxes), but not for other types of taxation. But the total size of the Federal tax burden unquestionably limits the fiscal capacity of States and communities. They would be in a far better position to increase their revenues if, as the well-known public finance expert, Harold Groves, so well put it, the Federal Government did not "descend annually upon their taxpayers like a ton of bricks." This condition could be improved by relieving the U.S. Treasury of some of its obligations. It would be intensified if more responsibilities were placed on it. Federal taxes are still so high partly because of the cold war and partly because Federal civilian (that is, non-war-connected) expenditures multiplied five times between the 1948 and 1961 budgets. If the commitments of the Federal Government are further increased, it will have to descend annually upon the [States'] taxpayers even more heavily than it does now. Thus, a lopsided fiscal situation would be further aggravated.

The effect of Federal grants was well described by Senator KENNETH KEATING, of New York: "The process is a mushrooming one, since the greater the drain on local tax sources by the Federal Government to pay for these grants, the less individual States will be able to meet their problems out of their own resources. The wide appeal of Federal aid rests on the myth that it is a substitute for higher taxes, does not cost anything, or is paid by somebody else." At a hearing of the Education and Labor Committee of the U.S. House of Representatives, Congressman CLEVELAND M. BAILEY, of West Virginia, interrupted a witness who had remarked that Federal school aid would require higher taxes: "So far as I know Congress has not even begun any hearings on additional taxation. Let us assume there is not any additional taxation * * *. And you are not certain it is going to cost you a single cent more in taxes."

If Federal funds do not cost a single cent more in taxes, they are, of course, preferable to State and local funds which call for tax boosts. The Federal Government may assume additional obligations by simply raising the national debt. If, however, it financed new commitments to aid the States through taxation, the Federal tax share might well begin to rise again—to 75, 80, or 90 percent—and, thus, further undermine the ability of States and communities to raise their own support.

Some 15 or 20 years ago it was widely believed that States and communities were unable to increase their revenues by their own powers. Now, that they have raised their tax receipts at an amazing pace, far more rapidly than the Federal Government, it is being claimed that in doing so the States have exhausted their fiscal capacity and can go no further. If the States had not expanded their taxes so fast it would have been taken as a proof that they just could not do it. The advocates of Federal aid can base their case as easily on the fact that State and local revenues rise fast as that they rise slowly. They seem to have only one prescription for all types of malady.

The fact is that the fiscal capacity of the States is limited only by the size of the Federal burden and by the willingness of the people to be taxed. Analysis shows that the crucial question is not whether the States are capable of raising their own revenues but whether it is desirable that they do. States and communities can largely run their own show, in keeping with the wishes of their residents, and cannot be easily directed from Washington as long as they provide their own funds. But they can be whipped into line through the device of programmatic and conditional grants-in-aid.

Federal grants-in-aid were few and small sized prior to 1930. Their amount tripled between 1930 and 1940, tripled again between 1940 and 1950, and tripled a third time between 1950 and 1960. They now total over $7 billion a year, and account for one-fourth of all State revenues. What will they amount to 20 or 30 years hence at that rate of growth? It is significant that grants tripled under the Eisenhower administration which from inception tried to reduce them. How fast would they rise under an administration that favors them?

About a hundred State and local activities are now being aided and increasingly ruled by an ever-expanding Federal bureaucracy. If we continue to travel this road, the States will soon be only regional subdivisions of national administrative departments, and all governmental powers will be concentrated in Washington. This would mean the end of local autonomy and home rule. The questions to be raised are: Shall we preserve the right of the citizens in the several States and communities to decide what types of local services they want Government to supply and how much of them? Or shall those decisions be made on a more or less uniform national basis by bodies which are little concerned with local differences in concepts and needs and by officials who are not as easy of access as those back home? Do we want to maintain diversity or does this day and age require increasing uniformity of public service from the Atlantic to the Pacific? Has the principle of a Federal system of Government, of a wide dispersal rather than a concentration of government, of a wide dispersal rather than a concentration of powers outlived its usefulness after some 170 years?

The fiscal justifications frequently cited for Federal grants-in-aid are largely irrelevant. Lack of capacity, if proven to exist in some States or in all States, could be remedied by a far simpler device than a hundred grant-in-aid programs, each with its own regulations, and supervising Federal bureaucracy. Tax sharing or unconditional, nonearmarked, grants would require almost no administration and permit no control. But Congress does not seriously consider such proposals because they would not accomplish the real purpose of grants-in-aid: to shift to the national level the control of governmental activities which constitutionally are in the realm of the States. Thus, the slogan "Federal Aid Without Federal Control" is a contradicition in terms. If there were no intention on the part of Congress to overrule the decisionmaking powers of States and communities there would be no need for programmatic grants-in-aid.

THE BATTLE OVER FEDERAL SCHOOL AID

Few issues of public policy have been more heatedly debated, more ardently fought over, more bitterly battled, in and out of Congress for a longer period of time than Federal aid to education. Considering the tremendous effort that has been exerted for close to a century by large and powerful national associations against little organized opposition, the drive so far has been surprisingly unsuccessful. Only an insignificant amount of Federal money is now available to the schools for educational purposes.

Some of the existing programs are not truly aid to education: the grant for school lunches was authorized as a child welfare measure and a farm surplus disposal method, and as such is administered by the Department of Agriculture; payments to communities affected by Federal activities are an indemnification for tax losses occasioned by the immunity of property acquired by the Federal Government.

Two national grants are now available to the schools for educational purposes, both

significantly favoring some parts of the curriculum over others. A plan to foster training in certain selected vocational skills was initiated in the weeks prior to America's entry into World War I and a 4-year (1959–62) program to expand instruction in science, mathematics, and foreign languages and to aid guidance, counseling, and testing was enacted after the first appearance of the sputniks. Federal appropriations for these programs total slightly over $100 million a year, equal to less than 1 percent of the school budgets, and barely more than one-tenth of 1 percent of the U.S. budget. That seems a rather scant return on the huge investment in manpower and money during this century-long campaign.

Congress has in recent years repeatedly considered proposals to appropriate about $300 million a year for school construction. Sentiment for such a program has been affected by the sharp reduction in the classroom shortage—as reported by the U.S. Office of Education—from 370,000 in 1954 to 132,400 in 1959, but it is conceivable that at some juncture Congress may be persuaded to pass such legislation. If so, it would, at best add insignificantly to a $16 billion school budget, and could well retard construction progress because communities not eligible in a particular year might postpone their plans until they can get their needed buildings at 50 cents on the dollar.

Many arguments are being advanced to demonstrate the need for Federal assistance to the schools. The core of the case, as it is commonly presented, is lack of fiscal capacity: the States, it is said, cannot possibly, under their own powers, raise sufficient funds. This assertion does not come from those who are de lege and de facto responsible for the schools—the States, and the boards of education. Most Governors who have stated their views have expressed opposition to expanded or "massive" Federal school aid. The National School Boards Association has repeatedly refused to support the demand, and, in fact, not one of the 50,000 State and local boards of education has, for at least the past 5 years, testified in favor of it before a congressional committee. Some State and local school board members have appeared to testify against it.

The campaign has been spearheaded, and is largely being carried on by school employees—by the national organizations of school administrators and teachers and allied groups. It has, to date, been largely a token fight. The typical proposal before Congress has totaled $300 million a year and few bills exceeded $500 million. That still would leave the States and communities responsible for raising 97 percent of the school support. Even a grant of $1 or $2 billion annually would be a small contribution toward a revenue need which by the end of the 1960's will total $24 billion—or according to the National Education Association—$31 billion.

A Federal appropriation amounting to $1 or $2 billion would require States and communities to raise the remaining $22 to $23 billion, or more than 90 percent of the total. Does it not seem hard to believe that the States can now raise $12 to $13 billion, and by 1970, $22 to $23 billion, but that their capacity falls short of just another billion or two. Do $1 or $2 billion spell the difference between excellent schools and starving schools? Actually, States and communities have been increasing their school support at the rate of about $1 billion a year for the past 5 years.

It is more likely, as mentioned above, that we have so far witnessed only a token fight, a battle over the principle and precedent of Federal school aid rather than a contest over the size of the Federal contribution. The war over the approval of general—rather than special and earmarked—school aid and over the big sums, from $5 billion on up, still lies ahead. A continuation of the rapid growth of Federal grants-in-aid may well lead to the adoption of such a program within the next decade. Past experience does not suggest that Congress would authorize funds of this size without demanding and exercising an increasing voice in decisions on how this money is to be spent, as James Bryant recently so well pointed out.

To some it is axiomatic that Federal control must follow Federal aid. Others vigorously deny it. So much ink has already been spilled over this question that we do not want to restate the arguments pro and con, important as they are. It is conceivable that the usual antithesis of National versus State-local control may hide or misstate the underlying crucial issue.

Max Lerner wrote: "The choice before us is not the choice between the control of education by local officials and by National Government officials; that is not the choice, and don't let anyone tell us it is. The choice is between control by people who have not given their lives to education and control by people who have given their lives to it."

This suggests, and probably rightly so, that the real issue is one of control of the schools by laymen or by the professionals. Lay control of the schools is exercised largely through the approval or denial of funds. Administrators must, at least pro forma, comply with the wishes of the parents, communities, boards of education, if they want their budgets approved, their tax elections and bond issues to carry. As a larger share of the support comes from central governments, more and more funds are distributed by other educational administrators, in State departments of education, and in the U.S. Office of Education. This makes local administrators less dependent upon local favor and shifts authority to the nationally organized educational bureaucracy, a close-knit and battle-hardened fraternity.

Viewed in this context the Federal aid fight is not so much a controversy over the size or type of school support but over school control. Large national funds would, at least partly, tend to substitute for State and local funds; aggregate school revenues may not differ much one way or the other. The rate of financial growth could even decline. But the administrators would be firmly in the saddle.

Recalling a famous bon mot by Georges Clemenceau, Paul Woodring declared: "Just as war is too important to be left to the generals, education is too important to be left to the educators." Myron Liberman, however, proposed that "local control of education by laymen should be limited to peripheral and ceremonial functions of education." He suggested that authority be vested in the nationally organized educational profession. Such diametrically opposed philosophies cannot be reconciled. Which of the two the public schools will follow in the years ahead will be determined by the outcome of the fight over Federal aid to education. The availability of large Federal funds would inevitably and irrevocably decide the power struggle between the lay public and the educational bureaucracy in favor of the latter.

IN CONCLUSION

The fiscal case for Federal school aid is contrived, unsubstantiated, and fallacious. The ideological case for Federal aid as a means to national uniformity and professional direction of educational policies cannot be proven or rebutted. It must be accepted or rejected on faith. It is certain that a major entry of the National Government into the school field would fundamentally change the historical relationship between the American local community and its public schools. We may doubt that it would be a change for the better.

MILITARY CONSTRUCTION PROGRAM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Nebraska [Mr. WEAVER] is recognized for 60 minutes.

Mr. WEAVER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. WEAVER. Mr. Speaker, on June 13 during debate on the General Government Matters, Department of Commerce and related agencies appropriation bill for 1962, I laid before the House a detailed study of the practice of setting aside certain military construction projects for the exclusive bidding by small contractors. The Small Business Administration and the Department of Defense have agreed that construction contracts, with the exception of Capehart housing, will be considered as automatically set aside if they cost less than $500,000. Bidding is limited exclusively to small contractors. A small contractor is one who did less than $5 million gross business annually on an average over 3 years, is independently owned and is not dominant in his field. By this set-aside process the Government does not get the benefit of free and open competitive bidding on these jobs.

Many of my colleagues have commented to me on that study and it has received national attention through newspapers around the country. I have been asked for additional information on this very serious situation.

Also, on June 21, the Administrator of the Small Business Administration, the Honorable John E. Horne, appeared before the Select Committee on Small Business of the other body to testify on activities of his agency during the past year. He took particular note of what he called "a strong effort" to discontinue this military construction set-aside program. He referred specifically to a bill which I introduced on January 31 of this year, H.R. 3690, and to an identical bill introduced by the Senator from Montana [Mr. METCALF] and a similar bill to mine introduced by the distinguished gentleman from Louisiana [Mr. MCSWEEN].

In his prepared statement, the Administrator made assertions which, if viewed casually, seem to make sense. It is mandatory, therefore, that these statements be carefully examined in the light of logic and reason.

On page 14 of his prepared statement, the Administrator says:

Set-asides on construction procurement are neither initiated by this agency nor agreed to by the contracting agency, unless there is a reasonable expectation that bids will be received from a sufficient number of responsible small business concerns and unless the bid price is reasonable. The Armed Services Procurement Regulation and the Federal Procurement Regulations each authorizes set-aside awards to be made at fair and reasonable prices, and empowers contracting officers to reject any bid they believe is unreasonable.

Now this sounds fine—if it worked out. We are, as Members of Congress, interested in seeing to it that small business gets a fair deal. We are also interested in seeing to it that the Government and the taxpayer get a fair deal. The Administrator's explanation seems to show that both get that kind of a deal.

But is this the case?

For one thing, the Administrator implies each contract is judged as a separate entity. This is not the case, as he himself testified just a few seconds before making that assertion. In the preceding paragraph of his statement the Administrator says:

> Under SBA's agreement with the Department of Defense, the Department's construction procurement officers consider that SBA has recommended a set-aside on all construction procurements, except Capehart housing, between $2,500 and $500,000.

The Administrator here is contradicting himself. On the one hand he says construction authorities judge each contract on its own merits, and on the other, he says these same contracting officers must consider that all construction procurements falling within the specified price have been set aside. He cannot have it both ways.

The Administrator is contradicted, too, by men in the Department of Defense who work daily with this program. Construction procurement officers feel they are tied by a rigid, inflexible program which cannot be ignored. It is their considered opinion that all construction procurement within the price range is automatically set aside and must be bid on only by small contractors unless they can prove the following conditions exist:

First. There will not be enough bidding by small firms to guarantee competition and a reasonable price.

Second. It can be shown the project is beyond the capability of small concerns to perform.

Third. Public safety demands speed beyond the capacity of small contractors to produce.

These criteria are not guesswork. They can be found in correspondence between officers of the Corps of Engineers and contractors. These criteria are not local in nature, either, but appear from this same correspondence to be nationwide.

In one letter, the district engineer at Seattle, Wash., writes:

> Under current instructions from higher authority, I am required to set aside for small business all work costing $500,000 or less which is advertised by this district. An exception to this procedure can be made only if it can be determined that adequate competition and reasonable prices will not prevail.

Note in this letter the emphatic manner in which the district engineer speaks.

In another letter, to still another contractor, the district engineer at Wilmington, N.C., has this to say about the tight limits placed on his discretionary power:

> This office must comply with this (set-aside) agreement except in rare cases where it can be shown that the work is beyond the capability of small business or where public safety requires speed beyond that capability.

There is the same emphasis in this letter as in the one from the district engineer at Seattle. The Seattle letter says the contracting officer is "required" to set aside these contracts. The Wilmington letter says the corps "must comply" with the program. Neither letter indicates the officer feels he has the kind of discretionary power attributed to them by the SBA.

These stipulations in the agreement between the Department of Defense and the SBA are obviously designed to hamstring the judgment of contracting officers. It is obvious nobody can determine at the time a contract is advertised and an invitation to bid is sent out whether there will be an adequate number of bids or how responsible the bidders will be. And it must be noted here that contracts are set aside for exclusive bidding by small contractors at the very beginning—when the invitation to bid is sent out. This automatically precludes a large number of bidders and thereby lessens the ability to determine if reasonable prices are offered.

I would like here to cite an example of how this works. A large construction firm, Peter Kiewit Sons' Co., was doing work at the Glasgow, Mont., Air Force Base. It came to the attention of their Montana area manager that another project at the base, involving Invitation No. ENG–45–108–61–151 was in the offing. This invitation covered construction of aircraft maintenance docks and support facilities. So, on April 27 of this year, he wrote to the district engineer at Seattle. After noting that the contract had already been set aside for small business, despite several conferences between the contractor and the corps, the contractor's agent says:

> The work is primarily of the heavy construction type including earthwork, gravel and crushed aggregates, asphaltic paving, underground utilities, and portland cement concrete paving. All of this work is of the nature and within the scope of work we have been doing at Glasgow AFB since May of 1958. We presently have at Glasgow sufficient equipment of the type necessary to perform this work. This equipment includes truck tractors, scrapers, dozers, motor graders, rollers, dump trucks, water trucks, belt loaders, screening plants, crushers, aggregate plants, hot-asphalt plants, asphalt laydown equipment, concrete batch plant, 34–E paver, transit mixers, concrete spreading and finishing equipment, trenching machines and miscellaneous supporting equipment. We also have at Glasgow sufficient qualified and experienced personnel for this type of work. In view of these circumstances we believe that we are in the best position to offer the Government the most competitive price for this work. In addition we are manned and equipped to insure the timely completion of this work.

To my way of thinking this is a logical assumption on the part of the contractor. The list of equipment needed for this project is staggering and it involves a pretty sizable investment, not only in capital outlay, but in the cost of moving the equipment to the site where it would be needed. It is indeed difficult to understand how or why the Corps of Engineers felt it had to continue the set-aside program on this particular project.

But back came the answer from the Seattle district engineer on May 4 of this year. In it he states:

> In the bid invitation under discussion I can recognize fully that competition is reduced by eliminating your firm and other firms defined as big business from the list of eligible bidders. However, it is not possible for me to make a finding that adequate competition and reasonable prices will not prevail.

The district engineer goes on to make a point which should have been obvious to everyone in the Department of Defense and the Small Business Administration as soon as this program was conceived. The engineer states further:

> I am sure you are aware there are few circumstances in which it is possible to make such a finding because, in fact, such a judgment can be confirmed only on the opening of bids.

By this time it is too late for the contracting officer to use any yardstick except the estimates, which have been made with the knowledge that the bidding will be limited to small business. And so, small business will have to move in the great masses of equipment and manpower needed for this job—while a short distance away the machinery is already available at no moving cost at all. We may never know exactly how much this operation will cost the American taxpayer, because the contractor was precluded from bidding. The moving cost alone must be pretty high on this kind and size of equipment.

This is not a unique example of what I have been discussing here. I have been provided another example and this one involves the Tidewater Construction Co. of Norfolk, Va., and a job at the Army Transportation Terminal, Sunny Point, N.C. The work involved replacing fender pilings and Tidewater, through its president, S. E. Liles, Jr., asked for and was furnished copies of the plans and an invitation to bid. Mr. Liles, in a letter to the district engineer on January 16, 1961, tells the story in these words:

> Immediately after we received the advertisement we were confronted with the fact that this job was set aside for small business.

This was particularly puzzling to Mr. Liles, as he explains further in his letter:

> Just a few months ago your office received bids on similar work at Sunny Point. Our company was the low bidder and our proposal was approximately 20 percent less than that of the second bidder. We were awarded the job and completed it promptly and, to the best of our knowledge, to your complete satisfaction.
>
> As we were completing the work covered by the contract, our representatives were approached and asked to furnish your office with prices for the replacement of additional piles, which apparently are now the subject of this separate advertisement. We made estimates and visited your Office, and apparently our prices were very much in line. We were informed that technicalities finally made it necessary not to accept our offer but to readvertise the job.

At this point in his letter Mr. Liles makes the observation which is also apparently the basis for SBA's contention that we do have adequate safeguards and the officer has discretionary power. He notes that the set-aside provision in the advertisement for bid carries the notice that:

> This action is based upon the determination of the contracting officer alone.

And he adds this pertinent observation:

> It would appear that the contracting officer still has some opportunities to exercise his independent judgment in certain cases.

Mr. Liles was soon disillusioned. The District Engineer at Wilmington, N.C., fired back an answer 2 days later. In that January 18 letter the contracting officer who is supposed to have such a wide latitude of choice, has this to say:

> Under a joint Small Business Administration-Defense program, the Assistant Secretary of Defense (Supply and Logistics) has entered into an agreement with the Administrator, Small Business Administration, whereby the Department of Defense agencies will consider that the Small Business Administration has initiated a joint set-aside request for each proposed construction procurement estimated to cost less than half-a-million dollars. This office must comply with this agreement.

I would like you to note the emphatic way in which this is stated. He feels he "must comply."

The district engineer goes on to say:

> It is true that your company had a contract for similar work at Sunny Point a few months ago and that your performance was entirely satisfactory to this office. The exclusion of your firm from bidding on this contract is in no way related to any past performance, but is due to the fact that we must comply with the joint Small Business Administration-Defense program which became effective after your recent contract was awarded.

