self feels there is nothing to be perturbed about.

If the utilities had put his name forward to Governor Reagan, he said this week, "I don't know whether it would be improper or not. Whether they did or didn't is substantially indifferent to me. I would vote independently in any case."

He said he found Chickering's admission "frankly hard to believe.

"What has happened here is that there has been a concerted effort on someone's part to label me as pro-utility. I just don't think this is so.

"Look through the way I've voted in the past year. I'm sure I've voted on matters which would displease utilities."

TWO ARTICLES

Morrissey said two articles he wrote in the Public Utilities Fortnightly in April and November, 1966, were "more pieces of research rather than pro-utility."

"I still look upon myself as an academician," he added. His paid work for the telephone company was in the 1950s, he said.

Tom Reed, Reagan's former appointments secretary who quit at the end of Reagan's first 100 days in office, denied that utilities had any say in Morrissey's appointment.

"They made no recommendations to me," he said.

Reed, who runs a mining and land company in Nevada County and lives in San Raphael, said he had given Reagan five or six names for the PUC appointments, with Morrissey and Symons getting his personal recommendation.

He recommended Morrissey, he said, after his name had been put forward by the major appointments task force, by a senator and after canvassing college faculties.

SCREAM VIOLENT OBJECTIONS

He conceded that utility companies didn't "scream violent objections" to Morrissey's nomination.

"I thought then, and I still do, that both Morrissey and Symons were intelligent, impartial and fair guys who were concerned with the best interests of the people," said Reed.

Symons, a rancher, whose Mono County GOP senate seat was swept away by reapportionment in 1966 after serving one year in the Legislature, was recommended by members of the State Senate, disclosed Reed.

"COMPLETE SURPRISE"

Chickering, incidentally, said Symons' appointment came as a "complete surprise" to him and to the utilities, who had not recommended him.

Whatever the political repercussions of Chickering's remarkably frank statements, great doubt is now thrown on the validity and fairness of the Pacific Telephone hearings which ended last month after 82 days and 12,568 pages of testimony.

Pacific, in requesting a $181 million rate boost, wants to improve its allegedly depressed rate of return on investment by some 30%—to 80% from 6.3%. If granted in full, the request would nearly double some phone bills in San Francisco.

Chickering's remarks also appeared to contradict sworn testimony by Jerome W. Hull, Pacific's executive vice president, who stated: "I do not know of any recommendations that were made to the Governor by any utility group."

HOUSE OF REPRESENTATIVES—*Monday, January 26, 1970*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

To this end we toil and strive, because we have our hope set on the living God.—I Timothy 4: 10.

O Thou eternal Father of our spirits, in this quiet moment at the beginning of another week we lift our hearts unto Thee who art the source of all our being and the goal of our noblest endeavors. We pray for strength to carry our burdens, wisdom to see through the problems we face, insight to discover what is right, and courage to walk in right ways.

With all our hearts we pray for our country, for Members of Congress, all who work with them, and for our people scattered far and wide on this land of the free. By Thy spirit may we learn to live together with respect for others in our minds, with good will for others in our hearts, and crown our good with brotherhood from sea to shining sea. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, January 22, 1970, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Leonard, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested.

S. 30. An act relating to the control of organized crime in the United States.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., January 23, 1970.

The Honorable the SPEAKER,
U.S. House of Representatives.

DEAR SIR: I have the honor to transmit herewith a sealed envelope addressed to the Speaker of the House of Representatives from the President of the United States, received in the Clerk's Office at 1:15 p.m., on Friday, January 23, 1970, and said to contain a message from the President wherein he transmits a study of instructional television and radio pursuant to Section 301 of the Public Broadcasting Act of 1967.

With kind regards, I am,

Sincerely yours,

PAT JENNINGS, *Clerk.*

COMPREHENSIVE STUDY OF INSTRUCTIONAL TELEVISION AND RADIO—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

Section 301 of the Public Broadcasting Act of 1967 authorized the Secretary of Health, Education, and Welfare to conduct a comprehensive study of instructional television and radio. Former Secretary Wilbur Cohen appointed a Commission to conduct such a study. The report of that Commission is transmitted herewith.

This Administration will transmit its views on instructional television and radio and related matters at a later date.

RICHARD NIXON.

THE WHITE HOUSE, *January 23, 1970.*

ATOMIC ENERGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Joint Committee on Atomic Energy:

To the Congress of the United States:

Pursuant to the Atomic Energy Act of 1954 as amended, I am submitting to the Congress an authoritative copy of an amendment to the Agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes of July 3, 1958, as amended. The Amendment was signed at Washington on October 16, 1969.

The Agreement as amended included a provision (Paragraph A of Article III *bis*) under which the Government of the United States agreed to transfer to the Government of the United Kingdom for its atomic weapons program prior to December 31, 1969 in such quantities and on such terms and conditions as may be agreed non-nuclear parts of atomic weapons and atomic weapons systems as well as source, byproduct and special nuclear material. A second provision of the Agreement (Paragraph C of Article III *bis*) stipulated that the Government of the United Kingdom would transfer to the Government of the United States for military purposes such source, byproduct and special nuclear material, and equipment of such types, in such quantities, at such times prior to December 31, 1969 and on such terms and conditions as may be agreed.

Under the Amendment submitted herewith the period during which the provisions of Paragraphs A and C of Article III *bis* of the Agreement for Cooperation remain in force would be ex-

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

tended for five years so that transfers could be made any time prior to December 31, 1974. The continued authorization of the two Governments to cooperate with each other in these respects would contribute to our mutual defense, particularly in the North Atlantic Treaty area.

I am also transmitting a copy of the Secretary of State's letter to me accompanying authoritative copies of the signed Amendment, a copy of a joint letter from the Chairman of the Atomic Energy Commission and the Secretary of Defense recommending approval of this Amendment, and a copy of my memorandum in reply thereto, setting forth my approval.

RICHARD NIXON.

THE WHITE HOUSE, *January 26, 1970.*

PORNOGRAPHY

(Mr. SCHADEBERG asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SCHADEBERG. Mr. Speaker, I have today introduced a measure to create a select committee which would place the entire big business of pornography under congressional scrutiny. I have taken this move as a result of evidence showing that the pornography business has definite Mafia and syndicate ties.

In my estimation, Congress' attempts to control the flood of alleged obscene materials have been unsuccessful because we have no knowledge of the organizational structure which is using the U.S. mail and small stores set up on main streets to pander these materials upon the American public. We have little knowledge of the extent of the pornography business in the United States, of the crime syndicate involvement in the industry, of the laws which can be currently enforced in order to control the industry, or of the proper weapons needed to enable local enforcement authorities to control this industry within the local communities.

Once we have this knowledge, gathered by the select committee which I am today proposing, I am confident that America's law-enforcement personnel would be able to act and thereby guarantee that the rights of citizens are not infringed upon by the iceberg-level business which carries out the industry of pornography pandering. I wish to thank those Members of Congress who have joined me in the introduction of this measure, and invite others to do likewise.

THE STATE OF THE UNION

(Mr. KLEPPE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KLEPPE. Mr. Speaker, in his state of the Union message, it seems to me that the President addressed himself to the problems which the American people place at the top of their priority list. Certainly inflation—No. 1—and crime, pollution, welfare reform, and the general well-being of the Nation are of prime concern to every American. The President expressed his awareness not only of the problems but of his determination to meet them.

It was a forward-looking speech. It was far more than a projection for the year ahead. It was a blueprint for broad action in the decade of the 1970's.

The challenging goals he outlined cannot be reached through Presidential resolution alone. The achievement of his objectives will not only require the full cooperation of the Congress but also the dedication of the American people.

As the Representative of a rural district which has been plagued for many years by the twin problems of rising farm production costs and depressed farm prices and by a declining population which results from this disastrous combination, I am especially impressed by the President's pledge to "create a new rural environment that will not only stem the migration from urban centers but reverse it." As he pointed out further, rural America must be dealt with "not as a separate nation but as a part of an overall growth policy for all America."

Recognition of a problem is the first forward step toward its solution. The President, in his state of the Union message has taken that step.

INTERNATIONAL CLERGY WEEK

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 1051) designating the week commencing February 3, 1970, as International Clergy Week in the United States, and for other purposes.

The Clerk read the title of the joint resolution.

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

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 1051

Whereas the clergy of our Nation have meant so much to our religions and our way of life; and

Whereas, on February 3, 1943, the troop transport "Dorchester" was torpedoed and sunk in the cold north Atlantic area off the coast of Greenland; and

Whereas among the six hundred and seventy-eight men who were lost in this disaster were four chaplains—a priest, a rabbi, and two ministers; and

Whereas these chaplains went down with their ship because they had given their life jackets to soldiers who lost theirs in the confusion or had left them below deck; and

Whereas, with utter disregard for self, the chaplains stood hand in hand, praying to the God they served for the safety of those men who were leaving the sinking ship in fear and terror; and

Whereas it is with intrepidity and fearlessness that the clergy men of our Nation have led religious people for hundreds of years; and

Whereas it is most appropriate that a special period be designated to honor those who have dedicated their lives to the ministering of God's word; and

Whereas the Civitan International adopted a resolution urging the observance of an international clergy week throughout the United States and Canada; honoring the clergymen of our respective faiths: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week commencing February 3, 1970, is designated as "International Clergy Week in the United States". The President is authorized and directed to issue a proclamation inviting the people of the United States to observe this week with appropriate ceremonies and activities.

AMENDMENTS OFFERED BY MR. ROGERS OF COLORADO

Mr. ROGERS of Colorado. Mr. Speaker, I offer two amendments and ask unanimous consent that they be considered en bloc.