Once again, we will probably never know just what the savings to the American taxpayer could have been on this project. We do have in the Tidewater letter the basis for an educated guess, and that guess would be just about 20 percent. That could have been an important saving to the Government.

This exchange of letters bears on another point which I have heard repeated often by those who so strongly advocate this set-aside system for Government construction. In discussing this with SBA people I have been told:

> Well, big contractors are likely to submit a low bid on one of these projects because they know that it cannot be considered and they just want to embarrass the SBA.

On the face of it this is a ridiculous statement. It costs a contractor, large or small, many hundreds, sometimes thousands, of dollars to prepare a bid. It involves paperwork, estimators, and so forth.

Here, though, we have a clear-cut example refuting this SBA claim. The contractor involved had just gotten through doing a very similar job. He had submitted a low bid, 20 percent below his competition. His performance on that contract was so well accepted by the corps that they approached him about doing further work. Once again, they discussed prices and, again, the corps seemed pleased with the offer that was made. There can be no question here about anybody submitting a fake bid or trying to embarrass anyone.

I have mentioned here the attitude that the contracting officers take toward this set-aside business—how they feel they must operate. This belief that they are faced with a rigid, inflexible program is nationwide.

How about the SBA itself? The Administrator assures us that there is no intent of inflexibility. Some of his people apparently feel otherwise. On November 17, 1960, a Mr. Larry Nieman, Director of the Small Business Administration's Omaha office, appeared before a joint meeting of representatives of the Associated General Contractors and the district office, Corps of Engineers. I quote now from the minutes of that meeting:

> Mr. Nieman explained that he was Director of the Small Business Administration office located at 7425 New Federal Building, Omaha, Nebr., and that his jurisdiction was the entire State of Nebraska and all Government work originating in Omaha; consequently, all projects within the Omaha district are within his jurisdiction. He explained that small-business set-asides would apply to all jobs below $500,000 and above $2,500.

Now these were minutes of the meeting. If he had qualified his jurisdiction in any way or the application of this program in any way, it would be certainly reflected in the minutes. Apparently, then, SBA's people themselves are of the opinion that this applies to all construction in this category. Set-asides then are automatic.

In my June 13 study of this basic problem to a large segment of our American industrial economy, I pointed out that the construction procurement agencies themselves consider that price increases to the American taxpayer are inevitable under the set-aside program because of a lack of free and open competition. The Corps of Engineers ran an analysis in which they estimated the difference between the low bid by big firms and that of small firms—during a period when there was no set-aside restriction—ran to 12 percent. I have cited examples previously demonstrating a price increase ranging from 2 percent to 83 percent which the American taxpayer, now or in future generations, will have to pay.

The reason for this cost increase is well known throughout the construction industry itself. It is simply that any time there is a restriction on bidding, no matter for what reason, costs will go up to the purchaser. When bidding is open to all on a free and competitive basis as it once was under both Armed Services and General Procurement Regulations, costs are kept down.

This fact of the free enterprise system is recognized in a number of the basic laws of our country including, for example, the Renegotiation Act. That act exempts from its provisions all construction awarded through competitive bids on the theory that whenever there is true competitive bidding there will not be excessive profits from the contract. The Renegotiation Board has ruled that whenever there are restrictions on bidding, a contract is not obtained through true competition and therefore is subject to the provisions of the Renegotiation Act. The basis for this ruling is that when competition is restricted, prices are higher and there is a strong possibility of excessive profits from the contract.

In view of this, the Small Business Administrator in his statement to the select committee made a surprising assertion.

On page 15 of his prepared statement, the Administrator says:

> Although it has been claimed that the set-aside program is costing the Government more money, Secretary of the Navy Connally, in testifying recently before your procurement subcommittee, while acknowledging that there may be such instances, said, "I don't know of one where the Navy or the Government has wound up paying more money for an item as a result of doing business with small business firms."

I say this is a surprising assertion on the part of the Administrator because he knew better. On June 13 I cited for the House three specific examples of where the Navy had paid higher prices because of the set-aside program. That was 8 days before Mr. Horne made his statement and he most certainly had a chance to examine the RECORD before then.

I am surprised, too, that the Secretary of the Navy would make such an assertion. He had merely to check with his Bureau of Yards and Docks and he could have found the answer. It was spelled out by that Bureau in testimony appearing in part 2 of the General Government-Commerce hearings on page 474. On that page Admiral Corradi cites three specific examples. If the Secretary of the Navy cared to look further I am sure he could find more. It might be a project well worth his undertaking.

SBA not only has the power to set aside contracts on an automatic basis, and by so doing nullify the judgments of the contracting officers, it has the power to certify any small business firm as competent to do just about anything. And once again, the sound judgment of contracting officers is reversed.

A typical example of what can happen under this system came to light down in Greenville, Miss., where the Government owns a plant which manufactures concrete matting used in flood control work. The situation seemed to me so outrageous that I asked the Comptroller General to examine it thoroughly. He has done so and I would like to give you a report on his findings.

Although owned by the Government, this plant is operated by contractors on a year-to-year basis. As was the usual custom, the district engineer at Vicksburg, Miss., issued an invitation to bid. The contract involved the manufacture of 75,000 items. In his report, the Comptroller General states:

> Three bids were received and opened on February 25, 1960, with the C. G. Kershaw Contracting Co. the lowest bidder. The dis-

trict rejected the Kershaw bid on the basis of an administrative determination that neither the Kershaw Co. nor its principals had the capacity nor the business integrity necessary to perform the work.

So, what happened?

The Kershaw Co. appealed to the SBA and got a certificate of competency from that agency. This certificate was binding and so the award went to the Kershaw Co.

The results are outlined in the GAO report:

District officials have informed us * * * that contract specifications permitted three-fourths of 1 percent rejects, or 627, whereas actual rejects amounted to 1.3 percent, or 1,074. The quantity of rejects was greatly in excess of that experienced by the district in previous contracts for this work.

Also, we were informed that, because of the poor management practices of the contractor, the job was "strung out," making substantial overtime work necessary. The original contract completion date was February 21, 1961, but additional time allowed extended the completion date to March 30, 1961. The contractor completed casting on March 21, 1961. Because of the large percentage of rejects, district officials also expressed apprehension as to whether the mats produced will prove satisfactory when actually laid next year.

That this decision by SBA to overrule the judgment of the district engineer cost money can be demonstrated by quoting further from the GAO report:

District officials state that administration of the Kershaw contract will involve substantial costs in excess of those incurred in connection with similar contracts in preceding years. The original Kershaw contract covered the casting of 75,000 mats at a price of $577,400. On November 17, 1960, the contract was modified to provide for an additional 8,000 mats at a price of $61,700. Total contract price amounted to $639,100. However, district officials estimate that additional costs of about $32,000 have been incurred to date in the administration of the contract. The additional costs are attributed primarily to the necessity of increased inspection of the contractor's operation, large amounts of correspondence with the contractor, numerous conferences held between the parties, and the processing of claims filed by the contractor.

In addition, district officials estimate that the cost of handling the contractor's claims which are still unsettled will amount to another $3,000 to $10,000.

Thus, a bureaucratic decision to overrule the judgment of the contracting authority has cost $32,000 already, could cost an additional $3,000 to $10,000. Assuming the Government does not have to pay any of the claims filed by the contractor, this one deal will have cost nearly 6 percent additional.

No matter which way you turn, it seems that in this particular area, bureaucracy rules supreme—and at a high cost to the American taxpayer at every turn.

I would like to examine one other phase of this problem upon which I have not touched before, and that involves some very serious legal and constitutional questions in this set-aside program in construction.

I have consulted with competent legal authorities, men expert in the field of constitutional law and I would like to report their findings.

The fifth amendment to the Constitution of the United States provides in part:

No person shall * * * be deprived of life, liberty or property without due process of law.

The right to carry on a construction business on an equal basis with all other contractors is a property right that is guaranteed by the Constitution and backed up by numerous court decisions. Neither Congress nor any Federal administrative agency has the right to infringe upon, limit, or destroy that right.

In volume II, "American Jurisprudence", "Constitutional Law", section 336, page 1147, it is stated:

The right to earn a livelihood by following the ordinary occupations of life is protected by the Constitution; such protection is particularly found in the guarantees of the 14th amendment. It has been said that the preservation of such right is the principal purpose of the Constitution itself and is of the very essence of the personal freedom and opportunity that it was the purpose of the 14th amendment to secure. The right is fundamental, natural, inherent, and inalienable, and is one of the most sacred and most valuable rights of a citizen. A person's business, occupation, or calling is "property" within the meaning of the constitutional provisions as to due process of law and is also included in the right to liberty and the pursuit of happiness.

In *Butchers' Union Co.* v. *Crescent City Co.*, 111 U.S. 746, 756, 757, an old but a respected case, Mr. Justice Field said:

As in our intercourse with our fellow men certain principles of morality are assumed to exist, without which society would be impossible, so certian inherent rights lie at the foundation of all action, and upon a recognition of them alone can free institutions be maintained. These inherent rights have never been more happily expressed than in the Declaration of Independence, that new evangel of liberty to the people: "We hold these truths to be self-evident"—that is so plain that their truth is recognized upon their mere statement—"That all men are endowed"—not by edicts of emperors, or decrees of Parliament, or acts of Congress, but "by their Creator with certain inalienable rights"—that is, rights which cannot be bartered away, or given away, or taken away except in punishment of crime—"and that among these are Life, Liberty and the pursuit of Happiness, and to secure these"—not grant them but secure them—"Governments are instituted among Men, deriving their just powers from the consent of the governed." Among these inalienable rights, as proclaimed in that great document, is the right of man to pursue their happiness, by which is meant the right to pursue any lawful business or vocation, in any manner not inconsistent with the equal rights of others, which may increase their prosperity or develop their faculties, so as to give to them their highest enjoyment. The common business and callings of life, the ordinary trades and pursuits, which are innocuous in themselves, and have been followed in all communities from time immemorial, must, therefore, be free in this country to all alike upon the same conditions. The right to pursue them, without let or hindrance, except that which is applied to all persons of the same age, sex, and condition, is a distinguishing privilege of citizens of the United States, and an essential element of that freedom which they claim as their birthright. * * * In this country it has seldom been held, and never in so odious a form as is here claimed, that an entire trade and business could be taken from citizens and vested in a single corporation. Such legislation has been regarded everywhere else as inconsistent with civil liberty. That exists only where every individual has the power to pursue his own happiness according to his own views, unrestrained, except by equal, just, and impartial laws.

More recently, in *Greene* v. *McElroy*, (1959), 360 U.S. 474, 3 L. Ed. 2d, 377, 79 S. Ct. 1400, the U.S. Supreme Court held that the right to follow a chosen profession free from unreasonable Government interferences comes within the liberty and property concepts of the fifth amendment.

A similar conclusion was reached in *Peters* v. *Hobby* (1955), 349 U.S. 331, 99 L. Ed. 1129, 75 S. Ct. 790. In that case Justice Douglas wrote a separate concurring opinion in which he stated that one of man's most precious liberties within the meaning of the fifth amendment is the right to work.

In *Schware* v. *Board of Bar Examiners* (1957), 353 U.S. 232, 1. L. Ed. 2d 796, 77 S. Ct. 752, the Supreme Court held that a State cannot exclude a person from the practice of law or from any other occupation in a manner or for reasons that contravene the due process or equal protection clauses of the 14th amendment.

In volume 12, "American Jurisprudence," "Constitutional Law," section 472, page 135, the rule is stated:

Certain dicta of the Supreme Court in tax cases and the application to congressional legislation of the same rules as to classification which are applied to determine the validity of State legislation under the equal protection clause of the 14th amendment indicate that the Supreme Court often tests the validity of Federal legislation under the due process clause of the fifth amendment by the same rules of equality that are employed to test the validity of State legislation under the 14th amendment.

The set-aside program, as it is being applied to the construction field, that is, on an automatic basis, and to government construction contracts, deprives all contractors who do not qualify as small business of the right to bid on a large volume of government construction work and thereby limits or destroys their constitutional right to carry on a legitimate business, a normal occupation.

Many contractors whose annual revenue is only slightly larger than $5 million, depend almost entirely upon Government contracts of $500,000 or less for their source of income. The set-aside program will force them out of business and destroy their right to carry on their chosen occupaton.

Many larger contractors also depend for a portion of their income upon a volume of Government business involving contracts of $500,000 or less. While these contractors will not be forced out of business their right to carry on their business upon the same conditions as are afforded to other contractors is taken away from them.

On page 505 of the General Government-Commerce Hearings, part II, the Administrator was asked to comment on this situation. His reply follows:

Mr. HORNE. Any time you get in these areas you are bound to help some and hurt others.

Mr. Speaker, I submit that the Constitution does not give any administrative agency that authority.

IMMIGRATION-REFUGEE LEGISLATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. LINDSAY], is recognized for 60 minutes.

Mr. LINDSAY. Mr. Speaker, in each Congress we are required to survey many of the Nation's needs and to act resolutely to meet those needs. I recognize that no one Congress is capable of meeting every national need and priorities of importance must be established. This does not mean, however, that the majority leadership in the Congress should with impunity, year after year, relegate to the legislative cellar subjects which are not to their particular liking. Immigration and refugee legislation are among such subjects. Immigration reform is long overdue. Our refugee legislation is woefully inadequate. The majority's inaction in these fields—even worse, its refusal to act—can no longer be excused.

The archaic restrictions that bind our immigration policies reflect a provincialism that ill befits us. We give the impression, both at home and abroad, that we are obsessed with a xenophobia that is neither reasonable nor sensible.

I am concerned particularly with the national origins quota system—a system which purports to preserve the ethnic composition of quota immigrants and concomitantly the ethnic and racial balance of the country. The McCarran-Walter Act bases its quota system upon the white population of the United States in 1920, divided up—arbitrarily at that—between ethnic groups. In rewriting the law we must depart as far as we can from this system. The total population according to the 1960 census should be used as a base, not just the white population as it stood in 1920. Quotas should be divided up, insofar as possible, according only to U.S. needs and priorities of applications.

Our refugee law is inadequate. It is confined to a very limited number of Europeans. It excludes all others, and does not give us a base upon which we can exercise real leadership in the world refugee problem.

The McCarran-Walter Act discriminates against naturalized citizens. It contains unnecessary penalties which makes them second-class citizens.

Reform immigration legislation must be considered now. The Eisenhower administration recommended legislation to liberalize our immigration laws in the 84th, 85th, and 86th Congresses. Congress refused to act. In this Congress I have waited expectantly for a message from the new administration on the subject of immigration, and to date there has been silence. Can this be another subject, like civil rights, that the administration wants shoved into the legislative cellar? Is this yet another broken campaign promise?

The 1960 platform of the Democratic Party states:

> The national origins quota system of limiting immigration contradicts the founding principles of this Nation.

The platform calls for an end to discrimination in immigration policies, revision of the quota system, removal of the distinctions between native-born and naturalized citizens and admission of a fair share of refugees. It expresses confidence "that a Democratic President in cooperation with Democratic Congresses will again implant a humanitarian and liberal spirit in our Nation's immigration and citizenship policies."

This is high sounding language my friends. But it becomes clearly apparent that these are just words, full of sound and fury before the election, but signifying nothing after the election. What a cynical approach to the public welfare this is. In contradistinction, the Eisenhower administration repeatedly called for legislative reform of our immigration and refugee policies. A Democratic Congress refused to act. The Republican platform calls for basic amendments of the McCarran-Walter Act. I and others on the minority side have introduced omnibus reform legislation, which I shall talk about in greater detail.

An integral and essential facet of overall immigration policy is the refugee problem.

In the years since World War II over 40 million human beings have been involuntarily uprooted from their homes and have crossed frontiers, artificial or traditional, in search of asylum. The tragic proliferation of refugees all over the world is one of the legacies of an era convulsed by two World Wars and many smaller wars, revolutions, civil conflicts, and surging nationalist movements. Refugees are both the product of political tensions and the cause of new unrest. Wherever refugees exist two elements are present: human misery and political tensions. The refugee is the pawn of power politics, a source of conflict between the state of origin and the asylum state. With dismal regularity in the postwar world, the immediate political issues generated by refugees have become caught up in the larger issues of the cold war.

Wherever there is an unsolved refugee problem, there is thus a tragic human situation and a potentially explosive political situation. Refugee problems do not solve themselves; on the contrary, they are self-exacerbating. When neglected—as they all too often have been—human misery abounds and political tensions are aggravated.

Consider for a moment the human dimensions of the "refugee problem." In the course of a world tour of refugee camps last autumn, I observed thousands of children and adults living without hope, without the barest material comforts, and above all, without the conditions of human dignity which we Americans have come to accept as our birthright.

My first onsite experience with an exploding refugee situation occurred in the autumn of 1956 when I served as the representative of the Attorney General of the United States in Austria and Germany for purposes of setting up machinery under which almost 40,000 refugees from the Hungarian revolution might be brought into the United States. Many an early dawn I stood on the Austrian side of the bridge at Andau and watched Hungarian refugees come over the freezing swamps and canals. It was a sight and an experience that I shall never forget. Anyone who has witnessed the chaos, the fear, and the suffering of human beings in mass flight from their homes and their homelands can never again think of the plight of uprooted populations as anything less than an urgent demand on conscience and compassion.

The United States can scarcely press for solutions to world refugee problems without offering to accept some of the refugees themselves. I do not suggest that we must open our doors to massive immigration, but I do maintain that we are under the strongest moral obligation, in advancing an overall resettlement plan, to participate in such a plan by offering homes within our own country to at least a reasonable number of refugees. Such action would require certain basic reforms in our immigration legislation.

Another concept currently imbedded in our immigration policy is the system of involuntary loss of nationality by naturalized citizens through residence abroad. In this area we have witnessed a shift from a rebuttable presumption of voluntary expatriation to a conclusive establishment of expatriation.

Historically expatriation was the act of the citizen, not the state. Simply by a change of abode for a period of time a naturalized citizen is conclusively presumed to have renounced his allegiance to the United States. This distinction creates a broad gap between the rights of native born and naturalized citizens and no system of exceptions, as are currently contained in the law, can rectify such a discrimination. The current expatriation provisions are arbitrary and repeal is warranted.

Mr. Speaker, I am today introducing immigration legislation designed to make necessary and workable revisions to the Immigration and Nationality Act.

Included in my bill are the following major features:

First, in order to eliminate the current obsolete quota system formula based on the 1920 census my bill establishes an annual quota computed on the basis of the total U.S. population according to the 1960 census. This would result in an annual quota of about 300,000 instead of the present quota of 154,000. The quota for each minimum quota area would be raised from 100 to 200. This would include the countries in the "Asia-Pacific triangle." In fact my bill abolishes that classification.

Second, my bill provides that all unused annual quota numbers will be placed in a general quota pool, without distinction between areas, which will be available for allocation to the quota

areas whose quotas were oversubscribed during the previous fiscal year. Each such oversubscribed area will receive a percentage of the number of visas in the quota pool in the ratio that its assigned quota bears to the aggregate quota of all oversubscribed quota areas.

Third, the bill contains provisions which would allow new political entities an immigration quota of not less than the subquota or minimum quota for the area previously comprised.

Fourth, refugees are defined in the bill as including persons forced to flee from Communist territory or from a country in the Middle East because of persecution or fear of persecution. The definition also includes persons who are victims of war, political upheaval, or natural calamity who are unable to return to their former homes.

Fifth, where the President finds that an emergency situation such as the Hungarian revolt has arisen causing the creation of large classes of refugees, he may, by proclamation, direct the Attorney General to parole into the United States, refugees as selected by the Secretary of State. Furthermore, the Attorney General is authorized to parole into the United States refugees selected by the Secretary of State in any fiscal year up to 10,000 per year.

Sixth, my bill provides for the subsequent adjustment of the status of such parolees, within prescribed procedures, to that of permanent residence. The Congress will retain veto power over such admissions.

Seventh, the bill further provides, that during the next 2 years a total of 20,000 special nonquota immigrant visas will be authorized for refugees and their spouses and children if accompanying them. Up to 10,000 of these special nonquota visas will be available for unsettled hard-core refugees now in refugee camps under the auspices of the United Nations High Commissioner for Refugees. The provisions of the Immigration and Nationality Act with reference to exclusion because of tuberculosis will be waived as to such unsettled hard-core refugees in United Nations camps.

Eighth, my bill authorizes the Secretary of State to make grants to public and private agencies in the United States for the purpose of financing the resettlement of refugees in the United States for the next 2 years in conjunction with the special 20,000 nonquota visas that would be authorized. These grants would include some assistance for the care and rehabilitation of the nonsettled, hard-core refugees.

Ninth, the bill eliminates the requirement that an alien furnish information as to his race and ethnic classification in an application for an immigrant or nonimmigrant visa.

Tenth, my bill eliminates the current discriminatory provisions in the law under which naturalized citizens can be deprived of their citizenship because of sustained residence abroad in excess of 3 years in their country of origin and 5 years elsewhere.

Mr. Speaker, the need for prompt and effective action in the area of immigration policy appeals to our conscience and to commonsense. I know of no one who is satisfied with the law as it now stands. And yet few are willing to press for positive reform. It is time that we had it. I ask for support for my bill. And in so doing I ask the majority in the Congress and the administration to honor its commitment to the American people.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to the distinguished gentleman from Illinois.

Mr. DERWINSKI. Mr. Speaker, I believe the gentleman from New York is performing a true public service this afternoon by calling this matter to the attention of the House. I know the gentleman agrees with me when I comment that it is rather ironic, to say the least, that our Nation which in its entire history has prided itself on its ability to absorb people from all sections of the world, should in recent years develop what amounts almost to a deliberate closed-door policy which, as the gentleman has indicated, definitely discriminates against these refugees who are still suffering as a result of wartime dislocation.

I know the gentleman has worked hard in the previous session, specifically in his committee, to advance sound, constructive legislation. I certainly hope that his remarks this afternoon will receive the attention of the Members and most certainly the support of the Members as well.

Mr. LINDSAY. I thank the distinguished gentleman from Illinois. I know that the gentleman, himself, is the author of comprehensive omnibus legislation dealing with the problem of immigration. I think the gentleman, as well as I, have a right to ask that the appropriate committee of the House, the Committee on the Judiciary, hold hearings and that the majority side of that committee listen to our plea for a full-scale hearing on the subject of omnibus immigration reform.

Mr. Speaker, as indicated, I am not going to go into details of the bill that I have introduced. Suffice to say for the present, it deals with the subject of the national origins system, deals with the knotty problem of reform in that area.

It brings the quota system up to date by using as a base the 1960 census. It makes full and complete use of all unused quotas. It removes the built-in discriminations of the McCarran-Walter Act, particularly those provisions which make unnecessary distinctions between naturalized and native-born citizens, and it deals realistically and positively with the subject of refugee legislation, one of the most neglected and one of the most important subjects of all.

If the United States is to take a leadership position in the effort in the Middle East, for example, to relieve tensions in that area and other tension-danger countries and areas then it must be willing at least to adopt domestic policies of its own that do not continue to reflect an obsession of exclusion, zenophobia is the word that is used, and we are still possessed with it and gripped with it here in the United States.

Until this country is willing to act courageously on the subject and this administration push legislation or even offer legislation it seems to me we cannot hold our head up as high as it should be held in the council of nations.

The need for prompt and effective action in this area—immigration policy—appeals both to conscience and to commonsense. I know of no one who is satisfied with the law as it now stands and yet few are willing to press for substantial reforms.

U.S. RELATIONS WITH LATIN AMERICA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Alabama [Mr. SELDEN] is recognized for 60 minutes.

Mr. SELDEN. Mr. Speaker, almost half a year has passed since President Kennedy first pledged a fresh beginning at meeting the critical political and economic challenge to U.S. relations with Latin America.

Some might argue that in terms of long-range objectives, half a year is too brief a period to assess fairly the progress being made by the administration in its efforts to carry out this pledge. Yet half a year, when working in an area where positive action is long overdue, is a great deal of time in today's world.

On his return from Latin America last week, Ambassador Stevenson expressed the opinion that our position there has deteriorated since his visit of only a year ago. And the President himself has emphasized that time is not running in our favor in the struggle against the inroads of international communism.

In short, we do not have 6 months to lose. We do not have a day to lose when our enemy has marked the southern part of our hemisphere as a major battlefield in the cold war.

As chairman of the Inter-American Affairs Subcommittee of the House Committee on Foreign Affairs, I fully recognize that the Kennedy administration inherited an unenviable situation in Latin America last January. I also recognize that the administration and the Congress have made a beginning at long-range planning for the development of Latin America through enactment of legislation to help implement the Alliance for Progress envisaged by the President.

But the fact remains that while the administration inherited the burden of past mistakes, time enough has elapsed to determine whether it has profited from the past in its own conduct of Latin American affairs. And while we have moved in the direction of long-range objectives, the fruits of these newly formulated cooperative efforts with Latin America will take time to mature.

Yet the Communist challenge to Latin America is imminent. It does not mark time for political transition in the United States. Unless met day to day

and month to month, it can and will make mockery of our long-term aspirations.

The mass of impoverished Latin Americans must be convinced, by action and not words alone, that their governments are genuinely concerned with their plight, and that, with the cooperation of the United States, they are on the way to accomplishing tangible results.

Moreover, the governments of Latin America must be convinced, if they are not already, that while we are working to provide assistance for social and economic development, we cannot ignore our obligation to meet the immediate threat of Communist infiltration in this hemisphere.

The Americas can look forward to Alianza para Progreso. But what is needed now, today, is Accion para Progreso—swift, firm, and well-directed action to meet and turn back the Communist offensive in Latin America.

Are we getting such action? Has the policy drift in our Latin American relations been arrested? Are we nearer today than we were half-a-year ago toward regaining the initiative in Latin America?

In my opinion, the answer to each of these questions is—No. Despite the hopes raised by initial efforts to implement long-range programs, despite speeches, task force reports, and white paper, U.S. Latin American policy fundamentally remains one of drift rather than drive, of response rather than initiative.

Today, the primary attention of the administration and of the American people is focused on the crisis evolving out of what Premier Khrushchev cynically describes as a bone in his throat—West Berlin. But what of the cancer within our own inter-American system—Castro's Cuba? We intend to make it clear that we will defend West Berlin from the Communists. But have we made it equally clear that we intend, by action and not words alone, to defend our own hemisphere from communism?

Or shall we once again respond to the Communist timetable, give priority to their strategic aims, and defer action for 6 more months in meeting the Red threat to Latin America?

The presence of a Communist government in this hemisphere weakens our position throughout the world. It saps the strength of the inter-American system. If there is a single principle upon which the historic integrity of this country rests, and upon which the Pan American movement is based, it is the principle of noninvolvement of foreign powers in the affairs of this hemisphere.

So long as there is a Communist Cuba, it will serve to hinder, even offset, every constructive effort we undertake in Latin America. Its purpose, like that of its Moscow and Peiping mentors, will be to aggravate existing tensions and promote conditions of instability. Its tyranny, less than 100 miles from our shores, derides the policy of the greatest nation of the free world and weaken our posture, not only in Latin America, but throughout the world.

Fidel Castro has intimated, and there are those who believe him, that the United States has not dealt firmly with Cuba because we fear Soviet reprisals—because the United States is a weak leader. The United States did indeed lose prestige as a result of the abortive invasion attempt of recent months—not because of our association with that venture, however, but primarily because it failed.

Is there any wonder then that doubt exists in the minds of Khrushchev, Castro, and even among the uncommitted peoples of the world, that we, who cannot take measures to guarantee Havana, Caracas, or Brasilia for the free world, will take them to guarantee West Berlin. Is such a nation one upon which uncommitted peoples, who must respect force because of its imminence if not its principle, can rely in a time when the Soviets and their agents are threatening the use of force?

The need for action in Latin America, therefore, is not separable from the crisis in West Berlin. We cannot defer it without peril.

To date, however, Latin American leaders have balked at collective action against Cuba on grounds that this would constitute intervention in the internal affairs of another state. This not only ignores the fact that international communism is itself engaged in flagrant intervention, but it also ignores the essential obligations, under OAS treaties and commitments, to the principle of collective security.

On May 17, the Members of this body voted overwhelmingly to approve a resolution which I introduced in early April. This resolution expressed the sense of Congress that such steps as may be necessary should be taken to initiate action through the Organization of American States against the Communist regime in Cuba. During consideration of this legislation, I emphasized that the OAS is not lacking in authority to act against a Communist government.

Under the Rio Pact, the American Republics may resort jointly to the use of sanctions and/or armed force in eliminating a threat to the hemisphere.

The Declaration of Caracas, agreed to in 1954 when communism had infiltrated the Guatemalan regime, specifically describes communism as an extracontinental threat to the hemisphere.

As these provisions relate to Cuba, there can be no reasonable doubt that the OAS has the legal authority and obligation to act collectively against a government that is openly communistic and stands in defiance of every inter-American principle.

But while the obligation is apparent, the will to meet it is yet lacking on the part of some Latin American governments. Nonintervention has thus become an excuse to avoid our hemispheric commitments to collective security.

What, then, does the United States, the leader of the hemisphere, propose to do? Is the leader itself to be led, and led away from its commitments, not only to the hemisphere but to its own national interest?

If the representatives of the American people do not have the answer, I believe the people themselves do. They want action. They applauded the President when, immediately following the Cuban invasion fiasco, he implied that action was forthcoming. But they are still waiting, and waiting impatiently for some indication that the President means what he says.

Considering this popular mood, I believe that unless collective action is undertaken to rid the hemisphere of the Castro cancer, the American people ultimately will demand a unilateral solution, or a multilateral solution supported by those Latin American nations which will honor their hemispheric commitments.

Yet, while the need for action is urgent and the popular support for it overwhelming—as was demonstrated by the almost unanimous House vote given my resolution proposing OAS sanctions against Cuba—our Latin American policy continues its dangerous drift, under the guidance of those who believe that our long-range economic plans can meet an immediate Communist threat.

For months now, we have moved with tentative and mincing steps toward enlisting the support of Latin American nations for collective action. Tactful, but forceful, bargaining is long overdue.

Possibly some Latin American governments do not take the President of the United States at his word when he declares that this Nation will not long defer action of some kind. It might well be that these governments have some doubt concerning the will of our own Government which, while seeking collective sanctions, is not itself applying complete unilateral sanctions.

I refer specifically to the fact that we, at this very hour, are still doing business with Cuba. From January through March of this year, U.S. imports from Cuba amounted to $11.5 million. Of this total, $9.4 million constituted goods arriving in U.S. ports. On the basis of these first-quarter statistics, the 1961 estimate of imports from Cuba will be $37.6 million; of total imports, including goods for transshipment, the total will be $46 million.

Early this year I urged that action be taken to stop all U.S. imports from Cuba. This could have been done, and it can still be done, by invoking the Trading With the Enemy Act. Such action would mean an end to Castro's remaining source of dollar exchange—and it would mean more. It would serve notice that the United States, by deed as well as word, is totally committed to the ultimate eradication of Communist influence in this hemisphere.

It seems incredible that we, at this late date, are still doing business with Castro. Equally baffling, in my opinion, is the fact that until last week, for a period of several months, the United States did not have a permanent Assistant Secretary of State for Inter-American Affairs.

Whatever the administration's reasons for delaying this vital appointment, its effect on policy and staff coordination among career staff personnel and Latin American diplomats has been demoralizing. At the same time, dispersion of authority for the formulation and direction

of Latin American policy has deterred efforts to strengthen our position. With the appointment of a new Assistant Secretary, this situation can be improved. But for the future, if the Assistant Secretary is to do the job that must be done, it is necessary that his authority and responsibility be clear—and that he be willing to accept it.

I believe it fair to judge the administration's conduct of our Latin American affairs in the light of its own stated objectives in the area. The President himself has been among the foremost to point out that our policy in prior years has been vitiated by indecision and a business-as-usual pace, despite warning signs that action was needed. To look ahead toward the next decade in Latin America is a prime goal; but 1971 can be lost by indecision and failure to act upon the immediate problems of 1961.

In this regard, I believe that the Kennedy administration has fallen short in its approach to Latin American policy. In my opinion, the past half-year has seen an ominous continuation of the policy of drift and wait that has characterized our relations with Latin America in recent years.

Yet as the President himself said in his inaugural address, while the time for action grows short, there is still time.

The administration, having by now sounded out the governments of Latin America as to their intentions concerning Castro's Cuba, should move swiftly and firmly to carry out our hemispheric commitments.

The administration, having given notice that it intends to carry out these commitments multilaterally or, if all else fails, acting in our own national self-interest, should demonstrate to the world that this Nation still means what it says—whether in West Berlin or in our own hemisphere.

The administration, having the overwhelming support of the American people in any effort it undertakes to eradicate communism from our hemisphere, should take strength from the fact that our people are indeed willing to undergo any risk or make any sacrifice to preserve our way of life.

This final point—that our people are ready, willing, and able to respond to the Communist challenge to the Americas—is the essential truth which the President, of all Americans, should best understand.

He has called for sacrifice. If he has any doubts about the will of our people to answer this call let them be resolved. For the fact is that if the administration has suffered failures in its Latin American policy, its ultimate failure lies in underestimating the true determination of our people.

Therefore, let us make it clear to our friends in Latin America that the people of the United States are not content with a policy of drift and wait, and that while we are and will continue to be a well-meaning people, we have not lost the ability to be a well-doing people—whether the task be aid to a friend or dealing with an enemy.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. SELDEN. I am happy to yield to the distinguished gentleman from Florida [Mr. FASCELL.]

Mr. FASCELL. Mr. Speaker, the gentleman from Alabama is chairman of the Inter-American Subcommittee of the Committee on Foreign Affairs. It has been my privilege to serve with him on that subcommittee for some time. I must say that the gentleman is very assiduous in his duties, he is sincere, he is dedicated, he is a student of the Latin American and Inter-American problems. I commend him for his dedication and his sincerity. I must certainly concur in his analysis. He has put his finger right on the problem that confronts us as a Nation, not only in Latin America but throughout the world. We know we have long-range objectives and the means to deal with those long-range objectives.

Our whole difficulty and our frustration as a Nation stems from the fact that we need short-term action, or action now, as the gentleman has so well put it, but we need this desperately in Latin America because of the stepped-up Communist penetration in that area. The events of the past 40 years have culminated in Russian and Chinese penetration in Latin America. The statement by the head of the Cuban Government shows that he is now openly and publicly a Communist, and so are his people, and that should leave no doubt for anybody.

Now, there are those who say what we should do at this point is to leave the matter of Cuba isolated to themselves and go on about our business in Latin America. We have programs which in the long run obviously will do some good; but, as the gentleman has said, the long-range program will not answer the threat of communism in Latin America which has put so much pressure on all of the existing governments that we do not know from one day to the next which one will go. Cuba cannot be isolated in that sense from all of the problems in Latin America. I have advocated a complete embargo in and out of Cuba for several months, under the previous as well as this administration. I do not care whether it affects tobacco, cigars, molasses, tractors, or anything else. But, this is, as the gentleman has said, a definite action which shows what we need. I agree with the gentleman we should do that and we should attempt to get coordinated action and act in concert through the Organization of American States. Now, we have been trying to do that, as the gentleman said in his speech. This Government under this administration has made efforts to get these votes. We are not sure that we have them. When the gentleman from Alabama and I made our trip through South America last year, we came back in November with the conviction we did not have the votes then. I am satisfied we do not have the votes today. So, we are faced with the fact, and I will say it again as I said in November when we got back, it is time for our friends to stand up and be counted. Now, if they do not want to stand up and be counted, then it is time for us to find out about it publicly. Let our people know about it publicly and direct our course of action to meet the specific Communist threat in Latin America without any further to-do. So, I am for joint action, if we can get it, and the immediate thing to do now is to effect complete embargo.

The Cuban refugee problem, coupled with high unemployment in the Miami area, presents one of the most explosive situations in the United States today. Since it is now generally conceded that there is no immediate opportunity to resettle in their homeland, the Cuban refugee stay in Miami is no longer a temporary matter.

In the last official report, it was estimated that there were over 80,000 Cuban refugees, and they are still coming into Miami at the rate of 600 to 1,200 a week. For the most part, these people are destitute. Obviously, Greater Miami by itself cannot take this continuing impact of people and their attendant problems.

The whole matter is compounded because our area is now one of substantial unemployment. Rightly or wrongly, it is being claimed by many that the Cubans have taken many employment opportunities formerly available to Americans. This could lead to a very bad situation if allowed to continue and not given immediate, remedial attention.

Accordingly, some time ago I asked the Secretary of Health, Education, and Welfare, who has been charged by the President with the responsibility of operating this program, to institute a resettlement program.

I now ask the Secretary of Health, Education, and Welfare to reevaluate the entire Cuban refugee program and to give immediate and special emphasis on accelerating my request for relocation and resettlement of the Cuban refugees out of the Miami area.

These Cubans who are here are fleeing from Communist tyranny and do not seek charity. In my judgment, it would be a mistake for us to feel that the only solution to their problem is to hand them a relief check and emergency supplies.

We must make strong and concerted efforts on more than a temporary basis to reorient these people in other areas and give them an opportunity to make their own livelihood until such time as they are able to return to their own homeland.

Our local citizens, churches, and community have done an outstanding job. They have opened up their hearts and pocketbooks to these people, but there is a limit to their ability to assist and to the number of jobs in Greater Miami that can be given to the Cuban refugee.

Obviously, each Cuban refugee knows that for every job held by one of the refugees, an American worker has been displaced, and this in an area where there is already a shortage of jobs.

It is doubtful, under present circumstances, with the continuing flow of refugees into the Miami area, that any more refugees can be absorbed into the economic lifestream of our community. In fact, we have already passed a reasonable level of absorption.

It will take considerable local effort and support to launch an immediate and effective relocation program in the proportion needed.

Accordingly, I call on and ask our community leaders who have so generously given their time and attention to this whole problem from the very beginning to assist in this most important effort of resettlement.

This committee should be composed of local governmental officials, church leaders, officials of the press, business people, labor leaders, and representatives of the Cuban refugees. We must, at the local level, make every effort to secure the cooperation of the Cuban refugees in this resettlement and relocation program. This can be accomplished with patience and understanding.

I am sure that the Cuban refugees and their leaders are thoroughly cognizant of the generosity of the people of Greater Miami and the people of the United States through their Government and that they, the Cuban refugees themselves, will, through their own organizations, recognize that it is to their own benefit to initiate and support an accelerated relocation program.

If the resettlement program is to succeed, their individual leadership and assistance must play a very important part.

Mr. SELDEN. I am grateful for the very fine statements as well as the kind remarks of the gentleman from Florida [Mr. FASCELL] who is an extremely valuable member of both the Subcommittee on Inter-American Affairs and the full Committee on Foreign Affairs. Certainly no one in the House of Representatives knows better the Latin American area or the Cuban problem than the gentleman from Florida [Mr. FASCELL].

Mr. ROGERS of Florida. Mr. Speaker, will the gentleman yield?

Mr. SELDEN. I yield to the distinguished gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Speaker, I certainly want to join in commending the gentleman from Alabama and also the gentleman from Florida [Mr. FASCELL] for their analysis of the situation, and I do feel that they are doing a definite service to the people of this country in pointing up the problem that needs to be solved and solved immediately, and it can be solved with a little effort and a little attention directed to this problem by those who have authority.

I am concerned because it appears to me that the right hand does not seem to know what the left hand is doing. For instance, on one side we have broken diplomatic relations with Cuba; we have cut off most of our exports to Cuba; not all, but most, and all should be cut off.

We have helped to mount an invasion against Cuba. We have cut off the sugar quota, and yet through the left hand we are still allowing Cuban goods to come into this country and we are paying American dollars to Castro for the goods that are coming into ports in Florida and other ports of entry.

I think the gentleman from Alabama [Mr. SELDEN] has pointed up this problem specifically in his speech today. We have read in the paper statements to the effect that this damage has been done because some Government economists feel this trade is really not of much significance. Perhaps that is true when you compare it to the trade we carried on with Cuba before our break in diplomatic relations. However, I would like to point out to you just a few items that are still coming in to show that it amounts, as the gentleman said, to millions of dollars still going to Castro. For instance, in January and February, through the ports in Florida alone Castro shipped in over 5 million pounds of fresh pineapples, over 4 million pounds of oranges, over 3.5 million pounds of tomatoes, over 2.6 million pounds of tobacco, over 5.5 million pounds of cucumbers, and over 3 million pounds of native vegetables.

In June of this year Castro has shipped in over 1.6 million pounds of tobacco and over 1 million pounds of pineapples.

Now, perhaps the economic significance is not very important, and is rather irrelevant when one considers the overall gross national product of this country. That American dollars are going out as a result of trade with Cuba is not an economic issue, but it is a moral issue. It has very significant moral implications, because by allowing Cuban goods to be imported into this country the United States is simply giving American dollars to Castro which are used to continue his domination of the Cuban people. This country's currency is therefore being used to maintain a tyrant whose ideology is point by point opposed to democracy and freedom.