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

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. Rogers of Colorado: On pages 1 and 2 strike out all "whereas" clauses.

On page 2, line 3, strike the numeral "3" and insert "1".

The amendments were agreed to.

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

The title was amended so as to read: "Designating the week commencing February 1, 1970, as International Clergy Week in the United States, and for other purposes."

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 11959, TO INCREASE IN VETERANS' EDUCATIONAL ASSISTANCE

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11959) to amend chapters 31, 34, and 35 of title 38, United States Code, in order to increase the rates of vocational rehabilitation, educational assistance, and special training allowance paid to eligible veterans and persons under such chapters, with House amendments to the Senate amendments, insist upon the House amendments and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. TEAGUE of Texas, DORN, HALEY, BARING, BROWN of California, TEAGUE of California, AYRES, ADAIR, and SAYLOR.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 2]

Anderson, Calif.	Berry	Cabell
Andrews, N. Dak.	Blackburn	Casey
Ashbrook	Blanton	Chappell
Ashley	Boland	Clark
Barrett	Bray	Clay
Belcher	Broyhill, N.C.	Cleveland
	Burke, Fla.	Cohelan
	Bush	Collins

Conyers	Lipscomb	Reifel
Corbett	Lloyd	Reuss
Corman	Long, La.	Rivers
Cowger	Lowenstein	Rostenkowski
Cramer	Lukens	St Germain
Dawson	McCarthy	Sandman
Diggs	McCulloch	Satterfield
Donohue	McEwen	Saylor
Dorn	McFall	Scheuer
Edwards, Calif.	Mailliard	Sikes
Evins, Tenn.	Mathias	Snyder
Farbstein	Melcher	Stanton
Fish	Meskill	Steiger, Ariz.
Flowers	Monagan	Stratton
Frelinghuysen	Morton	Symington
Fulton, Tenn.	Moss	Thompson, Ga.
Goldwater	Murphy, N.Y.	Tiernan
Green, Oreg.	O'Neill, Mass.	Tunney
Hall	Ottinger	Van Deerlin
Halpern	Pepper	Vander Jagt
Hanna	Philbin	Watkins
Hansen, Wash.	Podell	Whalley
Harrington	Powell	Wiggins
Hastings	Price, Ill.	Wolff
Hébert	Purcell	Wydler
Helstoski	Railsback	Wyman
Keith	Rarick	
Kirwan	Reid, N.Y.	

The SPEAKER. On this rollcall 328 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON SCIENCE AND ASTRONAUTICS TO SIT ON TUESDAY AND WEDNESDAY OF THIS WEEK DURING GENERAL DEBATE

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent that the Committee on Science and Astronautics may be permitted to sit on Tuesday and Wednesday of this week while the House is in session during general debate for the purpose of our science panel discussions.

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

There was no objection.

MILITARY AID TO ISRAEL

(Mr. PUCINSKI asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PUCINSKI. Mr. Speaker, I am sure we all greeted with considerable interest President Nixon's statement yesterday to the National Emergency Conference on Peace in the Middle East that the United States would support more arms to Israel "as the need arises."

The National Emergency Conference is made up of presidents of major American Jewish organizations who are visiting here in Washington today in an effort to put into proper focus the growing crises in the Middle East.

I was pleased to hear the President take this position because for some time now I have been advocating that we provide greater military aid to Israel to meet the rising menace of Arab aggression in the Middle East.

I have said time and again that the Israelis do not want a single American soldier or any other American personnel to help in this crisis. The Israelis only want the sinews with which to defend their homeland and they themselves will provide the manpower.

But as encouraging as Mr. Nixon's statement was yesterday, the statement made by Ron Ziegler today raises some serious questions. Mr. Ziegler emphasized that while the President would be agreeable to providing additional arms to Israel, such arms could be provided only on a purchase basis.

I think this country ought to know that the Soviet Union has provided the Arab States with whatever equipment they need to wage aggression without any financial exchange. In other words, the Soviets are giving the Arabs everything they need while the American administration says that it will be glad to sell Israel whatever she needs.

This does not appear to me to be a realistic policy. I hope Mr. Nixon will reconsider and agree to lend-lease Israel whatever hardware she needs to defend herself from Arab aggression.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS, 1970

Mr. FLOOD. Mr. Speaker, I call up the bill (H.R. 13111) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1970, and for other purposes, with a Senate amendment to the House amendment to the Senate amendment numbered 83.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will report the last Senate amendment.

The Clerk read the Senate amendment to the House amendment to Senate amendment No. 83, as follows:

In lieu of the language proposed to be inserted by the second part of the House amendment insert ": *Provided further*, That those provisions of the Economic Opportunity Amendments of 1967 and 1969 that set mandatory funding levels, including mandatory funding levels for the newly authorized programs for alcoholic counseling and recovery and for drug rehabilitation, shall be effective during the fiscal year ending June 30, 1970: *Provided further*, That of the sums appropriated not less than $22,000,000 shall be used for the family planning program."

MOTION OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FLOOD moves that the House concur in the Senate amendment to the House amendment to the amendment of the Senate numbered 83.

Mr. FLOOD. Mr. Speaker, the Senate amendment that the House will concur in if my motion is agreed to is a rather simple measure. It would simply require that the earmarkings for fiscal year 1970 provided in the authorizing legislation are adhered to. The only exception to this statement is that the Senate amendment would earmark $22,000,000 for family planning rather than $15,000,000 earmarked in the authorizing legislation.

When the Labor-HEW bill was in conference, a majority of the conferees were of the opinion that it would be an undesirable restriction, on the use of these funds for individual programs and subprograms, to require the agency to adjust the total fiscal year's obligations to these prescribed levels after half or more of the fiscal year had passed.

Since the Senate amendment was adopted we have looked into this matter in more detail. The agency still feels that this is an undue restriction, especially coming so late in the year. I still agree with them to a certain extent, but our more detailed analysis does show that less adjustment will have to be made in the agency's current plan, in order to fit into the pattern that will be necessary under the Senate amendment, than I had earlier thought to be the case. Under the existing circumstance, where this entire $19½ billion bill is being held up past the middle of the fiscal year, it is my opinion that the overriding consideration is to get the bill through the Congress as soon as possible. I, therefore, have made this motion to agree to the Senate amendment which will clear the bill for the President's signature or his veto.

Mr. Speaker, I ask unanimous consent to place in the RECORD at this point a table, prepared by the Office of Economic Opportunity, which shows the 1969 actual obligations by program, the earmarking which will prevail if we agree to the Senate amendment, the minimum and maximum earmarking under the provisions of the authorizing legislation which provide transfer authority and the current agency plan were there no earmaking.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

OFFICE OF ECONOMIC OPPORTUNITY—EFFECTS OF AUTHORIZATION EARMARKS ON 1970 BUDGET

[In millions]

	Fiscal year 1969 actual	Fiscal year 1970 estimates				
		Prorated conference mark			Current agency plan	
		Total	Minimum	Maximum	Total	Plus or minus
Reserved funds: Title II (local initiative)	$326.1	$328.9	$328.9	$328.9	$325.9	$−3.0
Amounts subject to proration:						
Title IA and IB	866.9	772.3	695.1	1,042.6	762.7	+67.6
Title ID (special impact)	20.4	39 8	35.9	53.9	30.0	−5.9
Title IE (mainstream and PSC)	0	17.3	15.6	23.4	15.6	0
Title II:						
Headstart	328.9	345.2	310.7	466.0	336.7	+26.0
Headstart followthrough	32.0	78.1	70.3	105.4	56.0	−14.3
Legal services	45.4	50.3	45.3	67.9	54.9	+9.6

Footnotes at end of article.

OFFICE OF ECONOMIC OPPORTUNITY—EFFECTS OF AUTHORIZATION EARMARKS ON 1970 BUDGET—Continued

[In millions]

	Fiscal year 1969 actual	Fiscal year 1970 estimates				
		Prorated conference mark			Current agency plan	
		Total	Minimum	Maximum	Total	Plus or minus [1]
Amounts subject to proration—Continued						
Title II—Continued						
Comprehensive health	$52.3	$69.4	$62.5	$93.7	$74.0	+$11.5
Emergency food and medical	23.2	54.2	48.8	73.2	30.0	−18.8
Senior opportunity services	6.4	7.6	6.8	10.3	7.6	+.8
State economic opportunity offices; Training and technical assistance; Day care; Research, demonstration, and evaluation; Program support	92.1	[2]61.9	0	0	136.6	+136.6
Title II reserved:						
Alcoholism	0	10.0	9.0	13.5	2.0	−11.5
Drug rehabilitation	2.2	5.0	4.5	6.8		
Family planning	13.8	22.0	19.8	29.0	22.0	+2.2
Title III:						
Rural loans	6.0	10.4	9.4	14.0	10.0	+.6
Migrants	27.4	29.5	26.6	39.8	31.0	+4.4
Title VI (administration)	12.9	13.9	12.5	18.8	16.0	+3.5
Title VIII (VISTA)	32.8	32.1	28.9	43.3	37.0	+8.1
Programs not budgeted in fiscal year 1970	50.8					
Unobligated balance	8.4					
Total	1,948.0	1,948.0	1,730.6	([3])	1,948.0	+270.9 −53.5

[1] Minuses, that is below minimum, would have to be funded by reprograming from activities showing pluses.

[2] Unearmarked residual of $1,948.0 Budget Estimate not subject to "Minimum Maximum" requirements.

[3] Not available.

Mr. FLOOD. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. MICHEL), the ranking minority member of the subcommittee.

The SPEAKER. The gentleman from Illinois (Mr. MICHEL) is recognized for 5 minutes.

Mr. MICHEL. Mr. Speaker, this conference report comes back to us here in the House for one reason only; that being the rejection by the other body of language I had written into the conference report as follows:

Provided, That those provisions of the Economic Opportunity Amendments of 1967 and 1969 that set mandatory funding levels shall not be effective during the fiscal year ending June 30, 1970: *Provided further*, That this appropriation shall be available for transfers to the economic opportunity loan funds for loans under title III, and amounts so transferred shall remain available until expended.

This language was prompted by the fact that we cut the budget request for funds by $100 million, and this causes all kinds of disruptions when one considers the mandatory spending requirements and earmarking of the authorizing legislation. Members will recall that the authorizing legislation called for a total spending package of $2.195 billion, while the budget came up to us in the amount of $2.048 billion, and the conference report was finalized at a figure of $1.948 billion.

As I said, when you take the formulas devised in the authorizing legislation for a figure of a quarter of a billion dollars higher than you appropriate, the relative spending for individual line items is altered considerably. This was the main thrust of my argument in the conference. This was no new argument, for back in 1967 the Economic Opportunity Act amendments earmarked three programs. The appropriations bills for the fiscal years 1968 and 1969 relieved the agency of this earmarking requirement entirely by similar language.

During the debate on the fiscal 1968 bill the distinguished chairman of our full Appropriations Committee, the gentleman from Texas (Mr. MAHON), stated that:

This appropriation is made with the clear understanding of the Conferees that it is an appropriation to provide for the entire program for the twelve months of fiscal year 1968 and it is up to the Executive Branch to tailor this program and distribute the funds in such a manner as not to require funding a crisis program through a supplemental appropriation.

Over in the other Chamber SENATOR PASTORE said:

In order not to put him (Sargent Shriver) in a box, we thought the best way to handle it . . . was to give him the flexibility and the discretion to run this program.

Now, the other body struck my language from the conference report and wrote in the so-called Nelson amendment as amended by the Byrd amendment, which now reads as follows:

Provided further, That those provisions of the Economic Opportunity Amendments of 1967 and 1969 that set mandatory funding levels, including mandatory funding levels for the newly authorized programs for Alcoholic Counseling and Recovery and for Drug Rehabilitation, shall be effective during the fiscal year ending June 30, 1970.

Provided further, That of the sums appropriated, not less than $22 million shall be used for the Family Planning Program.

The Nixon administration has announced its intentions to make OEO the social research and demonstration agency for the Federal Establishment. If the Nelson earmarks are applied, funds would not be available for this important work. If the mandatory spending requirements prevail, money set aside for research programs, improvement for OEO evaluations, State-funded projects, day care, aged programs, and training and technical assistance, would be cut by about $40 million. For instance HEW would have to take a $10.7 million cut in Headstart. The Department of Labor would have to take a $21.4 million cut in the JOBS program, Job Corps, New Careers, and the CEP program.

There are only 5 months remaining in this fiscal year and it will be difficult for the agency to effectively spend large additional sums of money required by some of the mandatory spending programs. For instance, the Follow Through program is presently scheduled to be funded at $56 million this fiscal year. Under the earmarking in the bill, Follow Through must be funded at no less than $70 million and no more than $105 million. Thus an additional $14 million must be spent in the next 5 months on Follow Through if the earmarks are adhered to. This brings up the problem of turning back funds into the Treasury while such working and popular programs as Headstart and CEP are being cut back.

Mr. Speaker, when you consider the popular and important programs that will be curtailed, the inefficiency of forcing an agency to spend money so quickly and the history of not requiring mandatory spending levels, I still feel that my language is preferable to that adopted in the other body. But all our arguments are rather academic if in the end the President vetoes this bill, as he is expected to do. I therefore do not intend to press my case at this time beyond spreading these arguments on the record for consideration at the time when we will undoubtedly be reworking this bill.

Mr. FLOOD. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. BOW).

Mr. BOW. Mr. Speaker, in common with many of my colleagues on the Appropriations Committee, I am concerned about the way in which the authorization legislation earmarked the appropriation for the Office of Economic Opportunity. I believe that the action of the conference committee on the authorization bill was not only unwise, but that it overstepped the bounds of appropriate action by a legislative committee.

However, I share with all the Members of the House, I am sure, a reluctance to to do anything that would further delay final action on this important appropriation bill. For that reason, and for that reason alone, I will vote to concur in the Senate amendment and to send the bill to the President. In the event that the President's veto is sustained, and the Appropriations Committee once again has this appropriation bill before it, I will ask the committee to reexamine the question of the earmarking of the OEO appropriations.

I would like to take just a minute to explain to my colleagues the reasons why I think the Appropriations Committee should deal with this problem.

In the discussions of this issue in the Senate last week, the suggestion was made that the conferees on this bill, by providing that the earmarking in the authorization bill would not be applicable during fiscal 1970, had improperly introduced substantive legislation into the appropriation bill. I feel very strongly that the shoe is on the other foot—that it was the authorizing bill that was procedurally irregular.

This authorizing bill did a good deal more than authorize. It provided in detail how the money appropriated would be allocated if the appropriation was lower than the authorized amount—as it was in fact. In effect, it said to the Appropriations Committee that you may not consider appropriating one cent for Headstart until you have provided $328.9 million for local initiative projects under section 221 of the act. It said to the Appropriations Committee that you may not reduce the funds for VISTA unless you proportionately reduce the funds for other programs under the act. In other words, this authorizing legislation purported to say that the Appropriations Committee was free to report a total appropriation which was less than the authorized figure, but not free to decide which parts of the program that appropriation should be spent on.

That certainly does not conform with my view of the appropriate roles of legislative and appropriations committees. The role of the legislative committee, as I have always understood it, is to be concerned with the substantive provisions of legislation and with placing maximum limits on appropriation actions. In doing so, they may, of course, put separate limits on separate programs such as local initiative, Headstart, and the others. But within those limits, the Appropriations Committee is free to decide how much of the appropriation shall be available for each of the program categories. In this particular case, of course, the appropriations conference report reflected a decision to leave that to the discretion of the executive branch. That, in my view, is one option that is open to the Appropriations Committee, subject to whatever authorization limits have been written into the authorizing bill. But it is not the only option available, and I do not think it is proper for the authorizing legislation to foreclose either that option or the others.

I wish to make it clear that I express no criticism of the House members of the conference on the authorization bill. I know that they worked hard to bring back a good conference report, and I would not wish to be understood as being critical of the way they performed that task, in view of the fact that the Senate had engaged in this kind of earmarking. But I also wish to make it clear that by voting today to accept the earmarking, I do not in any way indicate approval of it, and that in the event the veto is sustained I intend to reopen this matter.

Mr. FLOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Speaker, as the chairman of the subcommittee has said, the overriding consideration is to get this bill through. I think it is safe to say most Members feel that, for one reason or another, that is the reason we should accept the Senate amendment rather than send the bill back to conference. Some say the amendment will die anyway, because they think the veto will be sustained. Nevertheless, I think we should examine what we are doing here and get it in a little better perspective.

A lot of people are saying they are for congressional reform. The authorization for OEO is probably the worst example of failure to use existing rules and procedures of this body that I have seen in the 10 or 11 years that I have been here. We are dealing with a 1970 fiscal year appropriations bill. The authorization, in order for the Department downtown to start the appropriations process, was needed a year ago last October—16 months ago—but the authorization bill was finally passed and signed into law on December 30 of this year, 15 months late.

Hearings were not even started until last spring, 6 months after the appropriations proposal was going through the obstacle course down in the Department, and after we had received the budget request up here. This is probably the worst, the sloppiest job of handling authorizations that we have seen in this Congress.

Now, that is bad enough. But under the Senate amendment, Congress will come along 7 months after the fiscal year has been underway, and limit reshaping the program and penalize the Department for the tardiness of the legislative branch.

The Senate amendment not only severely limits reshaping of the program after the fiscal year has more than half expired, but it also does not contain the provisions of the 1968 and 1969 appropriations bill for OEO which in effect overruled similar restrictions provided by the 1967 authorization amendments to the OEO act.

In my view, this amendment involves very important questions on how the U.S. Government proceeds on budgetary matters and if the veto is sustained, I hope the final or new bill as passed will contain language which does less violence to the overall OEO program.

The other reason I think this amendment should not be passed is that it will hurt poor people.

It has been a matter of basic law in this country for 150 years that the legislative branch cannot compel the executive branch to spend money. However, we can limit what the executive can spend. The Senate amendment limits obligations by categories and attempts to provide that they must follow exactly the formula in the legislative authorization bill. But under well settled constitutional law principles, that means that wherever there is a limit, it will apply, but wherever the authorization is more than what they intended to obligate we cannot do anything about it.

So the result is there is $270.9 million in the authorization bill they had intended to obligate, that is over the limits on individual items in the authorization bill, that they will not be able to obligate. Here are what some of those items are. In the work and training programs they had intended to obligate $67.6 million over the prorated limit in the authorization bill, and on Headstart $26 million, on the migrant program $4.4 million, legal services $9.6 million, comprehensive health $11.5 million, daycare, research and evaluation $136.6 million, family planning $2.2 million, and on VISTA $8.1 million. With the Senate amendment, they cannot obligate that money on those programs, but we cannot compel them to take the money and use it somewhere else. Therefore, the effect of the amendment is to reduce the funding level of the programs just mentioned and a few other to the total tune of $270.9 million.

So I say, Mr. Speaker, it seems to me in good conscience I must vote against this amendment. I know this amendment is going to pass, but I think it is bad for two reasons, and I do not see how anybody who claims he is for congressional reform or who claims he has compassion, these programs for poor people—either one—can support the Senate amendment and I shall vote against concurring with it.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. BELL).