There are daily arrivals of Chinese, Czech, and Russian advisers with a mission to help transform Cuba into a spearhead for the Communist conquest of Latin America.

As was pointed out by the gentleman from Alabama, by continuing to provide Castro with a ready market for Cuban goods, we provide him with ready cash for fighter planes, tanks, and Czech arms for his 400,000-man militia. As a matter of fact, the papers in Florida have just carried reports that lobster is being imported now. It is being systematically unloaded, and is being carried away in trucks whose identities are masked as protection from the strong feelings of the American people against this sort of action.

We have just had the example of molasses being imported, and the great outcry of the American people in that instance. It disturbs me that the left hand does not know what the right hand is doing. I am concerned about element present in the decisional processes of this Nation which is responsible for the policy dealing with Cuba and Latin America

I think this anti-Castro invasion was symbolic of our vague and uncertain approach to this condition in our hemisphere. It is as though indecision has resulted in a loss of purpose. We all know that tolerance of the enemy has no place in our heritage. The steps we have taken toward Cuba would have been regarded by our predecessors years ago as just short of a declaration of war. We have already proclaimed Castro an enemy of the American people, and yet only one of the enemy's goods carries embargo with it, and, of course, that is sugar. This embargo was imposed, in effect, by the Congress of the United States.

There should be an embargo on all Cuban goods. Even now, as I mentioned before, the American supermarkets are putting in their display windows lobster from Cuba.

Does the solution lie in educating the citizens of this Nation to these facts? I think not, for the American people are far ahead of their Government in this respect.

Is perspective then lacking in the governmental agencies charged with the jurisdiction of foreign policy? Have the years of departmental service forced its employees into conformed channels of thinking? Has routine become the substitute for imaginative action? If so, then a penetrating purge is needed to give fresh vitality to our policies.

The authority concentrated in the Presidency under the Trade Agreements Extension Act of 1951 should provide sufficient machinery to halt this condition. If this measure is inadequate, then the Trading With the Enemy Act certainly may be properly invoked. If even then the Executive feels that it does not have the proper tools at hand, then initiative demands proposal. If this is the case, I ask the Members of this body to join with all of the Members who are concerned with this problem to ask the President to assert his leadership, to ask his advisers to give attention to this problem immediately, and ask Congress to focus its attention and efforts toward initiating a complete economic boycott of Cuba as the first step.

I thank the gentleman from Alabama for yielding to me.

Mr. SELDEN. I thank the gentleman for his very fine statement. Living on the shores of southern Florida, the gentleman from Florida [Mr. ROGERS] is an astute student of the Cuban problem.

Mr. DORN. Mr. Speaker, will the gentleman yield?

Mr. SELDEN. I yield to the gentleman from South Carolina.

Mr. DORN. I want to commend the gentleman from Alabama and our colleague from the great State of Florida for pointing out the critically urgent nature of the situation in Latin America, with particular reference to this cancer in the side of the great North and South American Continents. Cuba is the Formosa of the Caribbean. It is as important to the defense of the Western Hemisphere as any other point in it. It divides North America from South America. The nation that controls Cuba for any length of time sooner or later militarily will be in a position to divide these two great continents and probably dominate militarily both of them. So I commend the gentleman from Alabama and the gentleman from Florida for defending our own people, who are literally under the gun today in the southeastern part of the United States.

If this lackadaisical policy continues for another few months, this bearded Caribbean beatnik will have jetplanes and technicians, and will possibly have the atomic bomb with which to bomb Miami, Mobile, Montgomery, New Orleans, and Atlanta. We are giving him the precious time he needs. Not only that, we are giving him money indirectly through trading with the enemy, with which to build up his military potential. It is a serious situation.

I should like to remind my colleagues in this House that when the Monroe Doctrine was established under the administration of James Monroe the United States was a weak nation, comparatively. We were faced with the great powers of western Europe, England, France, and Spain, and czarist Russia in Alaska was rattling the saber. Yet Monroe had the courage and the backing of the people and the Congress to enunciate and establish a policy which kept the peace in the Western Hemisphere for over a century.

It is strange, unbelievable, and fantastic today that we, the most powerful nation in the world, are afraid to invoke this Monroe Doctrine and use the means that we have to defend the United States, North America, South America, and the Caribbean area. Certainly we should have the courage today to stand up with all our might and defend these principles and ideals in which we believe.

Are we going to wait until Khrushchev brings up the Berlin crisis and keeps stirring it up, all the while Castro, his ally in the Caribbean, keeps getting jetplanes? I have the strong suspicion that every move Russia makes is designed to strengthen this ally 90 miles from the continental United States, so that in a few years, as Communist Russia has always done, she can be in a position to sit back and watch the United States in a major war with a little island which we helped create.

The gentleman from Alabama sees so clearly the consequences of such a policy of indifference. The time is critical. The hour is critical—the time for action is now. The American people are with you, may I say to the distinguished gentleman from Alabama. You know a lot of people think those of us in our section of the country are more concerned with some other issues of an inflammatory nature, but when I was home the one great and major issue in my district and throughout the South is this question of a Communist base just off the shores of Miami, Fla. Yes, you are literally under the gun. The time for action has arrived. Let us block Cuba. Let us stop trading with the enemy. We need leadership at the highest level in this country today. The people are with you. I think the Congress is overwhelmingly with you as demonstrated by several resolutions we have adopted, which the gentleman has introduced over the last few years. But, we do need leadership—positive leadership all the way up the line and we need it now. I want to again thank my colleagues, the gentleman from Alabama and the gentleman from Florida.

Mr. SELDEN. I thank the distinguished gentleman from South Carolina for his excellent analysis of the critical situation we face in the Western Hemisphere.

Mr. Speaker, I yield to my distinguished friend and colleague, the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Speaker, I want to tell my esteemed colleague and dear friend, the gentleman from Alabama, that all of us, I know, have been inspired by his message and by his grasp of this problem that concerns all Americans. I congratulate the gentleman from Alabama and my colleagues from Florida, Mr. FASCELL and Mr. ROGERS, for the knowledge they have about this situation. My home in the State of Florida is 350 miles north of Miami. I represent a district which is largely a rural area, yet, Mr. Speaker, I do not know of any question about which my people are more concerned than this question, What are you going to do about Castro?—that bearded son of Beelzebub has caused me, I think, the most nightmarish thoughts of any demon who has appeared on the stage of this modern world of ours—irreligious—with no conscience of right or wrong—destroying literally thousands and thousands of the finest people in this hemisphere—thumbing his nose at this great and powerful Nation, as he has—I say to you he has provoked within me and I think within the hearts and minds of the vast majority of the American people a contempt and a concern not even exceeded by Khrushchev.

Mr. Speaker, I congratulate the gentleman from Alabama on his keen understanding of this problem and on the particular point he made when he said that the problem confronting us is not only a problem as to the future, but it is a problem of the here and now. Yes, it is well to educate—it is well to reform—it is well to help—it is well to encourage—it is well to ally ourselves behind all of these great principles of progress—but communism will not wait for that progress to be a fact and the challenge is the challenge of doing something now and doing it positively. I, too, want to say to the President of the United States, as the gentleman from Alabama has said and as others of our colleagues have said, that the American people are behind positive action. We will take up whatever challenge is given to us to make this beloved Republic of ours a safe bastion in the future as it has been in the past. I, too, believe that we must act now so far as this menace from Cuba is concerned.

Mr. Speaker, I thank the distinguished gentleman very much for bringing this vital message to us.

Mr. SELDEN. Mr. Speaker, I am grateful for the excellent statement made by my colleague, the gentleman from Florida [Mr. MATTHEWS].

WILL THE PRESIDENT APPROVE FINDINGS OF TARIFF COMMISSION ON SHEET GLASS IMPORTS?

The SPEAKER pro tempore. (Mr. BOLLING). Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 45 minutes.

Mr. BAILEY. Mr. Speaker, my colleagues in the House, had you had an opportunity to walk down the main street of my home city of Clarksburg, W. Va., or enter any of the business enterprises in the city, including its banks, on May 17 of this year, you would have observed a smile on the face and a ray of hope in the eyes of my constituents, because on that day the U.S. Tariff Commission entered an order restoring the rates on import duties on sheet, crown, and cylinder glass to the rates contained in the Smoot-Hawley Act of 1930, wiping out seven separate reductions in the import duty on foreign shipments of this type of glass. These folks could once more see the possibility of a restoration of a once thriving industry that is today being threatened with extinction by unrestricted imports of glassware from abroad.

Under the provisions of the Reciprocal Trade Agreements Act, adopted first in 1934, the Congress surrendered its constitutional authority to make treaties and fix tariffs and vested this authority in the hands of the President, who was given the power to overrule the findings of the U.S. Tariff Commission.

It was my privilege and pleasure in 1951, on the floor of this House, to write into a renewal of our Reciprocal Trade Agreements Act, the so-called escape clause, which guaranteed to every American producer the privilege of applying to the Tariff Commission for an opportunity to prove injury to their industry through the operation of the act.

In this procedure, a domestic producer was given the opportunity to produce witnesses and be represented by counsel before the Tariff Commission to prove injury. The Tariff Commission, under the escape clause, was given the authority to either increase the rate of import duty or to fix quotas limiting imports in order to permit the industry a reasonable return on their investment and to provide jobs for American working men and women.

Some months ago, the sheet, crown, and cylinder glass industry applied to the Tariff Commission for a hearing under the provisions of the escape clause. The facts presented to the Tariff Commission were so outstanding on the side of their claim for proof of injury that the Tariff Commission, on May 17, entered an order which, in substance, wipes out a series of seven reductions in import duties on this type of glassware and ordered them restored to the rate as fixed in the Smoot-Hawley Act of 1930.

Under the escape clause procedures in our Trade Agreements Act, the President was still given authority to approve or disapprove the findings of the Tariff Commission. He still has that authority, limited by a recent decision of the U.S. Supreme Court, to approve the findings or disapprove them in toto. He cannot modify such findings, but must approve or disapprove.

Under the escape clause procedure, the President has 60 days in which to approve or disapprove Tariff Commission findings and, in this particular instance, the President must, prior to July 17, issue an Executive order either approving or disapproving the findings of

the Tariff Commission as they apply to imports of sheet, crown, and cylinder glass.

During the 1960 presidential campaign, it was the privilege and pleasure of our present occupant of the White House to carry his campaign into the State of West Virginia, whose economy has been deteriorating largely due to the fact that the major industries of our State are having to meet unrestricted and ever-increasing foreign imports. My State produces 57 percent of the sheet, crown, and cylinder glass produced in the whole Nation. An additional 20 percent of this type of glass is produced in plants in Oklahoma, Arkansas, Missouri, Ohio, and Pennsylvania. Most of the glass plants in these States are either closed or are operating at reduced capacity because imports have, within the past 24 months, increased 254 percent.

Unless our Chief Executive, who has firsthand knowledge of the sorry situation existing in our glass industry, approves the findings of the Tariff Commission, our economy in West Virginia will further depreciate. In fact, his failure to approve this finding will sound the death knell of one of our State's major industries.

It is my fond hope that divine providence will give our Chief Executive the courage to carry out his commitments to the people of West Virginia that, if elected, he would do something to correct our economic ills.

In this connection, I desire to call to the attention of my colleagues action taken by the State Legislature of West Virginia, in extraordinary session, in adopting a memorial to the President urging him to approve the findings of the Tariff Commission in this instance.

Mr. Speaker, I wish to include as a part of my remarks a certificate and resolution approved by the State Legislature of West Virginia, as follows:

STATE OF WEST VIRGINIA—CERTIFICATE

I, C. A. Blankenship, clerk of the House of Delegates of the West Virginia Legislature, hereby certify that the following and hereto attached instrument of writing is a true and perfect copy of House Concurrent Resolution No. 2, expressing the sense of the Legislature of West Virginia in support of the finding of the U.S. Tariff Commission Escape Clause Investigation No. 7–101, dated May 17, 1961, pertaining to crown, cylinder and sheet glass, adopted by the West Virginia Legislature, in extraordinary session, on June 15, 1961.

Given under my hand at the city of Charleston this 21st day of June 1961.

———— ————,

Clerk of the House of Delegates.

HOUSE CONCURRENT RESOLUTION 2

Concurrent resolution expressing the sense of the Legislature of West Virginia in support of the finding of the U.S. Tariff Commission escape clause investigation No. 7–101, dated May 17, 1961, pertaining to crown cylinder and sheet glass

Whereas it is apparent to this legislature that in many areas of our State there exists an emergency in relation to unemployment; and

Whereas in Harrison and Kanawha Counties four large sheet glass plants are and have been operating at greatly reduced capacity, and with a reduced number of employees; and

Whereas the U.S. Tariff Commission, on May 17, 1961, in connection with escape clause investigation No. 7–101, unanimously found, after investigation, and reported to the President that sheet glass such as produced in West Virginia, is being and has been imported into the United States in such increased quantities as to cause serious injury to the sheet glass industry; and

Whereas the Tariff Commission further recommended that the tariff on sheet glass be increased to rates set out in the report; and

Whereas West Virginia produces more sheet glass than any other State; and

Whereas the State of West Virginia is alert to take action that may increase employment and retain here industries traditionally a part of our economy, and to take all effective measures in support of such policy: Therefore be it

Resolved by the house of delegates (the senate concurring therein), That it is the sense of this legislature that the President of the United States can and should adopt and put into effect the findings of the U.S. Tariff Commission, dated May 17, 1961, in connection with escape clause investigation No. 7–101.

At this time, Mr. Speaker, I desire to yield to the gentlewoman from the State of Tennessee. This good gentlewoman is a native of the city of Clarksburg, in my State, the daughter of the late Senator Nathan Goff. It is a pleasure to recognize her for whatever statement she desires to offer.

Mrs. REECE. Mr. Speaker, I wish to commend my distinguished friend from West Virginia for the excellent and clear explanation of the desperate problem that is facing the glass industry in the United States today. The First District of Tennessee has large glass industries, and it is happy to join with the State of West Virginia and my distinguished colleague in appealing to President Kennedy to put into effect the recommendations of the U.S. Tariff Commission on this product.

Mr. BAILEY. I thank the gentlewoman very much for her contribution.

At this time I yield to the gentleman from Missouri [Mr. ICHORD].

Mr. ICHORD of Missouri. Mr. Speaker, I wish to commend the gentleman from West Virginia who has always been a tireless worker in behalf of the sheet glass industry of the United States for arranging this special order in order to focus attention upon the need for approval of the recommendations of the Tariff Commission in its recent escape clause investigation in regard to sheet glass. The sheet glass industry, as pointed up by the hearings and findings of the Tariff Commission, is in a very dismal state. The industry will be destroyed completely if something is not done. Our sheet glass plants in the United States are now operating at about 50 percent capacity. Employment is down around 25 percent since 1950. Imports, I will say to the gentleman from West Virginia, have increased from 1950 more than 1,100 percent. The cause of unemployment, decreased production, and company losses is very clear. Our foreign producers are able to sell and are selling glass at prices from 8 percent to 25 percent less than domestic producers. They cannot continue to exist with this type of competition. I join with the gentleman from West Virginia in urging the President to approve the recommendations of the Tariff Commission.

Mr. BAILEY. I thank the gentleman from Missouri. I now yield to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Speaker, I do not believe that American industry and the American workingmen have in the United States today or in the halls of this body a better friend than the distinguished gentleman from West Virginia, Mr. CLEVE BAILEY. I have listened with keen interest to his remarks. I think he has done an outstanding job of putting this problem into focus for the Members of the House, and I certainly want to join with him in urging that the President adopt the findings and the recommendations of the Tariff Commission and do so at the earliest possible date.

On June 8, 1961, the entire Oklahoma congressional delegation, both of our Senators and all six Members of the House, joined in sending a letter to the President in which we urged that this action be taken.

Mr. Speaker, I ask unanimous consent that the letter of the Oklahoma delegation to the President dated June 8 be made a part of the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The letter is as follows:

JUNE 8, 1961.

The PRESIDENT,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: On May 17 the U.S. Tariff Commission submitted its report to the President in which it affirmed a finding that the domestic sheet glass (common window glass) industry has been seriously injured as a result of an influx of foreign-made sheet glass into the United States. The report was unanimous in the finding of serious injury and all the Commissioners recommended increased tariff protection. Two of the Commissions found that even higher tariff rates than those suggested by their colleagues were necessary to alleviate the injury.

Two sheet glass plants are located in Oklahoma. One, at Henryetta, is operated by the Pittsburgh Plate Glass Co., the other, at Okmulgee, is operated by the American St. Gobain Corp., formerly the American Window Glass Co. Both plants are located in surplus labor areas which have been classified officially as areas of substantial unemployment. The plants are virtually the only sizable employers of manpower in their respective areas.

Since 1950, imports of sheet glass have risen from slightly less than 3 percent to almost 25 percent of domestic consumption. The result is that our domestic producers are suffering financial losses induced by their low operating rates and resultant higher operating costs. One large sheet glass plant has been forced to close completely, a major factor in the classification of that location as a labor distress area. All of the other plants are operating far below capacity, with idle machines and workers, with the result that each of those locations has also been classed as a labor distress area.

Thousands of jobs, hourly rated and salaried, and millions of dollars of payroll are at stake here. The industries supplying the sheet glass manufacturers are sorely affected. Three jobs in supplying industries are affected by each job lost in the glass industry itself. Reemployment possibilities are practically nonexistent and the plants

themselves cannot be adjusted to the production of any other commodity. The net worth of the domestic manufacturers is lower today than it was in 1955 even considering the normal inflation since that time.

The present unhealthy status of the domestic industry is entirely the result of low-priced imports made possible because U.S. sheet glass workmen are admittedly paid 3½ to 4 times for comparable work than their highest paid foreign counterparts.

All of the glass unions joined in the proceedings before the Tariff Commission and fervently supported and continue to support the manufacturers in their request for relief. It must be obvious that with this favorable labor cost situation, foreign producers are easily able to undersell our domestic producers and they have done so in large volume.

The majority recommendations of the Tariff Commission suggest virtual minimal increases in duty. Such increases would not likely reduce the flow of imports in any appreciable degree and would not deprive any importers of the volume of trade they presently enjoy. We respectfully point out that the President is not bound to follow the exact suggestions of the Tariff Commission, but may exceed them when, in his judgment, it appears necessary to provide adequate relief for an injured domestic industry.

The small increases recommended by the majority of the Commission while they would not likely have any immediate effect on unemployment and plant idleness, might over a period of time permit some slightly increased operating ratio. In this respect it would, of course, be better than nothing, but with the wide advantage in production costs enjoyed by foreign producers, any benefits of such small tariff increases should not be expected to immediately remove domestic producing towns from the distressed area category.

The Oklahoma senatorial and congressional delegations are intimately familiar with the problem of the domestic manufacturers. We know that all of the statutory tests for relief set up in the Trade Agreements Extension Act of 1951, as amended, have been met. We see that the domestic glass industry has not been able to maintain its position in relation to the economic growth of the country. The cyclical increases in demand are now supplied entirely by foreign glass and deep inroads have been made in every phase of the domestic demand.

If the glass industry is to survive and make contributions to the alleviation of the Federal tax burden, and if the American workmen in distressed areas are ever to find employment the necessary tariff adjustments should be placed into effect without delay.

Sincerely yours,

ROB'T S. KERR.
A. S. MIKE MONRONEY.
ED EDMONDSON.
CARL ALBERT.
PAGE BELCHER.
JOHN JARMAN.
VICTOR WICKERSHAM.
TOM STEED.

Mr. EDMONDSON. Mr. Speaker, I have also read the resolution adopted by the West Virginia Legislature. I think it is a fine statement of the position of that body. I do not have any hesitation in expressing my viewpoint that the members of the Legislature of Oklahoma feel just exactly the same way that the members of the Legislature of West Virginia feel on this subject. We have major industries in our State whose very existence is at stake. The job of literally thousands of workingmen all over the country are at stake in this question. I urge the President to follow the recommendations of the body established by the Congress to look into matters of this kind. I urge him to recognize that the escape clause is the very heart of the reciprocal trade agreement principle at this time. If we are to continue to have an effective reciprocal trade agreement program that meets with the approval of our people, the escape clause must be meaningful.

At this time it is up to the President to demonstrate that it is meaningful and that it does afford the kind of safeguard it is intended to afford to American industry and to our American workmen in the glass industry.