Mr. BELL of California. Mr. Speaker, I rise in opposition to the Nelson amendment to the report.

President Nixon defined the role of the OEO—he defined what many of us thought OEO should have been over the last several years. * * * An innovative agency, a laboratory for new ideas.

The President said:

> OEO's greatest value is an initiating agency—devising new programs to help the poor, and serving as an incubator for these programs during their initial, experimental phases.
>
> One of my aims is to free OEO itself to perform these functions more effectively, by providing for a greater concentration of its energies on its innovative role.

Mr. Speaker, the President followed through on his promise.

By relieving OEO of the responsibility of operating massive, ongoing programs, he freed it to do the job this Congress mandated it to do.

I am asking today that we allow this opportunity to grow to fruition.

We must not now tie their hands.

Under the direction of our former colleague, Don Rumsfeld, impressive policy changes have been effected at the OEO.

The planning and evaluation function has been separated from program administration.

There is increased emphasis on the tools of systems analysis and operations research in making rational decisions on the allocation of resources.

Efforts to quantify program costs, and their benefits not only to individual recipients but to the taxpayers themselves, will allow OEO to learn, as Director Rumsfeld puts it, "What works and what does not and why."

With the realization that we do not yet know the answers to poverty; with the realization that new experimental efforts are essential; and with the realization that OEO as a laboratory agency offers the single most promising hope for solutions—it would be the greatest folly for us today to throw a wrench in the innovative mechanism the administration has developed before it has a chance to demonstrate its effectiveness.

Mr. Speaker, let us look for a moment at just what would happen to some of the programs our colleagues have expressed concern about.

Forcing funds into some areas without adequate planning will not only result in negligible gains. It must also deny other programs those funds.

For example: Acceptance of the amendment passed by the other body would result in program cuts for Headstart, legal services, concentrated employment and job opportunities in the business sector—jobs—among others.

I would like to insert in the RECORD the complete breakdown of these analyses:

IMPACT OF MANDATORY PROGRAM FUNDING IMPOSED BY NELSON AMENDMENT

Programs currently planned for funding below minimum levels which must be increased (+$53.5 Million):

1. Head Start Follow Through (+$14.3 million from $56 million): Follow Through is an experimental early elementary education program. Complete findings as to the efficacy of different approaches will not be available from Follow Through until 1972 at the earliest. The addition of $14 million to the 1970 budget would not enhance the experimental aspects of Follow Through—as all requirements will be met with the currently planned $56 million—and it would be a premature expenditure on operational programs.

2. Special Impact (+$5.9 million from $30 million): Special Impact is an experimental economic and community development program which concentrates large sums of money in a poor community. It provides substantial resources to attack the interlocking problems which keep that particular community impoverished. Since submission of the $38 million appropriation justification to the Congress, a detailed review was made of the program for the current year. This analysis resulted in a decision to reprogram $8 million to other high priority efforts. Additional funding is neither necessary or desirable at this time.

3. Alcoholism (+$8 million from $1 million): The Office of Economic Opportunity is developing a capacity to deal directly with alcoholism among the poor. The agency recognizes that alcoholism and poverty are closely intertwined in many cases. It would be extremely difficult, however, in the five months that may remain in this fiscal year after final appropriation, to develop a program ten times that presently planned. The Office of Economic Opportunity is anxious to learn more about how to prevent alcoholism and to rehabilitate its victims, but new experimental projects require time for thorough planning and preparation to assure meaningful results.

4. Narcotics (+$3.5 million from $1 million): In light of a $100 million reduction below its budget request, the Agency made a hard choice to sustain an innovative thrust in its Comprehensive Health budget. With restricted funds it appears more efficient to concentrate on restructuring delivery systems for complete health care for the poor (including Narcotics components) than to divert parts of these small sums to a single, specialized problem. Neighborhood Health Centers, reformed hospital outpatient clinics, a breakthrough in making more health specialists available to the poor—this broad effort will provide a more efficient use of scarce funds and can hopefully yield a dividend in combatting narcotics addiction.

5. Emergency Food and Medical Services (+$18.8 million from $30 million): The Emergency Food and Medical Services Program is a valuable vehicle for reaching the poor with the larger Federal Food programs. However, a forced increase of $18.8 million means that other programs will suffer disproportionately. This Administration found a $17 million program planned in both FY 1969 and 1970, a total of $34 million. It raised FY 1969 to $24 million and FY 1970 to $30 million, or a total of $54 million and an increase of $20 million. Further increase at this time, coupled with Congress' $100 million reduction in the President's FY 1970 request would cause damage to other efforts discussed below.

6. Local Initiative (+$3 million from $325.9 million): The President requested $328.9 million to sustain the core Community Action programs that had been locally initiated in his $2.048 billion request for FY 1970. When the appropriation came through with $100 million less, a small ($3 million) tightening in this program was a balanced result, to help avoid the kinds of steps described below.

Programs which would be reduced in order to meet mandatory minimum levels described above (−$53.5 million):

1. Head Start (−$10.7 million from $336.7 million): The $10.7 million reduction would be split between the summer and full year programs. This means that 24,000 children who are expecting to enroll in summer Head Start would be denied that opportunity. Four thousand nine hundred children presently enrolled in full year projects would have to be asked to leave their projects before completion. Sixteen hundred teachers and 1600 teacher-aides most of whom are poor people, would not receive employment as anticipated during the summer program. Over 600 teachers and teacher aides would have to be released immediately from employment in their full-year projects. The reductions—coming with seven months gone in the fiscal year—and would be particularly disastrous to the morale of the thousands of parents and staff members whose dedication to the program has been a major source of its strength.

2. VISTA (−$2 million from $37 million): VISTA is the domestic Peace Corps, working on community and individual development projects among the poor. This late in the fiscal year, VISTA has few alternatives on where to cut $2 million since most of VISTA's unspent budget supports volunteers already in the field. To meet the targeted reduction, VISTA would be forced to review its present plans for (1) the existing Summer Associate Program, and (2) research, demonstration, evaluation, recruitment, and volunteer supervision activities. The June volunteer training class may well have to be cut by 700 persons, causing discontinuity on some local projects since many volunteers ending their year of service in August could not be replaced.

3. Migrants and Seasonal Farm workers (−$4 million from $31 million): Reducing this program back to last year's level would come seven months along in this fiscal year. It would mean forgoing the emphasis intended for the expected increment of new money: education and job-training to help prepare these families for a rapidly approaching time when mechanization will force them into new ways of life. With a 4,000,000 population to be helped, this program is hard put to reach 200,000. Taking away $4 million offers a hard choice between cutting back on the number who can be helped or shifting to a shortsighted, emergency dole approach.

4. Research and Demonstration (−$11 million from $65.6 million): The proposed R&D budget for FY 70 including Day Care is $65.6 million. Of this $10 million is to be allocated to Day Care, leaving $55.6 million to finance all other areas of R&D. Of this amount, approximately $35 million represent refundings or previous commitments. Thus approximately $20 million remains. A cut of $11 million removes approximately 50% of money of new initiatives other than Day Care. In all probability the Office of Economic Opportunity would be forced to cut back early childhood development, projects designed to strengthen state and local manpower activities, Rural Development, and various voucher programs. Alternatively it would significantly cut back on Day Care.

The exact form of the cuts would require a careful reexamination of plans. What will clearly be true, however, is that the Administration's R&D thrust will be significantly blunted. Because of previous commitments, the R&D acitvities of the agency are likely to remain diffused and fractionated. The effectiveness and even the success of the President's Family Assistance/Manpower Training/etc. proposals that would go into effect in several years will largely depend on the calibre and magnitude of planning, evaluation, and R&D begun this year.

5. Senior Opportunities and Services (−$0.8 million from $7.6 million): A reduction of $800,000 in the funds for this program will mean elimination of new program starts which were to have focused on the poorest rural areas.

6. Rural Loans (−$0.6 million from $10 million): Rural Loans are made to poor individuals and their cooperatives where rural credit is not otherwise available to them. Under the arbitrary minimum required by the Nelson Amendment, only $600 thousand could be taken from Rural Loans to meet the above shortage. In point of fact, recent slowdown of new loans attendant upon the Office of Economic Opportunity/Department of Agriculture review of future program directions have resulted in an accumulation of repayments into the Loan Fund. This unanticipated asset makes the original estimate for new money clearly overstated. However, the Nelson earmarks were based on estimates made about one year ago, and would restrict reprogramming to offset other program deficits created by similar out-of-date earmarks.

7. Legal Services (−$3 million from $54.9 million): The effect of a $3.0 million reduction in the Legal Services budget is as follows:

$1.9 million in new programs would have to be eliminated. Such new programs would include projects run jointly with the Model Cities program, and Appalachian rural programs. New programs in such cities as Cairo, Ill., Gary, Ind., Memphis, Tenn., and Jackson and Biloxi, Miss., will have to be reviewed.

A further reduction of $1.1 million would have to come from a reduction in the number of field lawyers and administrative costs for the VISTA lawyer program and the R. H. Smith Fellow program.

8. Concentrated Employment Program—CEP—(—$11.4 million from $149.9 million); This program is the highly flexible manpower counterpart of locally-initiated community action. A further $11.4 million fund reduction will translate to 9,000 poor people who cannot be trained, placed, and kept in jobs.

9. Job Corps (—$2 million from $171.6 million): This forced reduction would cancel opening of one inner city skill center planned to start up this year.

10. Job Opportunities in the Business Sector—JOBS—(—$6 million from $70 million): This is the National Alliance of Businessmen's cooperative program with the Federal Government to *first* hire and then train the hardcore unemployed. This reduction in funds would prevent the Labor Department from contracting for 2,000 jobs from industry proposals in hand.