Mr. BAILEY. Mr. Speaker, I wish to thank the gentleman from Oklahoma for his forthright statement.

Mr. Speaker, I now yield to the gentleman from Ohio [Mr. ASHBROOK].

Mr. ASHBROOK. Mr. Speaker, I want to associate myself with the gentleman from West Virginia in the remarks he has made, as well as with the gentlemen who have spoken previously and thank them for their efforts in this field, because this is of great importance to my district, also. Glass is very important to the 17th Ohio District. It is also significant historically to north-central Ohio. More important, it is strategically important to the whole country, not only in the interest of employment and its effect on our economy, but also for our defense and for our self-sufficiency as a Nation.

In what amounts to an unprecedented action, the Tariff Commission recognized the plight of our domestic glass industry and made sweeping recommendations for relief from importation of glass. The President has until July 17 to approve these recommendations which, I might add, were unanimously adopted. The United States will never take the position that we do not need foreign trade—we do. We must not, however, be fearful of exercising our own best judgment when it comes to considering our domestic economy and our industries which are seriously affected by foreign imports.

We do not think the choice is easy. The working men and women in my district are vitally interested in the President's action. The choice is never easy or simple, and we can understand his thoughtful deliberation. It is my hope, however, Mr. Speaker, that he will not be unduly influenced by our State Department nor by any considerations, except what is in the interest of our sovereignty as a Nation.

We think it is important, and that action is needed at this time. We hope he meets it with dispatch.

I want to thank the gentleman from West Virginia [Mr. BAILEY], for making it possible for me to join with him in what I think is a very important matter for our country, and I commend him for his stand.

Mr. BAILEY. Mr. Speaker, I want to thank the gentleman for his participation in this panel.

Mr. MOORE. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from West Virginia [Mr. MOORE], my colleague.

Mr. MOORE. Mr. Speaker, I certainly desire to associate myself with the remarks of the gentleman from West Virginia. I well realize that over the years in this particular field he has been active and a leader in an attempt to bring about a more impartial conduct of the foreign trade of the country.

In addition to the sheet glass decision which is in the hands of John F. Kennedy, there is also another decision that awaits the President's action. That has to do with one of our industries in the State of West Virginia which is also subject to a great deal of harassment from foreign imports, and that is the ceramic tile industry.

The Tariff Commission on May 8 tendered to the President a recommendation that relief was necessary in this industry in order that they might meet the competition from abroad. It might be that we in the House of Representatives here today will receive some sort of an omen as to what the President will do with the decision that we are here discussing today in the sheet glass industry when we see what the Chief Executive does with respect to the similar recommendations of the Tariff Commission in the ceramic tile case.

I was, of course, very interested that the Tariff Commission, in this instance, initiated this investigation on their own motion of investigating conditions in the sheet glass industry. They recognized the peril of the sheet glass industry of the United States, and in an unusual, unanimous decision, transmitted to the President their belief that this industry merited relief, and further in that recommendation agreed that the tariff should be adjusted upward to allow the industry and its workers to more fairly compete with foreign-made sheet glass.

The American flat-glass industry is a significant part of the total glass industry producing approximately one-third of the entire dollar value of all manufactured glass.

Its major customers are the transportation—particularly automobiles—construction and furniture manufacturers, in that order.

In 1960 imports of flat glass captured 16 percent of the American market, exclusive of the captive market of finished goods—that is, glass incorporated in finished imports such as automobiles, tables, furniture. Imports in 1960 represented over $50 million in sheet, plate, and rolled glass. Excepting the year 1959 this represents the highest value of flat-glass imports on record.

For the observer of trends in foreign competition during the past decade, this should not come as a surprise. Indeed for manager and worker in many industries in this country it has come to pass that this has been one of the cruelest facts of life—if not the most bitter, with which his Government has forced him to live.

WINDOW SHEET GLASS

Examine, for example, the fantastic rise in imports in but one or two divisions of this industry. In 1949, imports of window sheet were 4 million square feet; in 1951, 26 million square feet; in 1953, 80 million square feet; in 1956, 282

million square feet; in 1959, 425 million square feet or 8½ million 50-foot boxes, an alltime high.

In 1960, a recession year, sheet imports decreased somewhat but were still over 7 million boxes, valued at $28 million. While imports were decreasing by 1½ million boxes, our domestic shipments dropped 5½ million boxes. The American loss in the domestic market from 1959 to 1960 is estimated at $28 million—a figure identical to that of the foreign sales made here in window sheet last year.

We have been assured repeatedly that the theories of the free traders will give us the solution to our trade problems. We have been told for example that all we have to do to increase our exports is to import. It would appear that the domestic flat glass people have good grounds on which to contest this hypothesis. Surely it cannot be denied that the imports have increased. But what of the exports? Have they passed the free trade litmus test of foreign economics.

During the decade of the fifties exports of American-made window glass dropped from 172,000 boxes to only 55,000 boxes while imports rose during the same period from 534,000 boxes to 8.5 million boxes. In 1950, total glass product imports represented less than one-third of our exports. By the decade's end, not only was the gap closed but the United States became a net importer of glass products by 6 percent in dollar value.

Transposing the statistics to their humanistic components exposes the true significance of foreign competition. According to one spokesman of the industry, the 1959 imports of window sheet which was over 30 percent of domestic shipments, displaced 5.4 million manhours or about $22 million in wages. This, coupled with the 1960 imports of this merchandise brought the payroll loss suffered by American workers in this industry to over $40 million. By anyone's standard that represents a lot of bread and butter.

The principal advantage enjoyed by foreign competition in the flat glass industry can be found in the striking wage differentials between foreign and domestic workers. The average hourly wage here is about $3.15 an hour whereas that found in the major competing nations abroad is 75 percent below this level.

It must be admitted that the most persuasive and articulate glass salesman in the country cannot talk away such an advantage which of course is directly reflected in the comparable prices in the two competing products.

PLATE GLASS

Among the flat glass imports, sheet and plate represent the greatest portion in dollar value. Since 1957 sheet accounted for at least 45 to 55 percent of the total while plate ran about 30 to 45 percent of the remainder.

In 1957 for instance, when all flat glass imports were $31 million, plate accounted for $14 million. In 1959 when flat glass imports were almost $60 million, plate rose to $18 million. Last year's plate glass imports were one-third of the total or about $17 million out of $51 million.

When one official recently concluded that the "6,000 workers laid off in the plate glass industry can be attributed in large part to the imports" he was stating a conclusion that would be difficult to refute.

Currently there is much debate and discussion on the subject of depressed areas. But to the student of national affairs it would appear that there is a marked reluctance to consider the causes which have led to the depressing effects and hardships in our communities. By such mental circumvention it seems that a depressed area may be defined as "any area which is depressed because it is depressed."

The cause and effect relation between rising imports and declining employment is overlooked; the obvious facts are sidestepped. Even a cursory examination would show a marked similarity between the nature of the industries found in these depressed areas and the nature of specific imports. Automation, customer's moods and new products, simply do not account for the devastation caused to our industries.

When directly competitive imports displace domestic sales in sufficient volume more than mere merchandise is displaced. Industries follow the fate of their products and communities that of their industries. A depressed area is a displaced area because its sales have been displaced. For this we can thank our postwar foreign economic policies, policies which have now been revealed in their stark deficiencies, cleverly papered over to mask their bankruptcy.

The times call for drastic measures. It must mean that the national interest will be put above the specious merit of "international relations" where it has rightfully belonged since our national birth. Heretofore our foreign interests were considered to be but an extension of our national interest. Today considerations of domestic welfare tag along in the shadow of the so-called rights of other countries in our markets.

It is time to raise our tariffs or other protective measures toward the level of the protective effects achieved abroad. This would be fair and equitable. We would ask for only that which the other trading nations of the world now enjoy. That would mean real reciprocity.

In effect we have no choice. The slow destruction of our depressed areas demands a tariff or quota protection so that new life can be pumped into them. If this means that our allies must temporarily adjust the schedules of their booming industries to our sagging production then it must be. They have fattened on our market. We employed ourselves fighting with them in the forties, rebuilding them in the fifties. A little reciprocity in reverse is little to ask in return.

In this House some several weeks ago we passed, and the President subsequently signed, what is referred to as the area redevelopment bill. It calls for spending initially about $394 million for areas of these United States whose economy is depressed.

It would seem to me, and I am sure the gentleman in the well of the House certainly must agree with me, that the people in West Virginia and a lot of other depressed areas of the country could receive a lot more economic help if the Chief Executive in this instance would act favorably upon the recommendations of the Tariff Commission in both the ceramic tile and the sheet glass cases.

Mr. BAILEY. The ceramic tile decision is directly connected with the glass industry itself. Is that the material they use for relining and building up the interior of their furnaces?

Mr. MOORE. That is very true.

Mr. BAILEY. So that is a part of the industrial problem.

Mr. MOORE. That is true. But there is a specific decision the President must make on July 8 with respect to that particular industry and the case which they made before the Tariff Commission. There is no question about the fact that it is very much a part of that which we are discussing here today. I would simply make the observation, following up my remarks, that with respect to the area redevelopment bill, which we all in West Virginia look upon as being the answer to some of our economic problems, if the Chief Executive in this instance would be disposed to grant the relief which has been recommended by the Tariff Commission in the sheet glass case, and in the ceramic tile case, more would be done for the economy of West Virginia, more would be done for the glass industry of West Virginia, more would be done for the workers of this industry than we could ever hope, perhaps, to receive under the area redevelopment bill.

So I would want, certainly, to commend the gentleman from West Virginia for taking the floor at this time to urge the President to look with favor on these decisions of the Tariff Commission. I further want to acknowledge the gentleman's long years of work in this field, and further state that since coming to the House of Representatives some 6 years ago, that I have learned a great deal from the gentleman who now is in the well of the House on this subject. It is a particularly difficult thing, not uncommon in the Congress this year, when good friends of different parties now find themselves political foes, by virtue of the fact their State legislatures placed them in the same congressional district. I know the gentleman from West Virginia feels just as I that notwithstanding the outcome of our mutual undertaking some 18 months hence we both look to and urge the Chief Executive in this instance to do what we think is certainly the right thing to do with respect to the decisions that are now to be made by him in these two tariff cases which so vitally affect the State of West Virginia.

Mr. BAILEY. I heartily agree with the gentleman from the First District of West Virginia. I am thankful I have 18 months to get ready for him.

In conclusion, Mr. Speaker, may I say briefly that we have every hope in all areas where this industry is in difficulty, and particularly in my State, that since

the President has firsthand knowledge of the situation and has visited a lot of these industries, he will in the face of the unanimous decision of the Tariff Commission and commitments made go along and let this action of the Tariff Commission stand.

Mr. BAILEY. Mr. Speaker, in behalf of my good friend, the gentleman from Arkansas [Mr. TRIMBLE], I ask unanimous consent that he may include at this point in the RECORD his statement of the situation as it applies to his State of Arkansas.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. TRIMBLE. Mr. Speaker, I wish to join my colleague from West Virginia [Mr. BAILEY] in his valiant efforts to tighten the imports of glass and other imports which is doing grave injury to the glass industry. In the district which I am honored to represent, excessive imports of flat glass has caused the slowdown of the Harding Glass Co. at Fort Smith, Ark., where more than 400 employees are now out of jobs. I wish to say to my colleague that I am with him in every way that I can help. I commend him for his fine work in this cause.

TEXTILE INDUSTRY PROBLEMS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from South Carolina [Mr. HEMPHILL] is recognized for 60 minutes.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HEMPHILL. Mr. Speaker, I take this time at this late hour today to talk again about the situation with regard to textiles. I have in my hand an editorial from the Rock Hill, S.C., Herald of June 28, 1961, entitled, "When are Textiles Going to Get Some Action?"

This editorial reads as follows:

The U.S. State Department admittedly has some knotty problems to cope with regarding protection for the ailing American textile industry.

The State Department's desire to maintain good relations with textile producing areas is understandable—and to the advantage of the United States as a whole.

Yet the textile industry deserves better treatment than the talk, talk, talk, and no action that it is getting.

Quite aside from the industry's internal problems, textiles are of great importance to the health of the Nation. For example:

The Defense Department regards textiles as essential to national defense. Twentieth century progress has not outdated clothing and the many other uses for textiles.

The industry accounts for 9 percent of the national income produced by manufacturers.

Textile makers spend more than $22 billion a year on wages, material, and equipment.

The industry pays about $340 million a year in tax revenue to State and local governments and pays between $300 million and $400 million a year in Federal income taxes.

Textile firms have more than $8 billion invested in plants and equipment.

The long-standing problems of the industry cannot be solved by government action alone. But government action can ease the problems somewhat, without damaging relations with other nations.

A little action in place of all of the talk would be a refreshing new approach.

Mr. Speaker, on the domestic scene in the last few weeks the textile industry, in keeping with what it thought were the promises of the present administration when the campaign was at its heat, especially in the textile areas of this Nation, has been to the White House, to the State Department, and to the President's Advisory Council and other departments of this Government asking desperately needed relief for the textile industry. This relief is needed because of the import situation. This relief is needed because of the dark clouds looming on the textile horizon unless some relief is given.

Unfortunately, for the purposes of the people involved in that industry, for the purpose of the future welfare of this Nation, the protests on the conduct and the policies of an irresponsible and irresponsive State Department have not brought forth fruit from that Department.

I have in my hand an article from the Daily News Record of June 28, 1961, which reads as follows:

PROTESTS ON INTERNATIONAL PACT DON'T IMPRESS U.S. GOVERNMENT—U.S. SPOKESMAN SAYS POLITICAL PRESSURE OF INDUSTRY WILL BE DISREGARDED—CALLS TRADE PLEA FOR AGREEMENT ON ALL FIBERS "MANIFEST ABSURDITY"

(By Art Garel)

WASHINGTON.—The Government will go ahead with its plans to negotiate an international cotton textile agreement despite the political pressure from the domestic textile industry, a high U.S. official said Tuesday.

He said the industry request for an international agreement to be negotiated on fabrics of all types of fibers was aimed at strengthening political support but was what he termed a manifest absurdity from any other point of view.

The official also made these points:

1. Once the industry gets over what he termed its initial hysterics and faces facts it will realize it is getting all it can legitimately expect from the Government.

2. The international textile agreement could result in a cutback in imports of a maximum of 9 percent although this cutback may be considerably smaller.

3. The Office of Civil and Defense Mobilization probably will make its recommendations on the textile petition before an agreement on an international textile agreement is reached, since the conference probably will not get down to "serious bargaining" until at least sometime in September.

4. The domestic textile industry wants to be placed in a sheltered hot house where the least efficient producer will be protected and where there is no incentive to use new techniques or otherwise to progress.

5. There are at least a dozen other industries which have a better case for import protection and the textile industry does not have a good case; exports are greater than imports and the industry's production is 107 percent of the domestic market.

The industry started shouting for import quotas when imports were only 1½ percent of domestic production and has been shouting for protection ever since, he said.

6. Unilateral action to restrict textile imports would be fatal to the United States, resulting in deep economic injury and would have severe political repercussions.

7. The Government is helping the textile industry where concern is greatest, by removing fears of any large and sudden increases in imports. He said the industry had an insatiable appetite, which cannot be appeased except at the expense of the rest of the Nation.

8. Refusing to bow to political pressure, he indicated, would not do any great injury to the chances for passage of the reciprocal trade agreements program because very few from Congress who support the program are among those applying the pressure.

The official said the International Textile Conference was being called not only because of political pressure from the domestic industry but also to help solve the world problem of new, developing nations which are placing increasing pressure on world textile markets.

An orderly procedure is necessary, he said, to found outlets for the production of these industries without disruption to the markets of any country.

Since Hong Kong is being asked to cut back its exports to the United States, he said, keeping imports from all other countries at the 1960 level would result in an overall reduction of 9 percent.

He indicated, however, that this reduction figure might not be realized because some other adjustments might be made, as, for example, the United States has offered Japan a 5-percent increase for 1961.

He said the international agreement could proceed in a number of ways and listed two possibilities.

The agreement, he said, could consist of a tight pattern of quotas to which all nations would agree.

It could also consist of a set of principles accompanied by bilateral agreements negotiated under these principles.

The principles would include an understanding that each nation could impose unilateral quotas on imports from countries not party to the agreement, he said. This would prevent countries not party to the agreement from increasing their exports at the expense of countries restricting their exports.

There would also be safeguards to prevent fiber substitution.

The developing nations must be satisfied that the conference is being approached in a liberal spirit, he said, rather than as a restrictionist device and must not fear that their exports will be frozen while exports from competing countries will be free.

If these fears are alleviated, he said, cooperation can be expected.

Trade patterns for other types of textiles, he said, are different from those of cotton and it makes no sense to try to work out one agreement for all.

There are only three major suppliers of wool textiles—the United Kingdom, Japan, and Italy—and only one major supplier of silk textiles—Japan—he pointed out, and the United States cannot negotiate with 15 countries where only 3 are affected.

In 1960, he said, imports of cotton textiles totaled $265 million, compared with exports of $284 million.

He said the industry had 94 percent of the domestic market plus more than an additional 6 percent in exports.

The State Department of this Nation may have its problems, and properly so. The State Department of this Nation as a branch of the executive branch of this Government is supposed to have problems. But the State Department of the United States yesterday, today, and tomorrow, as I conceive it, is employed by the people of this Nation. When it disregards the welfare of a certain segment

of that people, as it has disregarded the welfare of the textile people, it has betrayed the textile industry—it has betrayed the people involved in that industry and it has betrayed those of us who represent the people in the textile producing areas who are asking for relief and who know the problems and the necessity for relief. It is a two-way street. The State Department may have its problems but we are entitled to consideration of our problem. The answer that is made that, "We must have international trade," or the answer that "We have a certain foreign policy," is not an answer to the 5 million unemployed in this Nation. That is not the answer these people want to hear. That is not the proper kind of answer from a department of this Government.

I say the Department of State is derelict in its duty, and again I say it is not responsive to its obligations to the American people.

Not long ago the industry leaders went to the Department of State to attend conferences on the problems of the textile industry of the United Sates. I hold in my hand a release dated June 20, 1961 which tells exactly what happened there. To say that what happened was disappointing would be a great understatement and would be minimizing the actual feeling of our industry leaders, of the textile workers of America.

Mr. Speaker, the release to which I refer is as follows:

Industry leaders came away from Department of State conferences on Monday and Tuesday convinced that prompt and vigorous action must be taken by President Kennedy to prevent his program of assistance to the U.S. textile industry being torpedoed.

Under Secretary of State George Ball bluntly told textile area Members of Congress and industry representatives the Department—

1. Is opposed to U.S. control of textile product imports;

2. Intends to seek multination agreements on trade in cotton textiles to the exclusion of manmade fibers and fabrics and wool and silk fabrics;

3. Proposes to use the 1960 level of cotton goods imports into the United States as a base for discussing trade arrangements with other nations;

4. Plans to seek a cutback of about 30 percent of Hong Kong's 1960 exportations (278 million square yards' equivalent) to the United States which indicates a goal of a reduction of only about 8 percent of 1,008 million square yards equivalent total.

5. Plans for the agreements to provide for built-in increases of about 5 percent a year to allow for the U.S. growth factor.

6. Has scheduled for Wednesday conversations with representatives of other nations on cotton textile trade without the consultation, advice, or guidance of U.S. industry spokesmen.

Spokesmen for the ACMI, the manmade fiber producers, wool manufacturers, apparel manufacturers, and two textile unions immediately expressed their dissatisfaction with the Department's attitude.

Subsequently, the group of textile-fiber-apparel industry representatives who attended the session at the invitation of the Department authorized ACMI President J. M. Cheatham to issue on its behalf a public statement labeling the approach as "completely unsatisfactory and unacceptable."

Ball disclosed that the United States, in the Geneva, Switzerland meeting with some 23 nations next month, would attempt to persuade the industrialized nations of Western Europe to lower their barriers against imports from low-wage underdeveloped countries and "share the burden" now borne chiefly by the United States. Additionally, the United States would urge the developing and low-wage nations to voluntarily restrict their exports to the United States.

The U.S. negotiators, he said, would attempt to draft the pacts in such a fashion as to prevent circumvention of the agreements on cotton textiles by the substitution of man-made fibers and, also, to provide safeguards against undue concentrations of products. He proposed that the agreement would be supervised by a study group.

He dismissed inclusion of wool and worsted fabrics in the agreements because the wool trade, he said, is different and a very complex business.

Ball said late this month he would go to Hong Kong in quest of a voluntary agreement for the British Crown Colony to hold the line on exports to the United States until a general agreement can be worked out. He described Hong Kong as a very special problem.

On the subject of U.S. industry advisers to U.S. Government negotiators, Ball said he would welcome technical advice from the industry. He said he intended to get such assistance from liaison with a cotton textile apparel committee to be selected from the industry.

Ball said he was surprised to learn that the Department's quest for a multination agreement was regarded as a maneuver to circumvent the OCDM case.

He asserted that consideration of the industry's OCDM case is going forward and added:

"We are not going to prejudice the OCDM case."

The Cabinet officer did not elaborate on this point. The result: Industry leaders are unclear as to what would happen if the United States enters into an international agreement which would be in conflict with remedial action dictated by a possible OCDM finding that the national security is being threatened by present levels of textile product imports.

During a discussion period at the Monday meeting industry leaders expressed themselves on these points:

That the textile import problem is "a total industry problem that can't be broken down into segments" and the Department's decision to report to two separate industry groups (cotton and manmade fibers on Monday; silk and wool on Tuesday) came as "a surprise."

That the industry was shocked to learn that spokesmen for importing organizations had been invited to the meeting;

That the Department, in seeking solutions to world political and economic problems through multination agreements, should not limit their interest to the textile industry nor expect the industry to bear a disproportionate burden in this field;

That the industry's ability to meet military textile requirements in case of a national emergency has already shrunk to a level impairing national security and further import increases can only endanger the Nation's ability to survive attack;

That the selection of the 1960 level of imports is too high in that the industry has been unable to digest that volume and, consequently, has been forced to contribute measureably to the Nation's unemployment figure.

Mr. Speaker, I have also here, and I have done this every month and intend to do it as long as this Congress is in session, and to begin again when we have the second session of this particular Congress, a letter from the Textile Workers Union of America, AFL–CIO, in reference to textile mill employment and production in the United States, June 22, 1961, which I include as part of my remarks.

The letter is as follows:

TEXTILE WORKERS UNION OF AMERICA,
AFL–CIO,
Washington, D.C., June 22, 1961.

To Members of Congress from Textile Districts.

From John W. Edelman, Washington Representative.

Re textile mill employment and production in the United States, June 1961.

With the summer lull, mill orders continue sluggish and on a hand-to-mouth basis. Some mills are closing down for 2 week vacation periods and others are reducing from 6-day to 5-day workweeks.

Revised April figures show production worker employment of 814,900 with an increase in May to about 823,000 which is the highest since November 1960. It is still 40,000 under the unemployment of a year ago.

The seasonally adjusted drop in April's unemployment rate was sharper than expected, the rate being 5.7 compared to 9.0 in March. The general improvement was also registered in the production index which was revised upward in March to 104.6 and which exceeded 106 in April. This is an increase of 8.6 percent over the December 1960 level.

U.S. textile imports were down sharply in April compared to a year ago.

	April		January 1961	April 1960
	1961	1960		
Countable cotton cloth (million yards)	16.5	45.8	84.3	165.7
Broad woven grey cloth (million yards)	8.9	36.7	----------	------
Cotton yarn (thousand pounds)	742	1,163	3,579	5,482

Mr. Speaker, on the 23d of this month I received a telegram from a plant manager employing people in the textile industry in my area showing the disappointment of the people of my area in what the State Department is doing.

That telegram is as follows:

CAMDEN, S.C., *June 23, 1961.*

Hon. ROBERT W. HEMPHILL,
Representative, Fifth District of South Carolina, House Office Building, Washington, D.C.:

We are disturbed and disappointed with the plan of the State Department as announced by Under Secretary of State, George W. Ball, to negotiate for cotton textiles alone what he designates as an orderly increase in imports, and enter into no negotiations and establish no quotas on imports of manmade fibers or products of wool and silk. We strongly urge that you express to the President vigorous objections to the Ball program as being injurious to the manmade fiber and domestic textile industry. Your support of the textile industry and efforts to improve the textile import situation have been most encouraging and we appreciate your help.

L. M. JONES,
Plant Manager, May Plant, E. I. du Pont de Nemours & Co., Camden, S.C.

Mr. Speaker, I also have here an article from the Washington Post which I have previously classified as the Washington Daily Worker with all the implications that such a characterization should imply. That article appeared today on the editorial page, if you really can call it an editorial page—I call it a sort of scan-

dal or propaganda sheet because it does not care anything about the Constitution and, of course, wants to destroy America and to destroy a part of the textile industry, which is, in fact, destroying a part of America. I have this article from the Washington Post and it is as follows:

TRADING IN TEXTILES

The fight over textile imports has become so bitter that it is beginning to embarrass American foreign policy. If the administration now retreats into protectionism, it will be correctly regarded abroad as an ominous precedent for economic isolationism. To head off an open collision, the State Department is supporting a compromise to give short-term comfort to textile manufacturers at home and long-term hope to those abroad.

A voluntary system of expanding quotas is now slowly being devised by the nations that buy and sell cotton textiles. The underdeveloped nations will be asked to exercise "restraint" in pouring their low-priced goods abroad. The industrialized nations, in return, would open their markets increasingly to foreign cloth. And all quotas must be mutually acceptable to buyer and seller.

Within these principles, the State Department hopes to see a network of precise bilateral agreements to allocate the world trade in cotton textiles. A conference of some 25 nations in Geneva late next month will begin to construct this system. The Department has suggested the nations sending cotton goods to this country impose on themselves quotas initially equal to their present sales here, with a 30-percent cutback for Hong Kong and perhaps some increase for Japan. These quotas would then expand, but not so fast as our domestic market, leaving some expectation of growth for our own mills. At the same time the other industrialized countries would agree to take quotas of cotton goods from the underdeveloped countries.

The American textile manufacturers' response has been characterically hysterical. Our textile imports in 1960 were less than our exports, amounting to only about 7 percent of consumption, but the manufacturers are demanding this country barricade itself behind a unilateral and fixed quotas system that would cutback all our foreign suppliers and virtually eliminate many. The industry has strong support in Congress, where more than 200 Members, including a third of the Senate, have signed a letter to the President complaining that the diplomats fail to understand our mills' difficulties.

President Kennedy is currently the arbiter in this struggle. At his press conference yesterday he was noncommittal about specific plans, but endorsed the Geneva meeting. He demonstrated again his inclination toward lower trade barriers by emphasizing the volume of American cotton sales abroad: "It has to be balanced."

The allocated market principle is a long detour from the road this country has slowly been traveling toward more open international trade. The proposal's authors defend it as the most hopeful device to avoid an outright reversal of direction. They also emphasize, with justice, the importance of stable export markets for the underdeveloped nations and say that we already allocate markets for some raw materials.

But a profound question is posed by this textile marketing plan. Anyone who sees virtue in unhindered trade and free competition must approach it with painful misgivings. Once applied, quotas may be exceedingly difficult to alter. State Department officials swear they would be committed to steady increases, and the system itself would be merely a temporary device to ease the transition into unrestricted trade. On balance, even temporary quotas are permissible only if they are the unavoidable alternative to irresistible pressure in Congress for harsher barriers, in turn incurring reprisals abroad. Perhaps the administration ought to consider tax concessions for those American cotton mills that may be genuinely uncompetitive, allowing them to accumulate the capital to diversify or get out of the cotton business altogether.

Mr. Speaker, at the end of this article the following sentence is found:

Perhaps the administration ought to consider tax concessions for those American cotton mills that may be genuinely uncompetitive, allowing them to accumulate the capital to diversify or get out of the cotton business altogether.

Mr. Speaker, what right has anybody to tell a segment of our American industry to get out of business? Do those who subscribe to such a theory not know that these people have been in business for years? Do they not know that the people working in the textile industry today have not only furnished our country with much needed materials in time of war for which they received awards of excellence from the War Department, but do they not also know the people working in this industry have sacrificed their sons and daughters, some of whom lost their lives in the cause of freedom, thinking that their Government, and I suppose the Government includes the State Department, because sometimes it seems that the State Department is running the Government—and running it into the ground—would do something for them when they returned and would be quick when these men returned from the wars to be their stanchest ally. I wonder what they think of the situation today? This is not a new thing. In the 5 years I have been here, we have been constantly trying to do something about this particular problem. We have constantly pointed up the difficulties in which we are involved and asked for some relief, but we have not had any relief.

Now, we have some others who are in trouble also. I have an article from the Wall Street Journal of Thursday, June 22. I cut it out because it shows that our State Department is not only wrong in the textile field but it is wrong in its general overall policy. This is an article which is headlined "Record Exports of Timber to Japan Cause Controversy Over High Prices, Lost Wages."

It is as follows:

RECORD EXPORTS OF TIMBER TO JAPAN CAUSE CONTROVERSY OVER HIGH PRICES, LOST WAGES

(By a Wall Street Journal staff reporter)

PORTLAND, OREG.—The Japanese are sharply increasing their purchases of U.S. timber, a move which is stirring a controversy in the Northwest.

Japan's purchases of logs from the west coast this year have been the largest in history. Its log buying jumped 127 percent above the 1960 pace in the first 3 months this year in Oregon, Washington, and California, Federal figures show. For the full year, Japanese log imports from the United States may be as much as 200 percent over 1960, Northwest woodsmen estimate. Japan's log purchases from the United States may reach 200 million to 400 million board feet this year, compared with 92 million in 1960, estimates indicate.

The large-scale exports have led some U.S. timber industry leaders to seek a Federal quota limiting the export of Federal timber to Japan. Also, the mills recently got Oregon's legislature to pass a law banning the sale of any logs to Japan from State-owned timber.

Why have timber exports to Japan caused this controversy?

The Japanese demand has raised the prices of some logs, and U.S. mills competing on the open market often find they have to pay more for timber. Japanese have paid prices $5 to $30 a thousand board feet above the going market prices for fir and hemlock logs, U.S. industry sources say. Most mills depend on buying Federal timber or logs for at least part of their raw material.

CONSUMER PRICE COULD BE AFFECTED

"Through a Japanese bidder's competition, I went from $98,110 up to $210,500 in buying at an auction. Now do you understand how I feel?" asks James Whitty, president of Al Pierce Lumber Co., Coos Bay, Oreg.

The rising Japanese demand could ultimately affect the prices of lumber for U.S. home buyers and other consumers, but proponents and opponents of log exports generally agree the current volume of exports is not large enough to push up lumber prices generally.

Those opposed to log exports to Japan also say processing the logs into lumber and other products in Japan hurts employment here. Some mill and union leaders argue that if the Japanese can't buy raw logs, they will buy more lumber instead. A payroll of $43 a thousand board feet is created by logging and making lumber. However, less than half this amount comes from logging alone, according to a spokesman for the Western Forest Industries Association, a group opposing Japanese log buying.

"The Japanese are importing both our logs and our payroll," said Joseph W. McCracken, executive vice president of the association at Portland, Oreg. A. F. Hartung, president of the International Woodworkers of America union, says, "The sawmills could not stay in business if they had to meet the top prices paid by the Japanese."

SOME SUPPORT EXPORTS TO JAPAN

However, there is considerable support for the Japanese exports even in the heart of the lumber producing area.

Says one industry spokesman: "I would rather see the logs manufactured into lumber here. But it's our Government's policy to keep Japan in our orbit. To do that, we have to trade with Japan."

An International Longshoremen's and Warehousemen's Union official said: "We favor log exports to Japan. They create jobs."

Crown Zellerbach Corp., Simpson Timber Co., and some other large companies have sold logs to Japan.

Japan is short of wood. Although nearly two-thirds of the country is forested, much of the timberland is inaccessible for logging.

Japan currently has a big forest-road-building program underway to open up such timber areas.

Japan has relied increasingly on wood imports. Until recently, Japan was increasing its imports from Russia faster than from the United States. Between 1956 and 1958, Japan's wood imports from the United States rose about 80 percent, while imports from Russia gain 536 percent. Japanese figures show. In the past year, however, Japan has slowed its wood buying from Russia. Japanese trade representatives in the United States say. A spokesman for a Japanese trading company says Soviet trade gets mixed up with politics, and so the supply and price is not dependable.

JAPANESE PERTURBED OVER FUSS

The Japanese get somewhat perturbed by the fuss in the United States over timber exports.

"Americans shouldn't kiss us goodby and get too cocky," says one Japanese importer. Japan already is buying more heavily in

New Zealand and Australia as well as the United States he says.

However, the Japanese have pulled in their horns slightly on U.S. buying recently. "A month age, we couldn't find enough hemlock 4 by 4's for Japan. Now we can't sell them," says a spokesman for Pacific Lumber & Shipping Co., Seattle. This may stem partly from a world shipping bottleneck resulting from the burgeoning log trade plus fast-rising grain shipments to Red China that suddenly have filled a lot of ships.

It's generally felt Japan still would like to buy more North American wood. Japanese representatives in the Northwest have been close-mouthed about saying how much more. Japan imported about 2 billion feet of softwood logs last year from all countries, and would like to boost that to 6 billion feet, according to Dant & Russell, Inc., Portland, Oreg., the main exporter of logs to Japan. Japan uses about 20 billion board feet a year.

The reason I include this particular article is we are all losing wages. When we lose wages we lose dignity, we lose respect, we lose productivity, consumer power and purchasing power, and we lose a part of the natural wealth of the Nation.

The textile industry went to those at the White House and the various executive departments and told them that the textile industry is essential to the defense of this Nation. It is. The textile industry is essential. Otherwise we could not clothe our troops or have many other things that are essential to defense. I do not understand why we continue to have deaf ears here unless there are some who are determined to wreck this Nation, to take it apart piece by piece, knowing that snapping the vitality of this particular segment of American industry will strike a serious blow at the confidence of the people of this country in their Nation because they need jobs, they need wages, they need the dignity of work.

I also have an article here from the Wall Street Journal of Thursday, June 22, which is headed "White House Pushes To Get the New Haven $5,500,000 U.S. Loan as Defense Industry" as follows:

WHITE HOUSE PUSHES TO GET THE NEW HAVEN $5,500,000 U.S. LOAN AS DEFENSE INDUSTRY

(By a Wall Street Journal staff reporter)

WASHINGTON.—The White House is actively directing an effort to save the New York, New Haven & Hartford Railroad from bankruptcy with still another infusion of Federal loans.

Already President Kennedy's transportation adviser, James M. Landis, has intervened on the New Haven's behalf before the Interstate Commerce Commission, but that agency has closed its door to the railroad. So, Mr. Landis is guiding the New Haven to the Treasury Department and the Office of Civil Defense Mobilization for help.

The New Haven, on the advice of Mr. Landis, has asked for a $5,500,000 direct loan by next Monday under the Defense Production Act of 1950. Before the Treasury can grant a loan under the act it must receive a certification from OCDM that the applicant is an essential defense industry.

WHITE HOUSE SUPPORT

And it seems evident the White House is pushing hard in the New Haven's behalf. One White House aid said bankruptcy for the railroad would be a ghastly situation. He declared "the administration is going to help" the New Haven and any other commuter railroads in financial trouble.

This White House source noted President Kennedy intends to submit legislation, probably next year, that would provide Federal aid for commuter lines. This plan would be much broader than the token proposal the President sent Congress this week which seeks to make clear that, under pending housing legislation, urban planning grants can be used for studies of mass transit problems.

White House intervention for the New Haven at the Treasury and OCDM is irking officials of other Federal agencies. The New Haven won't be able to pay off the loans it has already received from or through the Government, they contend, so the White House effort amounts to a subsidy program for a privately owned railroad without authorization from Congress.

The New Haven has borrowed about $39 million since 1955 either in direct loans from the Government or in private loans on which the Government has guaranteed repayment. In May the New Haven obtained an ICC loan guarantee for $1,500,000 after Mr. Landis told the Commission the White House favored the New Haven application. But because it has grave doubts about New Haven's ability to repay this loan and previous ones it has guaranteed, the ICC has said it won't help the railroad any more.

UNUSUAL USE OF ACT

In its application to the Treasury and the OCDM, the New Haven is proposing an unusual use for the Defense Production Act. The law was passed primarily to finance expansion of basic industries, such as steel and pipelines, during the Korean war. It has been used little since then and, according to the OCDM, help for a railroad under it has been rare.

Even if it gets the $5.5 million loan, the New Haven has indicated it will be back to Washington with still another loan application later in the year. The railroad, it's understood, calculates it will need about $10 million to carry it through 1961.

This $10 million estimate takes into consideration some $3.1 million of tax cuts the New Haven will get in the last half of this year from the four States in which it operates: New York, Connecticut, Rhode Island, and Massachusetts. They have enacted tax relief measures to help the New Haven, but the aid will not start until July 1. On a full-year basis, the four new laws will mean $6.2 million in annual tax relief for the New Haven.

The most pressing bill facing the New Haven is a $1.5 million interest payment due July 1 on its $76.8 million of outstanding first mortgage 4 percent bonds. The New Haven for the first 4 months this year had a net loss of $7,758,381 compared with a loss in the corresponding 1960 months of $4,396,683.

I came across the New Haven situation in my committee and found out that the Interstate Commerce Commission in certain instances had made loans without proper collateral. I am in favor of helping the railroad industry, but if the railroad industry is important to defense, certainly the textile industry is too.

Let us look at it this way: They tell us that voluntary quotas will not work, yet in the Japanese Trade Agreement the voluntary quotas have worked in large part. Can we afford to sacrifice this industry? Is that the intent of the policymakers today? If it is, they are against my people and they have betrayed them. There is no other way to describe it.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I believe the gentleman has raised a most practical point. I realize he is speaking on behalf of the people he represents, but he emphasizes the predominant influence of foreign affairs in our problems today. Certainly we cannot isolate any segment of our economy on account of foreign affairs. The gentleman is absolutely correct in his request that the State Department consider itself the servant of the American people, and, of course, specifically of the people in his district, just as each of us representing our respective constituents hopes that the State Department serves our people, as the gentleman hopes they will serve his. I believe the gentleman's remarks are in good order, I believe the gentleman's remarks deserve the attention of all the Members of the House. Certainly it would be my wish that the gentleman's remarks receive attention in the State Department, and it would be my further hope that the gentleman would through his remarks and his activities bring congressional interest and attention to this problem so that we might see that our State Department serves the taxpaying citizens of America. I commend him for his loyalty to the constituents he represents.

Mr. HEMPHILL. I thank the gentleman from Illinois.

I have noted the gentleman's diligence. His office is right across the hall from my office. I have noticed the ability with which he has represented his people. I know he is concerned with this problem, not because it is his immediate problem but because he is concerned with the affairs of this Nation. Why have we not had some proposal? We have quotas on those countries that are friendly. To deny those countries that are unfriendly the right to export to this country is self-evident.

Let me tell you a peculiar situation which exists. It is well known, but the American people have not been renewed in their contact with it lately.

We are shipping cotton overseas. We have to get rid of our surplus cotton. We are shipping cotton overseas and today, because of a differential of 8½ cents that we subsidize, that cotton is being bought overseas for the purpose of being shipped back here. I have witnessed it firsthand in Japan and other places across the seas. Now, our mills are having to pay a certain amount for cotton and their competition pays 8½ cents less a pound. You may ask, How can they compete? Our competition is not hiring American workingmen. It is not paying wages to American workingmen. The wages of our foreign competition are not helping to pay taxes. They have not fought for our country. They have not contributed, and yet we are told that we must gear our policy to see that their interests are taken care of first. I resent that attitude and I resent that lack of appreciation of America first, because unless we think of America first we are not going to be able to think of an America at all.

America cannot exist except as a leading nation; otherwise it just would not be America.

Mr. Speaker, I received a letter the other day from a gentleman in California whom I have never seen and do not know, but one I appreciate. I ask unanimous consent to insert that letter at this point in my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The letter is as follows:

SAN FRANCISCO, CALIF.,
June 20, 1961.

Representative ROBERT W. HEMPHILL,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HEMPHILL: I wish to commend you with all the power at my command for your forthright, determined attempts to obtain action in the matter of textiles.

I just read your speech in the June 15 RECORD, and I am aware of the earlier effort made in March, when you and so many other legislators produced data which should satisfy any reasonable person as to the situation.

Sir, I am shocked that nothing has been done, having been reading about this for some months now, and not only that, but that the State Department is planning new international agreements to cover only one aspect of the problem.

I do not believe this is stupidity, as has been the case perhaps in the overall foreign policy, which has made this country the laughingstock of freemen and freedom fighters everywhere.