11. Public Service Career/New Careers (—$2 million from $47 million): This program combines aspects of JOBS and creation of new types of employment for the poor in Federal, State, and local government agencies. The reduction would eliminate 500 new career opportunities which could otherwise be contracted.

In closing Mr. Speaker, I would like to make one more point.

My colleagues who argued so successfully last month against the substitute OEO authorization bill would exhibit a certain inconsistency by supporting the pending motion.

I fail to see how those who opposed the iron-clad restrictions in that substitute could justify supporting provisions with the similar impact of severely limiting the essential flexibility of the OEO.

I therefore urge strongly that the motion pending be defeated.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, first let me state that I will put into the RECORD today a chart showing how the $1,948,000,000 appropriation for OEO will be allocated among the various programs under the authorizing statute, adopted last month amending and extending the Economic Opportunity Act. Addressing myself, however, to the matter immediately at hand, I strongly urge my colleagues to concur in the Senate amendment we are considering today to the Labor-HEW appropriation bill. This amendment has the effect of eliminating an amendment in disagreement which the House previously concurred in when it considered the appropriation conference report.

If we fail to concur in the Senate amendment, we will be giving a blank check to the Office of Economic Opportunity and the administration with respect to OEO funds.

It would be useful, perhaps, to review how we got to this point. The bill, H.R. 13111, containing the Labor-HEW appropriation as it passed the House, did not contain an appropriation for the OEO. The appropriation language relating to programs under the Economic Opportunity Act was added by Senate amendment 83 to the appropriation bill. The Senate bill would have appropriated $2.048 billion. When that bill was submitted to conference on December 18, the conferees reduced the amount of the appropriation to $1.948 billion, reducing the Senate proposed amount by an even $100 million.

Also added was a proviso:

Provided further, That those provisions of the Economic Opportunity Act amendment of 1967 and 1969 that set mandatory funding levels shall not be effective during the fiscal year ending June 30, 1970.

That proviso is the kernel to the controversy facing us today. My colleagues will remember that the Office of Economic Opportunity authorization bill passed the House on December 12. Members of the House met with their Senate counterparts in a very difficult and hard-fought conference. They ironed out differences in the bills passed by their respective Houses, both of which contained some earmarking of the funds authorized. Their conference report was filed on December 19. On Saturday, December 20, the House and the Senate adopted that conference report. That conference report was adopted by both Houses on the same day that the conference report on H.R. 13111 was filed. House Report No. 91–781, the Labor-HEW appropriation bill, was agreed to by the House on December 22. Thus, 1 working day after both bodies of the Congress had passed legislation containing substantial earmarking of EOA funds, the House of Representatives contradicted itself and agreed to a provision which completely eliminated all earmarking. The efforts of the authorizing committees and the conference were thus completely undone.

A most unfortunate failure of communication occurred between the appropriations and the authorizing committees. The House of Representatives was as a result led to reverse itself without a thorough discussion as to what was involved.

I do not criticize anyone for the omission in the report or for the fact that I was not informed as to what was being done. We were all tired and all in a rush to finish up the session. I do most strongly hope, however, that the results of that unfortunate procedure will be reversed. And I hope even more strongly that steps will be taken to prevent such an occurrence in the future.

Let me make clear to my colleagues that we are not here discussing the size of the appropriation for OEO. That figure is set in concrete. The Labor-HEW conference report has already been accepted by both Houses. The amount appropriated is $1.94 billion dollars, $100 million dollars less than the President requested, $147.5 million less than was authorized. The sole issue is, "Shall the Congress assert its right to earmark funds which it authorized and now appropriates, or will it give blank checks to the executive branch?"

In the poverty bill, S. 3016—the authorizing legislation passed by both Houses and signed by the President, the Congress said that we will assert our prerogative; that we will earmark funds, program by program; that we will set guidelines, flexible to be sure, to indicate to the administration how much is to be spent for what. Are we now going to back away from our responsibility and give the Director of the Office of Economic Opportunity, the Secretary of Labor, the Budget Bureau, and the President a blank check as to how they are going to spend these moneys?

The authorization bill originally passed by the House contained earmarking for Headstart and Follow Through, for Emergency Food and Medical Services, for Operation Mainstream, and New Careers. These earmarks were applied, after serious and extensive hearings, because the administration had indicated that it was changing the nature of some of the programs, and it was going to reduce some, or that it intended to inadequately support others of these programs.

In passing the original authorizing bill, the House of Representatives indicated dissatisfaction with the administration's intentions with respect to these specific programs. The Senate bill contained more extensive earmarking, indicating how the other body felt the money should be allotted. The final bill, the authorization act, Public Law 91–177, was the end result of the authorization process. It provided for the earmarking of funds for the various programs.

To a very substantial degree those earmarkings reflected the administration's own budget requests. We received the administration's revised budget figures as late as December 17 and we acted upon them. They were the basis of most of the earmarking.

The only funds that were added to the administration's own budget request were the funds for Headstart, Follow Through, Emergency Food and Medical Services, Operation Mainstream, New Careers, and two new programs: Narcotic Rehabilitation and Alcoholic Recovery. These increases were amply justified by House and Senate hearings.

The authorization bill as reported by the conference and passed by both Houses contained very substantial, and more than adequate flexibility enabling OEO to transfer up to 10 percent of the allocated funds from one program to another. Flexibility afforded the administration as a result of the conference bill was greater than had been provided the previous administration. We authorized an increase in the authority to transfer funds into any program to as much as 35 percent of the amount authorized by the bill itself. Any increases in any individual program through transfer of funds under the Economic Opportunity Act, prior to our bill, was limited to 10 percent.

Some have said that the appropriation process, having resulted in a $100 million reduction in the amount requested, made it necessary to eliminate the earmarks since the total amount appropriated did not equal the amount authorized.

That argument was, and is, specious.

The authorization bill provided, and the act now provides, that to the extent that sums appropriated fall short of the total sums authorized, the appropriated funds should be prorated among the various earmarked programs. That was the intention of the Congress as expressed on

Saturday, December 20, which amendment we are concerned with, caused to be reversed on the very next legislative day, December 22.

Some have said the fiscal year is largely passed and we must eliminate earmarking because they cannot possibly spend the money in every instance where it is earmarked, that the administration should have flexibility to shift it around. First, as I have already indicated, they are given ample authority to do just that. Second, I would point out that the money need not all be spent between now and June 30; it need only be obligated by then. The law permits the administering agencies to enter into contracts extending for up to 24 months. The funds will not go to waste. Not because of the earmarking. Some may, of course, be blocked by the Bureau of the Budget or the Labor Department or OEO.

But if the administration is not going to use funds authorized by the Congress for one purpose, however, it should not be permitted to use them for another. If the administration is not going to use the funds that Congress has authorized for the purposes for which they were authorized, then I, for one, prefer to see them returned to the Treasury.

Let me make clear to you that earmarking is necessary. The administration, as of December 17, indicated it intended to spend a grand total of $1 million for its combined programs dealing with alcoholism and narcotics addiction, two major causes of violent crime in our cities. In our bill we require the OEO to spend at least $15 million for these purposes. Mr. Rumsfeld has subsequently indicated his intention to go all out in these areas. I do not question Mr. Rumsfeld's intention. I do question the intention and the willingness of the Budget Bureau and the President to let Mr. Rumsfeld do as much as he might wish in these areas.

The administration has indicated an intention to reduce the number of 8-week headstart enrollees attending preschool programs in the summertime, to permit an increase in the number of children participating in full-year programs. The increased amount authorized in the original House bill was designed, in part at least, to reduce the number of children that would be deprived of summer headstart by this decision.

This administration, in its budget estimates, indicated its intention to go very slowly in the Follow Through programs. By adding to the authorized and earmarked amounts, the House and the Senate recommended strongly that this administration should expand their efforts in this area. I have something less than full confidence in the intention of the administration to carry out that wish, absent a statutory obligation to do so.

The administration budget figures in connection with the emergency food and medical program were ridiculously small. Both the House and Senate agreed that modest increases should be made. I hope they will be made.

The legislative changes and the earmarked amounts for Operation Mainstream and the New Careers program were recommended by our committee to the House because the Labor Department had indicated an intention to change the nature of these programs. There was every indication that they intended to virtually eliminate the highly successful Operation Mainstream program. The authorization bill was intended to oblige an increase, rather than a decrease, in Mainstream and New Careers both. As late as last week, I am reliably informed, the Labor Department had decided that it would not spend one nickel of the funds authorized in part E of title I of the act for Operation Mainstream and New Careers.

I say we can have no confidence as to how the executive branch will spend the EOA funds unless we bind them legally.

The OEO has, in virtually every region, indicated that local initiative funds will be reduced. They want to take these funds, which are controlled by local people and public officials, away from the communities in order to release money for the agency to use for new research and demonstration programs. Until the agency proves that it is capable of carrying on a more productive research and demonstration program than it has in the past, I am dubious of their capacity to use these funds to better purposes than the local communities. I am not at all sure that we should encourage an expansion of research and demonstration efforts until we know in clear detail how they are to be run, and what will be researched, and what is to be demonstrated.

The earmarking provided in the authorization gave the administration exactly what they wanted. We gave them more flexibility in the use of these funds than we have ever provided before. I am not willing to surrender outright the power of the Congress to say how and for what the taxpayer's money should be spent.

If the conference proviso to the appropriation bill is the way of the future, we need simply appropriate $200 billion dollars to the President to carry on the Government and go home. I, for one, am not prepared to do that.

I believe the gentleman from Minnesota (Mr. QUIE) knows the situation here.

Let me say to our distinguished friend from Iowa (Mr. SMITH) the argument he made about expenditure of funds has nothing to do with this issue. It has nothing to do with this issue.

If the Bureau of the Budget and the President and the Director and the Department of Labor decide that they are not going to spend the funds, I do not believe we can make them spend the funds. But we can urge them to spend the money and for the things we wish to have supported. We can provide that money and limit its use to the purposes we direct. We must do so. Prudence and practicality, of course, dictate that we permit some flexibility—and we have.

The administration can take 10 percent of the amount earmarked for any program and add it to any other program. The earmarked amount specified in the authorizing statute for any program may be increased by such additions by as much as 35 percent.

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

Mr. PERKINS. Mr. Speaker, will the gentleman yield me 3 additional minutes?

Mr. FLOOD. I yield the gentleman from Kentucky 3 additional minutes.

Mr. PERKINS. For the fiscal year 1971 they can take 15 percent of the funds earmarked for any program or programs and transfer them to any other program. They can increase any program by as much as 35 percent.

We permitted flexibility to the extent of 10 percent the first year—that amounts to about $160 million. We gave them 15 percent or roughly $240 million for fiscal 1971. Add to this the research and development funds which are completely flexible and the administration has well over a quarter of a billion dollars in flexible funds. How can they ask for more?

Is it beyond our powers to earmark $15 million for alcoholic and drug rehabilitation programs? The administration planned to spend less than $1 million on them. Are we to have nothing to say in such a case?

I think we want something to say about alcoholic counseling and drug rehabilitation. I think you want something to say about how much money should be expended for Headstart. I do not think we want to give the Director of the Office of Economic Opportunity and the Department of Labor a blank check. If we adopt the position of the gentleman from Illinois (Mr. MICHEL), and the gentleman from Iowa (Mr. SMITH) that would be what we would be doing.

I yield to the distinguished gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. I thank the gentleman for yielding. I understand I will get some time on my own, if you want to use more of your own time, but I just want to say that if we knew what the level of funding would be in these various programs without earmarking, then we might be more willing to go along with the blank check.

I wrote a letter to Carol Khosrovi of the legislative liaison office of the Office of Economic Opportunity to find out what the allocation of the programs would be under the expenditure of $1,948 million. She did not send me back any information but only said I could find out when the President's message for the 1971 budget was published.

I think the Congress ought to know what the OEO is going to do. They ought to tell us beforehand and not keep us in the dark constantly.

Not only has the Congress delayed for 7 months the appropriation money, but also OEO now delays in telling us what they would do with the $100 million cut below the budget which is the same appropriation as last year.

Mr. PERKINS. I certainly agree with my distinguished friend. The chart that I will insert in the RECORD will show how the $1,948 million appropriated might be allocated among the various programs together with the maximum and minimum amounts permitted by the flexibility formula. These may be compared to the

budget requests and the fiscal 1969 actual obligations.

Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks and include extraneous matter, including charts, at this point in the RECORD.

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

There was no objection.

EFFECT OF SENATE (NELSON) AMENDMENT TO RETAIN EARMARKING PROVISIONS OF ECONOMIC OPPORTUNITY PROGRAM AUTHORIZATION ACT (P.L. 91-177)

The Nelson amendment makes no change in the total appropriations level. It only deals with how the funds appropriated for OEO shall be allocated among specific categories. The conference committee's recommendation of $1,948,000,000 for the Economic Opportunity programs has been accepted by both Houses in identical form.

[In millions of dollars]

	Earmarked allocations [1]	Flexibility to transfer among programs		Budget requests	Fiscal year 1969 actual obligations
		Minimum	Maximum		
Title I: Pts. A and B (Work and Training)	770	(693)	(853)	871	883
Title I: Pt. E (Mainstream and New Careers)	18	(16)	(24)		
Title I: Pt. D (Special Impact)	40	(36)	(54)	38	20
Title II: Community Action Programs:					
Headstart [2]	345	(310)	(466)	332	334
Follow Through	78	(70)	(105)	58	32
Legal services	50	(45)	(53)	54	45
Comprehensive health services	69	(62)	(93)	74	52
Emergency food and medical services	54	(49)	(73)	30	23
Family planning [3]	22	(22)	(30)	22	14
Senior opportunities and services	8	(7)	(16)	9	6
Title II: Other Purposes	66				93
Funds reserved for new programs:					
Alcoholic counseling and recovery	10	(10)	(14)	0	0
Drug rehabilitation	5	(5)	(7)	1	2
Funds reserved for local initiative	329	(329)	(444)	329	326
Title III: Pt. A (Rural Loans)	10	(9)	(14)	12	6
Title III: Pt. B (Migrants)	30	(27)	(41)	33	27
Title VI: (Administration)	14	(13)	(19)	16	13
Title VIII: (VISTA)	32	(29)	(43)	37	32
Total	1,948			2,048	1,908

[1] Allocations of appropriation of $1,948,000,000 based on earmarking in authorization bill (Public Law 91-177), with items prorated where applicable. (Figures rounded.)

[2] OEO also plans to devote unearmarked research and demonstration funds to model day-care programs.

[3] If Nelson amendment is accepted, $22,000,000 will be assured for family planning as a result of modification made in original Nelson amendment in Senate.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER of Wisconsin. Mr. Speaker, there is no doubt in my mind that both the gentlemen who insist on earmarking and the administration and its supporters who need relief believe their position most benefits the poor. This controversy is particularly sad, since I am convinced that we arrived at it inadvertently. When President Nixon came forward with his fiscal 1970 budget for the Office of Economic Opportunity last April, it was prior to appointing a new Director. Upon appointment in June Mr. Rumsfeld endorsed the general lines of the program he inherited. However, he made it clear that he had not yet reviewed it in detail and that he would return with a revision—which he subsequently did.

However, owing to the imminent expiration of the Economic Opportunity Act, the Senate proceeded with new authorizing legislation, based upon a program distribution that was shortly out of date. In its program earmarking, the Senate generally endorsed what the administration had requested, added two new programs with mandatory funding levels—but without specifying what to cut to provide the money—and provided flexibility through a broad formula for proration and reprograming authority to adjust a $2,048 billion authorization to whatever sum was ultimately appropriated.

After much debate, which saw almost half the year pass before it was resolved, this House passed an even more generous and flexible bill—with sufficient authority to maintain existing operations and providing increases to certain favored programs. We did not provide for mandatory funding levels or for proration to a lesser appropriation level.

Unfortunately, the conference to reconcile the two generous, workable authorizations—certainly without intention—laid the basis for the agency's current problem. It produced a law which endorsed earmarks for ongoing operations based on 6-month out-of-date cost estimates, merely added House increases to the Senate's—thus upsetting the balance upon which the latter's flexibility formula had been based—and then took away 50 percent of the reprograming authority designed by the Senate to prevent miscalculation. As a member of the conference committee I opposed earmarking.

All this might have worked out had we decided to appropriate the $2.2 billion ultimately authorized—and had we funded the agency early enough in the fiscal year to spread phase-downs or planning for new projects over a full year. The $2.2 billion would have been enough to continue worthwhile operations, allow relatively minor dollar shifts to support price and operational changes, and support expansions desired by the Congress.

When we appropriated one quarter of a billion dollars less, the formula broke down. For instance, it placed a minimum on Follow Through that requires pumping in $14 million which is not needed now for that very fine experiment. This deficit will largely come out of Headstart, which is hard-pressed to pay for children and projects already in the classroom. Even more ironic, had the conference retained the House's approach which regarded these related programs jointly, a combined earmark for both might have worked out acceptably.

Now it is always possible to say, "The authorization does not require meeting the Follow Through minimum by sending home Headstart children; something else can be cut back." Generally such argument is vague on what should be given up. At best it suggests program reductions that are agreeable to the arguer, but no more acceptable to the Congress and the poor than a cut in Headstart.

The appropriation conference committee realized that the authorization's intricate formula for earmarking, proration of reductions, and reprograming authority was not going to give the Congress the results it desired in light of a February appropriation with $250 million less than the authorization. It acted responsibly, and completely in accordance with practice in previous years. It relieved the agency of mandatory funding levels. I believe, as rational men, we have no other course if we wish to avert havoc with the lives of the people we wish to help with the Economic Opportunity Act.

Finally, I do believe it is possible to develop legislation that makes clear what the Congress wishes to be accomplished, and which can be tailored to the funds it subsequently makes available. However, I believe it takes considerable care, dialog with the agency, adequate flexibility, and—most important of all—sufficient notice to the administration of what the Congress wishes and will provide. I do not believe we have done this when we bicker into February about a program year which began last July. Thus, Mr. Speaker, I do not support the Nelson amendment and want to include at that point an analysis of the impact of the adoption of the amendment:

IMPACT OF MANDATORY PROGRAM FUNDING LEVELS IMPOSED BY NELSON AMENDMENT

Programs currently planned for funding below minimum levels which must be increased (+$53.5 million):

1. Head Start Follow Through (+$14.3 million from $56 million): Follow Through is an experimental early elementary education program. Complete findings as to the efficacy of different approaches will not be available from Follow Through until 1972 at the earliest. The addition of $14 million to the 1970 budget would not enhance the experimental aspects of Follow Through—as all requirements will be met with the currently planned $56 million—and it would be a premature expenditure on operational programs.

2. Special Impact (+$5.9 million from $30 million): Special Impact is an experimental economic and community development program which concentrates large sums of money in a poor community. It provides substantial resources to attack the interlocking problems which keep that particular community impoverished. Since submission of the $38 million appropriation justification to the Congress, a detailed review was made of the program for the current year. Ths analysis resulted in a decision to reprogram $8 million to other high priority efforts. Additional funding is neither necessary or desirable at this time.