I believe there are men trying to destroy this industry, and why can't action be done; why is it so impossible to obtain satisfaction for the people of America, re jobs, taxes, subversion, etc.? Are we going to have to go up there and pull these masters of indecision out of their bureaus with our bare hands?

Let us get the names of the men responsible. Let us return tariffmaking agreements to Congress, if it is not too late. Voluntary quotas would work—why are we so afraid of everyone else in the world, that we cannot protect our own interests? Best of luck. I will tell everyone I can of the situation.

Sincerely,

JAMES L. SHARP.

Mr. HEMPHILL. Not long ago I talked in the well of this House about a horrible editorial in the Washington Post called "A Terminal Case." I have here an excerpt of comments on that particular editorial, and I ask unanimous consent to include it in my remarks at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The matter referred to is as follows:

A TERMINAL CASE

With its oversea outlets vanishing and the competition at home increasingly savage, the textile industry was lobbying with desperate energy this spring for Federal quotas to hold back the rising flood of foreign imports. Last week President Kennedy told the textile manufacturers he would extend every legitimate kind of aid they were requesting, but he declined to impose quotas. The President put himself on the side of commonsense and international fairplay.

Although only 7 percent of the cloth sold here is now imported, the manufacturers can see the future clearly. From 1958 to 1960, imports of cotton, wool, and synthetic fibers more than doubled.

The State Department will renew its labors to persuade the exporting nations into voluntarily limiting their shipments to us. Apparently these self-imposed limits are to be expanded with time. Meanwhile the textilemakers here will have a grace period to get out of the lines of production in which they find they cannot compete. This temporary protection is altogether proper.

President Kennedy evidently has convinced the textile industry of his genuine concern for its troubles. He will propose loans like those offered in distressed areas. The Commerce Department will undertake the research that the industry no longer can afford. The Agriculture Department will seek a solution to the really outrageous inequity of cotton pricing; the mills here must buy raw cotton on the supported domestic market, while their competitors abroad can buy American cotton 20 percent cheaper on the unsupported world market.

All of these remedies will be money well spent if they relieve the political pressure for the imposition of fixed quotas, with the discrimination that would mean. But the point to remember is that no amount of protectionism can restore the industry even to the fragile health it enjoyed 15 years ago.

Our cotton exports have sunk to one-third of the 1947 level, and quotas will not raise them. At home, consumers have spent a diminishing share of their income on clothing; plastics and paper have replaced many industrial uses of cloth. Although textile production has diminished only slightly since World War II, productivity in the mills has risen more than 70 percent; it has meant the loss of 400,000 textile jobs, and quotas will not bring them back.

Fixed textile import quotas would invite retaliation against our own products, and betray our whole foreign economic policy. Textile manufacturing is largely a low-wage, low-investment industry suitable for the early stages of a nation's development. With its high-wage, mature economy, the United States has outgrown much of textile manufacturing as an appropriate livelihood. Sustained protection of uneconomic mills would close our markets to struggling nations in whose advancement we have invested millions of dollars of foreign aid.

The decline of uncompetitive industries is always a cruel affair, both for the people who work in it and those who invested in it. The President has rightly perceived that the Government's proper role is to soften temporarily a blow that cannot be shielded except at prohibitive cost in both dollars and international good faith.

Mr. HEMPHILL. Mr. Speaker, let me say this in closing. We in the textile area are part of America. We intend to be part of America tomorrow. We have been a part of the greatness of America in the past, and we are proud of it. We are part of the strength of America today, and we are proud of it. We are determined to exist. We are determined to progress. We are determined that the State Department see our problem and do something about it. If they do not, I know not what course may lay ahead of us. I only know that I will subscribe to a course offering relief to the need of my people.

In conclusion, Mr. Speaker, let me pause here to thank the people who are employed in the House of Representatives for their patience, working with us at this late hour; a fine group of people, and I am happy to serve with them. But, the time has come, Mr. Speaker, for some relief in the textile industry.

GEN. THOMAS D. WHITE

Mr. MACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MACK. Mr. Speaker, on September 14, 1917, Congressman L. E. Wheeler, of the 21st District, Illinois, advised the Secretary of War of his appointment of one Thomas Dresser White to the U.S. Military Academy. In July 1918, that young man entered the Military Academy from which he graduated in July 1920. Tomorrow, 41 years later, that same man and now Gen. Thomas D. White, Chief of Staff of the U.S. Air Force, is retiring from the military service.

General White's long and distinguished service has taken him to many foreign lands, has seen him in responsible positions in two wars and has culminated in outstanding service to his country as Chief of Staff of the most powerful Air Force in the world.

General White's career has literally spanned the growth of airpower into aerospace power—from the days of the Jenny to the current era of supersonic jet aircraft, ballistic missiles, the X–15 rocket craft, which has flown a mile a second, and earth orbiting satellites.

But General White has been more than a distinguished airman. He is in truth a military statesman of the first order and a forward thinker who has constantly placed the national interest above service interest. I know that our Nation will miss his counsel. I also know that all of us wish him happiness and tranquillity in the years ahead.

As an aviator myself, I am particularly proud that General White was appointed from my district and I feel privileged to make these remarks on behalf of such a distinguished American.

Mr. HEMPHILL. Mr. Speaker, will the gentleman yield?

Mr. MACK. I will be happy to yield to the gentleman.

Mr. HEMPHILL. Mr. Speaker, it just so happens that I am a member of the Air Force Reserve. I must say that General White has always had the Reserves as well as the men on active duty at heart.

About a year ago I was privileged to go to San Francisco with him. Not only do I consider him a great military leader, but he is a man whose life has been an example to American boys and girls, a person of absolute courtesy and military bearing such as would inspire the admiration of all of us. I associate myself with the remarks of the distinguished gentleman from Illinois.

Mr. MACK. I thank the gentleman from South Carolina for his appropriate remarks, especially since the gentleman served in the Air Force as an aviator during World War II.

A CONTROLLED OUTLET FOR THE GAMBLING URGE

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. FINO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FINO. Mr. Speaker, I am happy to note that as a result of recent warning of stock market speculation, the Subcommittee on Commerce and Finance has opened hearings to determine whether present regulations are adequate to protect the investing public.

This, to me, is an acknowledgment by Congress that the public is engaged in a speculative frenzy—or gambling activity—and that proper regulation, control, and supervision appears necessary. It would further tend to prove that gambling—and it has been admitted that this is what we are dealing with—is an aspect of the human personality that simply cannot be eradicated but must instead be controlled and beneficially channeled.

Mr. Speaker, gambling, as we all know, can be harmful when neither controlled nor regulated. We would do well to establish a controlled outlet for the gambling urge so that this natural human proclivity could be made to serve rather than disrupt our Nation.

The Congress is cognizant of the detrimental effects of gambling in the securities market—the need for control has been realized. Is the Congress not aware that gambling in this nation is a multibillion-dollar business and a pillar of organized crime? Surely, such a vice empire merits control and regulation no less than does the securities market. I urge the Congress to recognize this fact—and I urge the Ways and Means Committee to act favorably upon my proposal for a national lottery.

Only through a national lottery can we strike at the heart of the gambling syndicates, for a national lottery, in addition to securing and activating revenues presently beyond the control of responsible society, would diminish the amount of money available to shore up the crime syndicates.

We are coming to recognize that gambling cannot be exterminated but must rather be controlled. Let us act upon this realization. Now, more than ever, a national lottery is a must.

CADILLACS OR CORN

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROBINSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROBISON. Mr. Speaker, I hold in my hand a portion of the front page of the Elmira Star-Gazette, a newspaper published in Elmira, N.Y., in my congressional district, for the evening of Saturday, June 24. I refer specifically to a large photo of a 1961 Cadillac sedan, alongside which William T. Smith, a farmer from the neighboring community of Big Flats, N.Y., is kneeling.

And on the rear of the Cadillac is mounted a large sign that clearly states, and I am quoting from the picture: "Thank you, J.F.K. Thank you, Orville. Thank you, if you voted for them. We didn't. We bought this car with money we received for not growing corn."

There is another photo, just below this one, that shows Farmer Smith surveying a part of the 104 acres of land, which, according to the caption, he has diverted from crop production to weed production, and, indeed, it looks like nothing but a weed patch.

Mr. Speaker, I wish there were some way that these photos could be reproduced in this RECORD, since they tell a story better than a thousand words. However, since that is not, of course, possible, I merely wish to add that my hat is off to Farmer William T. Smith, of Big Flats, N.Y., for having the courage and the spirit to take this dramatic way of demonstrating what an irresponsible mess our whole farm price-support program is—such a mess that it is indeed time that someone like Farmer Smith made an example of it—and to now ask unanimous consent that the entire accompanying news story be included as a part of my remarks.

FARMER'S $6,100 CADILLAC MOCKS GIVER—CORN BONUS PAID FOR IT

(By Lorana Sullivan)

Chemung County farmer William T. Smith is riding Uncle Sam's crop control program in a new $6,100 Cadillac sedan.

He bought the car with money the Government is paying him to keep 104 acres out of production. He hopes he makes taxpayers angry.

Wanting to dramatize his belief that handling taxpayers money this way is not "morally right," Smith has mounted a sign on the back of the car which offers tongue-in-cheek thanks to President John F. Kennedy, Secretary of Agriculture Orville L. Freeman and the voters who elected Kennedy.

Why a Cadillac?

"I think the taxpayers would like me to have the best, so I got the works," he comments dryly.

The Federal Government has paid Smith part of a total allotment of about $6,500 for not producing corn on 104 acres of land. The Chemung County Agricultural Stabilization and Conservation Department (ACS) administers the Federal program here.

Smith did not have to join the crop conservation program. He says he decided to participate in order to demonstrate to the taxpayers how the Government spends tax money. Smith states he is opposed to the "diabolical" program but believes someone had to make an example of it.

Smith's views are challenged by Charles W. Warden, who heads the county ASC and administers the feed grain program here.

"If it (the program) has stopped the production of corn, then it's a success," declared Warden. "That's the object of the program."

Asked about farmers like Smith to whom the program provides unexpected bounty, Warden commented:

"I think anything that comes out of Congress is good. I go along with Congress and the administration. This bill was passed by congressional action, not by a bunch of farmers."

Informed that a story about Smith's views would be published, Warden protested: "The farmer is having a rough enough time as it is. It is not fair to discriminate against him by printing something about a farmer like Smith."

The owner of a 1,200-acre dairy and poultry farm at Big Flats, Smith was notified of a new 1-year volunteer grain program early this year. The Federal program was designed to cut production of corn and sorghum so that present Government storage of feed grains could be reduced.

He visited the county ASC office to investigate. He was asked if he had grown corn in 1959 or 1960.

He had. He had planted an average of 262 acres in those years, with an average yield per acre of 100 bushels.

He was told he was eligible for the Government program. With a corn production base of 262 acres, he could divert 40 percent of this acreage.

However, the land taken out of production did not have to be his best corn producing land. He could designate any part of his cropland, as long as it had been intensively cultivated within the past 3 years.

Smith signed up for the program that day. An office worker asked if he wanted his advance payment then or later. He took the advance payment on the spot—a Government check for $3,049. The remainder of the $6,500 will be paid later.

Naturally, he didn't divert his best land from production. Instead he selected 104 acres from which he "was lucky to get a yield of 65 bushels per acre." Under the program, he cannot use the diverted land for grazing or harvest silage or corn crops from it until December 31, 1961.

"I see no reason why this program will work now, since agricultural production controls haven't worked in the past 30 years. A farmer can always find a loophole."

He illustrates this point by explaining how he could still grow 252 acres of corn while participating in the program.

"The Government doesn't classify sweet corn as grain corn. I could plant 104 acres of sweet corn, which has about the same feed value as field corn, and get back the same yield of corn as I would if I weren't in the program. I just wouldn't grow it on the land I've diverted."

Another gimmick, Smith says, is an ASC program which pays a farmer half the cost of liming his fields.

"The ASC pays you for fertilizing the land—it's supposed to be for hay—but when you put that land back into corn production your corn yield is increased.

"You can't sell a farmer on being patriotic about taking his land out of production. He's just trying to make a buck like everybody else.

"If I stood on a corner and asked people to pay me for not planting 104 acres of corn, do you think I'd get any money?" he asks.

Ironically, the Chemung County Extension Service still is distributing information to farmers telling them how to produce more corn per acre of land.

How will Smith's farm fare under the Federal program?

"I'll fertilize and take good care of the 158 acres I planted in corn this year, and I'll probably grow just as much without the diverted acreage," he says.

"Then this fall I'll plant a wheat crop on some of the diverted land. It won't be harvested until next year, so I'll be following the program. Meanwhile, the weeds are having a ball."

Smith tells of a farmer near him who also is participating in the corn bank program.

"He's planted strawberries on the land he put into the program. The berries won't be harvested until next year, since they take a year to produce. The money he's collecting

is a real gift. He's getting paid to divert land that wouldn't produce for a year anyway."

Other Chemung County corn growers are receiving substantial payments for not raising corn. In the county 132 of 250 eligible corn growers have received $36,925.49 in advance payments for diverting 1,633.2 acres of land from production. Total payments will amount to about $75,000, the ASC office says.

In New York State 16,141 of 41,136 eligible corn growers have received advance payments of $3,017,001. Their total payments will be about $7 million.

Why is Smith so indignant about his "gift"?

"I know these Government payments are not morally right," Smith declares. "No farmer will take his best land out of production, and yet the taxpayer is paying him for an average yield from good land.

"I took the payments and bought the Cadillac to make an example out of what's going on," he explains. "How many people really know how tax money is spent? I couldn't think of an easier way to bring what's going on to the attention of the taxpayer."

AUGMENTATION OF THE MARINE CORPS

Mr. ICHORD of Missouri. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. DOWNING] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. DOWNING. Mr. Speaker, the Secretary of the Navy, the Honorable John B. Connally, recently announced a decision to augment the Marine Corps thus providing a nucleus and framework for a 4th Marine Division. This is, in my opinion, a significant step forward toward providing our country with adequate forces for limited war. Throughout our history a ready Marine Corps has played an important role in our continued efforts to preserve peace by being strong. The record of the Marine Corps speaks for itself. There is no requirement for me to recount at this time the many victories this fighting organization has won or the numerous crises which it has nipped in the bud. The decision to increase the size of the corps by 15,000 men and to utilize this increase, in part, to establish a skeleton for a 4th Marine Division is a perceptive indication that we mean business. I only wish the rest of the outlook in the area were as bright. I am considerably concerned about the Navy's capability to move the Marines to trouble points. The record shows that we have amphibious lift of only 1½ Marine Division/Wings, or about one-third of a total realistic requirement. As Mark Watson recently reported in the Baltimore Sun, "The United States has the best amphibious fleet in the world—for one regiment. But it won't carry two divisions." It appears that our amphibious ship Navy has been sadly neglected in recent years.

I hasten to point out that I am making no indictment of the Navy's shipbuilding programs during the past decade. Our seagoing arm has been doing marvelously well with the limited and wornout tools with which they have had to work. I believe that the quick response and stabilizing of the situation in the Lebanon, Quemoy-Matsu, Congo, and other brush-fire incidents are sufficient evidence of this. In an era when emphasis has been placed, logically enough, on the staggering problems of missile gaps, space race, and deterrent forces, it is understandable that less glamorous, but nevertheless vitally necessary military weapons have been neglected. However, we have reached the point when we can no longer afford to neglect the Navy amphibious lift capability. If our current three divisions of Marines and possibly a future fourth division are to be able to carry out the traditional mission of quick reaction and immediate movement to the scene of threatened aggression, a large-scale program of new ship construction must be initiated. A cursory appraisal of our amphibious fleet reveals that at the end of this fiscal year the Navy will possess a total of 105 amphibious ships of various types; troop transports, cargo ships, amphibious assault ships with embarked helicopters, and tank-landing ships. It is almost impossible to believe that 62 of these ships will be over 15 years old by the end of this month. Most of these ships are veterans of World War II. Many were already well worn by wartime steaming by the time that conflict was over. These same ships have been maintained and operated on a near emergency basis for all the years that have followed World War II. To put it simply, these aged ships, representing far more than half of the total amphibious forces, are just plain worn out.

Now all of this would be more acceptable if we could be assured that a program were underway for a systemized replacement of the old ships. We are even aware that, with the advances in techniques in shipbuilding, and with the new methods of amphibious warfare, a mathematical ship-for-ship replacement is not actually necessary. As a matter of fact, I understand that the Navy envisions its amphibious mission being carried out in the seventies by fewer, but newer, swifter ships. Unfortunately, this long-range program has not been implemented because of shipbuilding fund limitations. In order to carry out an orderly replacement of overage ships, 9 or 10 new amphibious-type vessels should be included in each annual shipbuilding program. During the past 5 years, only two or three ships have been programed each year. In the 1961 program just one ship was provided. Obviously, with 10 ships passing their age limit each year and with a backlog of overaged ships already on hand, the present shipbuilding program is at the level of token replacement only.

And if this picture were not already dismal enough, let me point out that the Navy's most optimistic expectations would still provide amphibious lift for only one-half of the four Marine Corps divisions. And to cap this dreary summation, even this two-division planning does not take into account that ships, as do airplanes and missiles, must spend part of their time in overhaul and maintenance. So all we would have under the most optimistic planning would be less than a two-division assault lift. All in all, the amphibious lift picture is so dreary as to represent a serious deficiency in our national security posture. No wonder the Commandant of the Marine Corps has remarked that he already has more fight than ferry.

By 1965 the undeniably vital Polaris submarine program, with its first priority, will be completed. No one, of course, would suggest that the Polaris submarine program on which our very survival may depend be watered down in favor of other construction programs. That might well represent national suicide. At the same time, it is during the years 1961–65 that the threats of limited war with the attendant danger of escalation loom greatest on our horizon. It is precisely during those years of forced neglect that amphibious ship construction program should be receiving its greatest emphasis.

What I am saying is that we cannot afford to wait until after 1965 to provide ships we need right now. What I am saying is that these fine Marines with their unchallenged record must not be hampered nor have their lives jeopardized because we have failed to provide them with adequate modern sealift. The decision to bolster our Marine Corps was incisive and forward looking. It was a decision from which any erstwhile aggressor, I am sure, can take no comfort. But that decision was merely the first step. The next step, which must begin right now, is to provide the Marines with modern Navy ships which will guarantee their being moved and sustained in any place on earth where communism might throw down the challenge. The requirement is clear. Our response must be to provide systematic, large-scale, high-priority shipbuilding programs to guarantee an up-to-date, first-class, ready-to-go amphibious fleet. For generations the legendary phrase, "The U.S. Marines have landed" has meant that the situation is under control and that peace has been preserved. This is a legend which we cannot allow to perish.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. COHELAN on account of Arms Control Conference, Switzerland.

Mr. BOW (at the request of Mr. ARENDS) for today on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. PUCINSKI (at the request of Mr. ICHORD of Missouri), on Monday, July 3, for 15 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. KILDAY.

Mr. MAHON.

(The following Members (at the request of Mr. DERWINSKI) and to include extraneous matter:)

Mr. GOODELL.
Mr. SCHWENGEL.
Mr. BRUCE.
Mr. MICHEL.
Mr. GOODLING.
Mr. ARENDS.
Mr. BECKER.

(The following Members (at the request of Mr. ICHORD of Missouri) and to include extraneous matter:)

Mr. GALLAGHER.
Mr. MULTER.
Mr. GEORGE P. MILLER.
Mr. CAREY.
Mr. ROUSH.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5723. An act to extend the veterans' guaranteed and direct home loan program and to provide additional funds for the veterans' direct loan program;

H.R. 6027. An act to improve benefits under the old-age, survivors, and disability insurance program by increasing the minimum benefits and aged widow's benefits and by making additional persons eligible for benefits under the program, and for other purposes; and

H.R. 7677. An act to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act.

H.J. Res. 465. Joint resolution making continuing appropriations for the fiscal year 1962, and for other purposes.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 106. Joint resolution transferring the management of the Senate restaurants to the Architect of the Capitol, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 4500. To donate to the heirs of Anthony Bourbonnais approximately thirty-six one-hundredths acre of land in Pottawatomie County, Okla.

H.R. 4913. To amend the act of August 7, 1946, relating to the District of Columbia hospital center to extend the time during which appropriations may be made for the purposes of that act;

H.R. 5723. To extend the veterans' guaranteed and direct home loan program and to provide additional funds for the veterans' direct loan program;

H.R. 7677. To increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act; and

H.R. 7712. Making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes.

ADJOURNMENT

Mr. ICHORD of Missouri. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 4 minutes p.m.), under its previous order, the House adjourned until Monday, July 3, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1081. A letter from the Secretary of the Army, transmitting reports of the number of officers on duty with Headquarters, Department of the Army and the Army General Staff on March 31, 1961, pursuant to Public Law 581, 81st Congress; to the Committee on Armed Services.

1082. A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting the April 1961 report on Army, Navy, and Air Force prime contract awards to small and other business firms, pursuant to the Small Business Act, as amended; to the Committee on Banking and Currency.

1083. A letter from the Deputy Director for Congressional Relations, International Cooperation Administration, transmitting a copy of the agency's reply to the report of the Comptroller General dealing with contracts (reference B-133355) relating to the International Cooperation Administration, Department of State, for fiscal years 1958–60; to the Committee on Government Operations.

1084. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to grant minerals, including oil, gas, and other natural deposits, on certain lands in the Northern Cheyenne Indian Reservation, Montana, to certain Indians, and for other purposes"; to the Committee on Interior and Insular Affairs.

1085. A communication from the President of the United States, transmitting a draft of a proposed bill entitled "A bill to establish a U.S. Disarmament Agency for World Peace and Security"; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAHON: Committee on Appropriations. House Joint Resolution 465. Joint resolution making continuing appropriations for the fiscal year 1962, and for other purposes; without amendment (Rept. No. 612). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAYS: Committee on House Administration. House Resolution 250. Resolution providing for the printing as a House document the report of the Judicial Conference of the United States, held March 13–14, 1961, at Washington, D.C.; without amendment (Rept. No. 613). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 251. Resolution to provide for the printing of the Constitution of the United States, with an index and ancillaries, as a House document; with amendment (Rept. No. 614). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 259. Resolution authorizing the printing as a House document of a compilation of General Accounting Office findings and recommendations for improving Government operations; and providing for additional copies; without amendment (Rept. No. 615). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 292. Resolution providing for additional copies of a consultation entitled "Language as a Communist Weapon"; without amendment (Rept. No. 616). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 293. Resolution providing for additional copies of testimony of Petr S. Deriabin, former officer of the Union of Soviet Socialist Republics' Committee of State Security (KGB) entitled "The Kremlin's Espionage and Terror Organizations"; without amendment (Rept. No. 617). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 294. Resolution providing for additional copies of staff consultations entitled "The Ideological Fallacies of Communism"; without amendment (Rept. No. 618). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 295. Resolution providing for additional copies of hearings entitled "Communism in the New York Area—Entertainment," 85th Congress, 2d session; without amendment (Rept. No. 619). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 296. Resolution providing for additional copies of a consultation with Edward Hunter, author and foreign correspondent, entitled "Communist Psychological Warfare—Brainwashing," 85th Congress, 2d session; without amendment (Rept. No. 620). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 297. Resolution providing for additional copies of House Document No. 119, 86th Congress, 1st session, entitled "Patterns of Communist Espionage"; without amendment (Rept. No. 621). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 307. Concurrent resolution providing for additional copies of a publication entitled "Soviet Total War—Historic Mission of Violence and Deceit," 85th Congress, 1st session; without amendment (Rept. No. 622). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 308. Concurrent resolution providing for additional copies of parts 1, 2, and 3 of hearings entitled "Communist Training Operations—Communist Activities and Propaganda Among Youth Groups"; without amendment (Rept. No. 623). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 309. Concurrent resolution providing for additional copies of hearings entitled "The Northern California District of the Communist Party—Structure—Objectives—Leadership"; without amendment (Rept. No. 624). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 310. Concurrent resolution providing for additional copies of a study entitled "Legislative Recommendations by House Committee on Un-American Activities—Subsequent Action Taken by Congress or Executive Agencies—A Research Study by Legislative Reference Service of the Library of Congress"; without amendment (Rept. No. 625). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 311. Concurrent resolution providing for additional copies of House Document 336, 86th Congress, 2d session, entitled "Facts on Communism—Volume I, The Communist Ideology"; with amendments (Rept. No. 626). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 320. Concurrent resolution authorizing the printing of the inaugural addresses of the Presidents as a House document and providing for additional copies; with amendment (Rept. No. 627). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 348. Resolution to authorize the Committee on Foreign Affairs to employ an additional employee, and for other purposes; with amendment (Rept. No. 628). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 327. Concurrent resolution authorizing the printing of additional copies of House Document No. 198 of the 84th Congress, entitled "The Commission on Intergovernmental Relations"; without amendment (Rept. No. 629). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 349. Resolution authorizing the printing of "U.S. Defense Policies in 1960" as a House document; without amendment (Rept. No. 630). Ordered to be printed.

Mr. HAYS: Committee on House Administration. S. 1748. An act to provide for the increase of distribution of the CONGRESSIONAL RECORD to the Federal Judiciary; without amendment (Rept. No. 631).

Mr. HAYS: Committee on House Administration. Senate Concurrent Resolution 17. Concurrent resolution authorizing the printing of the pamphlet entitled "Our Capitol" as a Senate document and providing for additional copies; without amendment (Rept. No. 632). Ordered to be printed.

Mr. HAYS: Committee on House Administration. Senate Concurrent Resolution 23. Concurrent resolution to print additional copies of part I of hearing on migratory labor; without amendment (Rept. No. 633). Ordered to be printed.

Mr. HAYS: Committee on House Administration. Senate Concurrent Resolution 24. Concurrent resolution relating to printing of publications of the Internal Security Subcommittee of the Senate Committee on the Judiciary; without amendment (Rept. No. 634). Ordered to be printed.

Mr. HAYS: Committee on House Administration. Senate Concurrent Resolution 27. Concurrent resolution authorizing the printing as a Senate document of the proceedings of the National Water Research Symposium; without amendment (Rept. No. 635). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 342. Concurrent resolution authorizing the printing as a House document of the tributes extended to the Honorable SAM RAYBURN; and providing for additional copies; without amendment (Rept. No. 636). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 341. Resolution authorizing the employment of two additional mail clerks, Office of the Postmaster of the House of Representatives; without amendment (Rept. No. 637). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 357. Resolution providing additional funds for the Committee on House Administration; without amendment (Rept. No. 638). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 354. Resolution to provide for a flag for the Members of the House of Representatives; without amendment (Rept. No. 639). Ordered to be printed.

Mr. RUTHERFORD: Committee on Interior and Insular Affairs. H.R. 498. A bill to provide additional lands at, and change the name of, the Fort Necessity National Battlefield site, Pennsylvania, and for other purposes; with amendment (Rept. No. 640). Referred to the Committee of the Whole House on the State of the Union.

Mr. RUTHERFORD: Committee on Interior and Insular Affairs. H.R. 566. A bill authorizing the establishment of a national historic site at Old Fort Davis, Jeff Davis County, Tex.; with amendment (Rept. No. 641). Referred to the Committee of the Whole House on the State of the Union.

Mr. RUTHERFORD: Committee on Interior and Insular Affairs. H.R. 2203. A bill to authorize the Secretary of the Interior to exchange certain property in Rocky Mountain National Park, Colo., and for other purposes; with amendment (Rept. No. 642). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H.R. 4360. A bill for the relief of Hood County, Tex.; without amendment (Rept. No. 643). Referred to the Committee of the Whole House on the State of the Union.

Mr. RUTHERFORD: Committee on Interior and Insular Affairs. H.R. 5518. A bill to revise the boundaries of the Fort Raleigh National Historic Site in North Carolina, and for other purposes; with amendment (Rept. No. 644). Referred to the Committee of the Whole House on the State of the Union.

Mr. RUTHERFORD: Committee on Interior and Insular Affairs. H.R. 5548. A bill to authorize the Secretary of the Interior to acquire approximately 9 acres of land for addition to Cumberland Gap National Historical Park, and for other purposes; with amendment (Rept. No. 645). Referred to the Committee of the Whole House on the State of the Union.

Mr. TAYLOR: Committee on Interior and Insular Affairs. H.R. 6067. A bill to provide for an appropriation of a sum not to exceed $35,000 with which to make a survey of a proposed national parkway from the Blue Ridge Parkway at Tennessee Ball or Beech Gap Southwest and running into the State of Georgia; with amendment (Rept. No. 646). Referred to the Committee of the Whole House on the State of the Union.

Mr. RUTHERFORD: Committee on Interior and Insular Affairs. H.R. 7240. A bill to authorize an exchange of lands at Wupatki National Monument, Ariz., to provide access to certain ruins in the monument, to add certain federally owned lands to the monument, and for other purposes; without amendment (Rept. No. 647). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Interior and Insular Affairs. H.R. 7042. A bill to add certain federally owned land to the Lassen Volcanic National Park, in the State of California, and for other purposes; without amendment (Rept. No. 648). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Science and Astronautics. Annual review of the National Science Foundation (Rept. No. 670). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Science and Astronautics. Report on Project Mercury (Rept. No. 671). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H.R. 1612. A bill for the relief of Mr. Ernest Hay, Wamego, Kans.; with amendment (Rept. No. 649). Referred to the Committee of the Whole House.

Mr. SHRIVER: Committee on the Judiciary. H.R. 2990. A bill to confer jurisdiction upon the Court of Claims to determine the claim against the United States of Amis Construction Co. and San Ore Construction Co.; without amendment (Rept. No. 650). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 3855. A bill for the relief of Dwylia McCreight and John T. McCreight, Jr.; without amendment (Rept. No. 651). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 4382. A bill for the relief of Joseph L. Thomas; with amendment (Rept. No. 652). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 5182. A bill for the relief of Charles P. Redick; with amendment (Rept. No. 653). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 5320. A bill for the relief of Robert Knobbe; without amendment (Rept. No. 654). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7581. A bill for the relief of Mike H. Kostelac; without amendment (Rept. No. 655). Referred to the Committee of the Whole House.

Mr. MACGREGOR: Committee on the Judiciary. H.R. 7610. A bill for the relief of Joe Kawakami; without amendment (Rept. No. 656). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7676. A bill for the relief of George W. Ross, Jr.; without amendment (Rept. No. 657). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 7739. A bill for the relief of Arthur C. Berry and others; without amendment (Rept. No. 658). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 7740. A bill for the relief of Mrs. Sharon Lee Harden; without amendment (Rept. No. 659). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 1532. A bill for the relief of Jeanine Ruth Tabacnik; with amendment (Rept. No. 660). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 1550. A bill for the relief of Jesus Garza Lopez; without amendment (Rept. No. 661). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 1551. A bill for the relief of Kim-Ok Yun; with amendment (Rept. No. 662). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 1898. A bill for the relief of Isabel Brown; without amendment (Rept. No. 663). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 1901. A bill for the relief of Georgia J. Makris; with amendment (Rept. No. 664). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 2136. A bill for the relief of Hajime Misaka; without amendment (Rept. No. 665). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 2145. A bill for the relief of Joginder Singh Toor; without amendment (Rept. No. 666). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 2181. A bill for the relief of Kim Dom Yong; without amendment (Rept. No.

667). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 3404. A bill for the relief of Elemer Christian Sarkozy; without amendment (Rept. No. 668). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 6514. A bill for the relief of Dr. Louis Karel Dupre; without amendment (Rept. No. 669). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BETTS:

H.R. 7925. A bill to provide a 6-year statute of limitations for assessing tax on omission of dividends or interest from gross income reported on tax return, and to provide a special penalty for such omission; to the Committee on Ways and Means.

By Mr. CORMAN:

H.R. 7926. A bill to provide for the construction of a new Federal office building in Van Nuys, Calif.; to the Committee on Public Works.

By Mr. HENDERSON:

H.R. 7927. A bill to adjust postal rates, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. KILGORE:

H.R. 7928. A bill to provide for the conveyance of certain excess real property of the United States to the city of Mission, the city of McAllen, and the city of Edinburg, all situated in the State of Texas; to the Committee on Government Operations.

By Mr. LANGEN:

H.R. 7929. A bill to provide for periodic congressional review of Federal grants-in-aid to State and local units of government; to the Committee on Government Operations.

By Mr. MASON:

H.R. 7930. A bill to amend section 170 of the Internal Revenue Code of 1954 with respect to certain civic organizations; to the Committee on Ways and Means.

By Mr. RYAN:

H.R. 7931. A bill to amend title I of the Housing Act of 1949 to provide more adequate relocation payments for individuals, families, and business concerns displaced from urban renewal areas; to the Committee on Banking and Currency.

By Mr. SIKES:

H.R. 7932. A bill to amend the act of July 2, 1948, so as to repeal portions thereof relating to residual rights in certain land on Santa Rosa Island, Fla.; to the Committee on Armed Services.

By Mr. STRATTON:

H.R. 7933. A bill to provide for a monument to Martin Van Buren, and for other purposes; to the Committee on House Administration.

By Mr. VINSON:

H.R. 7934. A bill to authorize the Secretaries of the military departments to make emergency payments to persons who are injured or whose property is damaged as a result of aircraft or missile accidents, and for other purposes; to the Committee on Armed Services.

H.R. 7935. A bill to restore authority in the Armed Forces to prepare the remains, on a reimbursable basis, of certain deceased dependents of military personnel and to transport the remains at Government expense to their homes or other appropriate place of interment; to the Committee on Armed Services.

By Mr. MORGAN:

H.R. 7936. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. KASTENMEIER:

H.R. 7937. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. HALPERN:

H.R. 7938. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. MULTER:

H.R. 7939. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. FARBSTEIN:

H.R. 7940. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. MOELLER:

H.R. 7941. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. ADDONIZIO:

H.R. 7942. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. JOHNSON of Wisconsin:

H.R. 7943. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. CLEM MILLER:

H.R. 7944. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. FRIEDEL:

H.R. 7945. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. ASHLEY:

H.R. 7946. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. CELLER:

H.R. 7947. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. BLATNIK:

H.R. 7948. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. RIVERS of Alaska:

H.R. 7949. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. DONOHUE:

H.R. 7950. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. RHODES of Pennsylvania:

H.R. 7951. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. LANE:

H.R. 7952. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. MOULDER:

H.R. 7953. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. SHIPLEY:

H.R. 7954. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. PIKE:

H.R. 7955. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. OLSEN:

H.R. 7956. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. RODINO:

H.R. 7957. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. NIX:

H.R. 7958. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. RYAN:

H.R. 7959. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. KARTH:

H.R. 7960. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. O'HARA of Illinois:

H.R. 7961. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. STAGGERS:

H.R. 7962. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. KOWALSKI:

H.R. 7963. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. ROOSEVELT:

H.R. 7964. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. DANIELS:

H.R. 7965. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. TOLL:

H.R. 7966. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. ZELENKO:

H.R. 7967. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. DIGGS:

H.R. 7968. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. ZABLOCKI:

H.R. 7969. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mrs. KELLY:

H.R. 7970. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. HAYS:

H.R. 7971. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. McDOWELL:

H.R. 7972. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. MURPHY:

H.R. 7973. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. GALLAGHER:

H.R. 7974. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. MONAGAN:

H.R. 7975. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. MERROW:

H.R. 7976. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. HOLIFIELD:

H.R. 7977. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. MOORHEAD of Pennsylvania:

H.R. 7978. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. REUSS:

H.R. 7979. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. ANFUSO:

H.R. 7980. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. COHELAN:
H.R. 7981. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.
By Mr. INOUYE:
H.R. 7982. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.
By Mr. JUDD:
H.R. 7983. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.
By Mr. VANIK:
H.R. 7984. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.
By Mr. LATTA:
H.R. 7985. A bill to amend the Agricultural Act of 1956, as amended, and the Agricultural Act of 1949, as amended, to prohibit the subsidized export of any agricultural commodity to Communist nations and to prohibit sales by the Commodity Credit Corporation of any agricultural commodities to such nations; to the Committee on Agriculture.
By Mr. MERROW:
H.R. 7986. A bill to provide for adjusting conditions of competition between certain domestic industries and foreign industries with respect to the level of wages and the working conditions in the production of articles imported into the United States; to the Committee on Ways and Means.
By Mr. LINDSAY:
H.R. 7987. A bill to amend the Immigration and Nationality Act so as to modernize and liberalize the quota system and provide for the admission of persecuted peoples, and for other purposes; to the Committee on the Judiciary.

By Mr. ALBERT:
H.J. Res. 466. Joint resolution to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1962; to the Committee on Agriculture.
By Mr. BROYHILL:
H.J. Res. 467. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.
By Mr. LINDSAY:
H.J. Res. 468. Joint resolution designating the 7-day period beginning November 5, 1961, as Hospitalized Veterans Week; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of North Carolina memorializing the President and the Congress of the United States to enact suitable legislation to regulate correspondence schools and their solicitors as to their activities in the several States, which was referred to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AVERY:
H.R. 7988. A bill for the relief of Mrs. Joan M. Miller; to the Committee on the Judiciary.

By Mr. DERWINSKI:
H.R. 7989. A bill for the relief of Mrs. Francisca Tongco Ruiz and Leo Bayani Ruiz; to the Committee on the Judiciary.
By Mr. GALLAGHER:
H.R. 7990. A bill for the relief of Ruth Adams, Joseph Adams and Thomas Herbert; to the Committee on the Judiciary.
By Mr. JOELSON:
H.R. 7991. A bill for the relief of Concetta Vacca, Rosaria Vacca and Francesco Vacca; to the Committee on the Judiciary.
By Mr. MILLER of New York:
H.R. 7992. A bill for the relief of Juana Brandariz Sanchez; to the Committee on the Judiciary.
By Mr. MILLIKEN:
H.R. 7993. A bill for the relief of Aram Fayda and his wife, Elena Fayda; to the Committee on the Judiciary.
By Mr. SIKES:
H.R. 7994. A bill for the relief of Tina Jane Beland; to the Committee on the Judiciary.
By Mr. RILEY:
H.R. 7995. A bill for the relief of Ioannis Sokratis Zachos; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XII,

192. The SPEAKER presented a petition of Henry Stoner, Avon Park, Fla., relative to requesting a resolution dealing with congressional districts and representation in Congress, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Gen. Thomas Dresser White

EXTENSION OF REMARKS
OF
HON. PAUL J. KILDAY
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 29, 1961

Mr. KILDAY. Mr. Speaker, Gen. Thomas Dresser White has not only achieved 41 distinguished years in the military service of our Nation but also, while not officially a native son of Texas, has been most appreciative of the Lone Star State's contribution to the training of Air Force pilots, of which he is one of the most outstanding.

As I recall several years ago General White stated that Texas is so big in this respect, as in many others, that he was required to make not one but two Armed Forces Day speeches. And he did this job well, as he always does, in citing the many Air Force bases in Texas now in the current aerospace forces, and in the impact they have had on the training of Air Force men over the years, covering the two major World Wars, the Korean conflict and the peacetimes between.

General White has often been complimented for his devoted service to his country, and his objective knowledge of world affairs in the military sphere, in his many appearances before congressional committees, especially during the missile and space hearings presided over by LYNDON B. JOHNSON, and during appropriations hearings presided over by GEORGE H. MAHON. It is safe to say that Gen. Tommy White seldom has been out of the shadows of Texas here in Washington, one way or another, and he has emerged from this close affiliation with marks of affection and mutual admiration.

In his retirement the Nation is losing a devoted military authority, as well as a cultured gentleman, diplomat, linguist, and friend. We hope that the months and years that follow these 41 years of great service are as kind to him personally as they have been to the recipients of his invaluable service to his Nation.

News for the Blind

EXTENSION OF REMARKS
OF
HON. J. EDWARD ROUSH
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 29, 1961

Mr. ROUSH. Mr. Speaker, I have great admiration and respect for those who have the misfortune to be blind. I am personally acquainted with several of these individuals, and, without exception, they are provident, cheerful, and express an intense interest in National, State, and community affairs.

In order that these people in my district might have firsthand information on the happenings in Washington and an expression from their Congressman on pending legislation, I have my periodic newsletters translated into braille for the benefit of sightless constituents. This is done at nominal expense to me, and the result has been most gratifying. I commend the practice to my colleagues, and urge them to join with me in assisting these less fortunate friends in their efforts to be well-informed and knowledgeable citizens.

Castro Welshes

EXTENSION OF REMARKS
OF
HON. CORNELIUS E. GALLAGHER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 29, 1961

Mr. GALLAGHER. Mr. Speaker, now that Castro has proven to us that he had no intention of relieving the 1,200 prisoners regardless of the ransom demanded, our country has been placed in a position of appeasing a Communist tyrant.

I have voiced my sentiment previously on the Tractor for Freedom exchange with Castro and I was and still am unequivocally opposed to submitting to his