3. Alcoholism (+$8 million from $1 million): The Office of Economic Opportunity

is developing a capacity to deal directly with alcoholism among the poor. The agency recognizes that alcoholism and poverty are closely intertwined in many cases. It would be extremely difficult, however, in the five months that may remain in this fiscal year after final appropriation, to develop a program ten times that presently planned. The Office of Economic Opportunity is anxious to learn more about how to prevent alcoholism and to rehabilitate its victims, but new experimental projects require time for thorough planning and preparation to assure meaningful results.

4. Narcotics (+$3.5 million from $1 million): In light of a $100 million reduction below its budget request, the Agency made a hard choice to sustain an innovative thrust in its Comprehensive Health budget. With restricted funds it appears more efficient to concentrate on restructuring delivery systems for complete health care for the poor (including Narcotics components) than to divert parts of these small sums to a single, specialized problem. Neighborhood Health Centers, reformed hospital outpatient clinics, a breakthrough in making more health specialists available to the poor—this broad effort will provide a more efficient use of scarce funds and can hopefully yield a dividend in combating narcotics addiction.

5. Emergency Food and Medical Services (+$18.8 million from $30 million): The Emergency Food and Medical Services Program is a valuable vehicle for reaching the poor with the larger Federal Food programs. However, a forced increase of $18.8 million means that other programs will suffer disproportionately. This Administration found a $17 million program planned in both FY 1969 and 1970, a total of $34 million. It raised FY 1969 to $24 million and FY 1970 to $30 million, or a total of $54 million and an increase of $20 million. Further increase at this time, coupled with Congress' $100 million reduction in the President's FY 1970 request would cause damage to other efforts discussed below.

6. Local Initiative (+$3 million from $325.9 million): The President requested $328.9 million to sustain the core Community Action programs that had been locally initiated in his $2.048 billion request for FY 1970. When the apropriation came through with $100 million less, a small ($3 million) tightening in this program was a balanced result, to help avoid the kinds of steps described below.

Programs which would be reduced in order to meet mandatory minimum levels described above: (−$53.5 million):

1. Head Start (−$10.7 million from $336.7 million): The $10.7 million reduction would be split between the summer and full year programs. This means that 24,000 children who are expecting to enroll in summer Head Start would be denied that opportunity. Four thousand nine hundred children presently enrolled in full year projects would have to be asked to leave their projects before completion. Sixteen hundred teachers and 1,600 teacher-aides, most of whom are poor people, would not receive employment as anticipated during the summer program. Over 600 teachers and teacher aids may have to be released immediately from employment in their full year program. The reductions—coming with seven months gone in the fiscal year—and would be particularly disastrous to the morale of the thousands of parents and staff members whose dedication to the program has been a major source of its strength.

2. VISTA (−$2 million, from $37 million): VISTA is the domestic Peace Corps, working on community and individual development projects among the poor. This late in the fiscal year, VISTA has few alternatives on where to cut $2 million since most of VISTA's unspent budget supports volunteers already in the field. To meet the targeted reduction, VISTA would be forced to review its present plans for (1) the existing Summer Associate Program, and (2) research, demonstration, evaluation, recruitment, and volunteer supervision activities. The June volunteer training class may well have to be cut by 700 persons, causing discontinuity on some local projects since many volunteers ending their year of service in August could not be replaced.

3. Migrants and Seasonal Farm Workers (−$4 million, from $31 million): Reducing this program back to last year's level would come seven months along in this fiscal year. It would mean forgoing the emphasis intended for the expected increment of new money: education and job-training to help prepare these families for a rapidly approaching time when mechanization will force them into new ways of life. With a 4,000,000 population to be helped, this program is hard put to reach 200,000. Taking away $4 million offers a hard choice between cutting back on the number who can be helped or shifting to a short-sighted, emergency dole approach.

4. Research and Demonstration (−$11 million from $65.6 million): The proposed R&D budget for FY 70 including Day Care is $65.6 million. Of this $10 million is to be allocated to Day Care, leaving $55.6 million to finance all other areas of R&D. Of this amount, approximately $35 million represent refundings or previous commitments. Thus approximately $20 million remains. A cut of $11 million removes approximately 50% of money of new initiatives other than Day Care. In all probability the Office of Economic Opportunity would be forced to cut back early childhood development, projects designed to strengthen state and local manpower activities, Rural Development, and various voucher programs. Alternatively it would significantly cut back on Day Care.

The exact form of the cuts would require a careful reexamination of plans. What will clearly be true, however, is that the Administration's R&D thrust will be significantly blunted. Because of previous commitments, the R&D activities of the agency are likely to remain diffused and fractioned. The effectiveness and even the success of the President's Family Assistance/Manpower Training/etc. proposals that would go into effect in several years will largely depend on the calibre and magnitude of planning, evaluation, and R&D begun this year.

5. Senior Opportunities and Services (−$0.8 million from $7.6 million): A reduction of $800,000 in the funds for this program will mean elimination of new program starts which were to have focused on the poorest rural areas.

6. Rural Loans (−$0.6 million from $10 million): Rural Loans are made to poor individuals and their cooperatives where rural credit is not otherwise available to them. Under the arbitrary minimum required by the Nelson Amendment, only $600 thousand could be taken from Rural Loans to meet the above shortage. In point of fact, recent slowdown of new loans attendant upon the Office of Economic Opportunity/Department of Agriculture review of future program directions have resulted in an accumulation of repayments into the Loan Fund. This unanticipated asset makes the original estimate for new money clearly overstated. However, the Nelson earmarks were based on estimates made about one year ago, and would restrict reprogramming to offset other program deficits created by similar out-of-date remarks.

7. Legal Services (−$3 million, from $54.9 million): The effect of a $3 million reduction in the Legal Services budget is as follows:

$1.9 million in new programs would have to be eliminated. Such new programs would include projects run jointly with the Model Cities program, and Appalachian rural programs. New programs in such cities as Cairo, Ill., Gary, Ind., Memphis, Tenn., and Jackson and Biloxi, Miss., will have to be reviewed.

A further reduction of $1.1 million would have to come from a reduction in the number of field lawyers and administrative costs for the VISTA lawyer program and the R. H. Smith Fellow program.

8. Concentrated Employment Program—CEP—(−$11.4 million, from $149.4 million): This program is the highly flexible manpower counterpart of locally-initiated community action. A further $11.4 million fund reduction will translate to 9,000 poor people who cannot be trained, placed, and kept in jobs.

9. Job Corps (−$2 million, from $171.6 million): This forced reduction would cancel opening of one inner city skill center planned to start up this year.

10. Job Opportunities in the Business Sector—JOBS—(−$6 million, from $70 million): This is the National Alliance of Businessmen's cooperative program with the Federal Government to *first* hire and then train the hardcore unemployed. This reduction in funds would prevent the Labor Department from contracting for 2,000 jobs from industry proposals in hand.

11. Public Service Career/New Careers (−$2 million, from $47 million): This program combines aspects of JOBS and creation of new types of employment for the poor in Federal, State, and local government agencies. The reduction would eliminate 500 new career opportunities which could otherwise be contracted.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. QUIE) for the purpose of closing debate.

(Mr. QUIE asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. QUIE. Mr. Speaker, one of the reasons why I believe that the Nelson amendment in this case is a wise amendment is that we really do not know, as I indicated when the gentleman from Kentucky yielded to me, what the actual allocation of funds for each of these programs is going to be. If we had known it, maybe we could have made an adjustment. I understand some of my colleagues may know, but I have have not been able to get the information from OEO. I insert here a letter I wrote to OEO inquiring about this information and the reply I received.

DECEMBER 31, 1969.

Mrs. CAROL M. KHOSROVI,
Associate Director for Congressional and Governmental Relations, Office of Economic Opportunity, Washington, D.C.

DEAR CAROL: Thank you for your letter setting straight the record concerning the R&D programs.

What will be the budgeted use of the appropriated money at $1.948 billion with the earmarked authorization bill?

With kind regards and best wishes for the holiday season, I am

Sincerely yours,

ALBERT H. QUIE,
Member of Congress.

OFFICE OF ECONOMIC OPPORTUNITY,
Washington, D.C., January 9, 1970.

Hon. ALBERT H. QUIE,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN QUIE: Thank you for your letter of December 31. I am pleased that the information we supplied on research and development programs was satisfactory.

You also asked about the distribution of a fiscal 1970 appropriation level of $1.948 billion. As you know, we are now in the process of providing data for the President's fiscal 1971 budget. Because it provides a base for fiscal 1971 decisions, the fiscal 1970 budget

is being tailored to fit the President's proposals for next year. A detailed breakdown of the current year's program will be available with publication of the President's budget, which is now apparently scheduled for the last week in January.

Best wishes for a successful New Year.

Sincerely,

CAROL M. KHOSROVI,
Associate Director for Congressional and Governmental Relations.

Another reason why I think it is wise is a provision that was added by the House conferees when we were in conference over the OEO authorization bill. That is the earmarking of $328,900,000 for the local initiative program. In the past when the Congress ceased earmarking, I felt that wise, the OEO turned around and did more severe earmarking than Congress. If the local community action agency is any good at all, they should have the opportunity and the flexibility of determining what the area of greatest need is for their expenditures and have the ability to expend the money for the programs that they can prove would be most effective.

OEO in the past has gone more for national emphasis programs with a constant erosion of versatile programs. If community action agencies are incapable of making wise decisions let us put it on the record and let Congress make a determination. It is my belief that an agency which bypasses State governments and is not responsive to voters should at least inform the Congress what it is about to do and how much it will spend on the various programs under its jurisdiction. If it will not, we ought to earmark the funds as we do in a way that OEO cannot earmark without the knowledge of Congress until it is too late.

The other provision which I thought was wise was the earmarking of money for drug rehabilitation and recovery of alcoholics. That amendment was added in the other body. Each year there are 25,000 or more people being killed on the highways because of alcohol. We have no accounting of the broken-up families, the poverty and disease and the hardship which has occurred as a result of the disease of alcohol.

Mr. Speaker, we do not want to go back to the mistakes that were made under prohibition because now it is understood that alcoholism is a disease. But we have done very little to correct that disease that some say is the biggest killer in the United States today. One of the greatest contributions which I feel OEO could make to help the people in poverty today is to direct their attention toward the causes and cure of alcoholism. I think this is a wise expenditure. These two programs were not included in the OEO budget. We will be sure it is included if the Nelsen amendment is adopted which will be done if we affirmatively pass the bill today.

Mr. DELLENBACK. Mr. Speaker, I rise to discuss what in one form or another is becoming an annual wrangle. I refer to the question of allocating Economic Opportunity program funds. I wish the disputants to recognize what truly is happening. Each year a program is authorized which endorses activities already begun and provides for expansion and new directions desired by the administration and the Congress. This year, as last, appropriations are barely enough to continue what is already in being, let alone satisfy what each Member and the administration believes to be the next most important thing to be done. Even if we could agree on what new directions are so urgent as to warrant cutting back existing programs, February of this current fiscal year is a terrible time for starting either cutbacks or new and expanded projects.

In December this House approved a generous, but late authorization bill. There are many here who voted to support the President and his new Director of the Office of Economic Opportunity in refocusing the efforts of the antipoverty program for maximum effectiveness. The bill we voted, by an unprecedented majority, was clearly a flexible instrument for them—even more so than the Senate's more intricate version. What came out of conference was an honest compromise of differences between the two Houses—except that—in the process—the Director's flexibility was severely compromised. It was not apparent in a $2.2 billion authorization. It became apparent when the appropriation was reduced to $1.948 billion. The appropriations conference committee recognized this and quite properly responded as it has in the past by removing mandatory funding levels.

Mr. Speaker, I should like at this time to place in the RECORD the Office of Economic Opportunity's analysis of what the mandatory funding levels would require it to do:

IMPACT OF MANDATORY PROGRAM FUNDING LEVELS IMPOSED BY NELSON AMENDMENT

Programs currently planned for funding below minimum levels which must be increased (+$53.5 million):

1. Head Start Follow Through (+$14.3 million from $56 million): Follow Through is an *experimental* early elementary education program. Complete findings as to the efficacy of different approaches will not be available from Follow Through until 1972 at the earliest. The addition of $14 million to the 1970 budget would not enhance the experimental aspects of Follow Through—as all requirements will be met with the currently planned $56 million—and it would be a premature expenditure on operational programs.

2. Special Impact (+$5.9 million from $30 million): Special Impact is an experimental economic and community development program which concentrates large sums of money in a poor community. It provides substantial resources to attack the interlocking problems which keep that particular community impoverished. Since submission of the $38 million appropriation justification to the Congress, a detailed review was made of the program for the current year. This analysis resulted in a decision to reprogram $8 million to other high priority efforts. Additional funding is neither necessary or desirable at this time.

3. Alcoholism (+$8 million from $1 million): The Office of Economic Opportunity is developing a capacity to deal directly with alcoholism among the poor. The agency recognizes that alcoholism and poverty are closely intertwined in many cases. It would be extremely difficult, however, in the five months that may remain in this fiscal year after final appropriation, to develop a program ten times that presently planned. The Office of Economic Opportunity is anxious to learn more about how to prevent alcoholism and to rehabilitate its victims, but new experimental projects require time for thorough planning and preparation to assure meaningful results.

4. Narcotics (+$3.5 million from $1 million): In light of a $100 million reduction below its budget request, the Agency made a hard choice to sustain an innovative thrust in its Comprehensive Health budget. With restricted funds it appears more efficient to concentrate on restructuring delivery systems for complete health care for the poor (including Narcotics components) than to divert parts of these small sums to a single, specialized problem. Neighborhood Health Centers, reformed hospital outpatient clinics, a breakthrough in making more health specialists available to the poor—this broad effort will provide a more efficient use of scarce funds and can hopefully yield a dividend in combating narcotics addiction.

5. Emergency Food and Medical Services (+$18.8 million from $30 million): The Emergency Food and Medical Services Program is a valuable vehicle for reaching the poor with the larger Federal Food programs. However, a forced increase of $18.8 million means that other programs will suffer disproportionately. This Administration found a $17 million program planned in both FY 1969 and 1970, a total of $34 million. It raised FY 1969 to $24 million and FY 1970 to $30 million, or a total of $54 million and an increase of $20 million. Further increase at this time, coupled with Congress' $100 million reduction in the President's FY 1970 request would cause damage to other efforts discussed below.

6. Local Initiative (+$3 million from $325.9 million): The President requested $328.9 million to sustain the core Community Action programs that had been locally initiated in his $2.048 billion request for FY 1970. When the appropriation came through with $100 million less, a small ($3 million) tightening in this program was a balanced result, to help avoid the kinds of steps described below.

Programs which would be reduced in order to meet mandatory minimum levels described above (−$53.5 million):

1. Head Start (−$10.7 million from $336.7 million): The $10.7 million reduction would be split between the summer and full year programs. This means that 24,000 children who are expecting to enroll in summer Head Start would be denied that opportunity. Four thousand nine hundred children presently enrolled in full year projects would have to be asked to leave their projects before completion. Sixteen hundred teachers and 1600 teacher-aides would have to be released immediately from employment in their full-year projects. The reductions—coming with seven months gone in the fiscal year—would be particularly disastrous to the morale of the thousands of parents and staff members whose dedication to the program has been a major source of its strength.

2. VISTA (−$2 million from $37 million): VISTA is the domestic Peace Corps, working on community and individual development projects among the poor. This late in the fiscal year, VISTA has few alternatives on where to cut $2 million since most of VISTA's unspent budget supports volunteers already in the field. To meet the targeted reduction, VISTA would be forced to review its present plans for (1) the existing Summer Associate Program, and (2) research, demonstration, evaluation, recruitment, and volunteer supervision activities. The June volunteer training class may well have to be cut by 700 persons, causing discontinuity on some local projects since many volunteers ending their years of service in August could not be replaced.

3. Migrants and Seasonal Farm Workers (−$4 Million from $31 million): Reducing this program back to last year's level would

come seven months along in this fiscal year. It would mean forgoing the emphasis intended for the expected increment of new money: education and job-training to help prepare these families for a rapidly approaching time when mechanization will force them into new ways of life. With a 4,000,000 population to be helped, this program is hard put to reach 200,000. Taking away $4 million offers a hard choice between cutting back on the number who can be helped or shifting to a short-sighted, emergency dole approach.

4. Research and Demonstration (—$11 million from $65.6 million): The proposed R&D budget for FY 70 including Day Care is $65.6 million. Of this $10 million is to be allocated to Day Care, leaving $55.6 million to finance all other areas of R&D. Of this amount, approximately $35 million represents refundings or previous commitments. Thus approximately $20 million remains. A cut of $11 million removes approximately 50% of money of new initiatives other than Day Care. In all probability the Office of Economic Opportunity would be forced to cut back early childhood development, projects designed to strengthen state and local manpower activities, Rural Development, and various voucher programs. Alternatively it would significantly cut back on Day Care.

The exact form of the cuts would require a careful reexamination of plans. What will clearly be true, however, is that the Administration's R&D thrust will be significantly blunted. Because of previous commitments, the R&D activities of the agency are likely to remain diffused and fractionated. The effectiveness and even the success of the President's Family Assistance/Manpower Training/etc. proposals that would go into effect in several years will largely depend on the calibre and magnitude of planning, evaluation, and R&D begun this year.

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7. Legal Services (—$3 million from $54.9 million): The effect of a $3 million reduction in the Legal Services budget is as follows:

$1.9 million in new programs would have to be eliminated. Such new programs would include projects run jointly with the Model Cities program, and Appalachian rural programs. New programs in such cities as Cairo, Ill., Gary, Ind., Memphis, Tenn., and Jackson and Biloxi, Miss., will have to be reviewed.

A further reduction of $1.1 million would have to come from a reduction in the number of field lawyers and administrative costs for the VISTA lawyer program and the R. H. Smith Fellow program.

8. Concentrated Employment Program—CEP—(—$11.4 million from $149.4 million): This program is the highly flexible manpower counterpart of locally-initiated community action. A further $11.4 million fund reduction will translate to 9,000 poor people who cannot be trained, placed, and kept in jobs.

9. Job Corps (—$2 million from $171.6 million): This forced reduction would cancel opening of one inner city skill center planned to start up this year.

10. Job Opportunities in the Business Sector—JOBS—(—$6 million from $70 million): This is the National Alliance of Businessmen's cooperative program with the Federal Government to *first* hire and then train the hardcore unemployed. This reduction in funds would prevent the Labor Department from contracting for 2,000 jobs from industry proposals in hand.

11. Public Service Career/New Careers (—$2 million from $47 million): This program combines aspects of JOBS and creation of new types of employment for the poor in Federal, State, and local government agencies. The reduction would eliminate 500 new career opportunities which could otherwise be contracted.

It speaks both to programs which must be more heavily funded than would be useful at this time, as well as programs which will be cut back to provide the money.

Under the Nelson amendment the increases are mandatory, although the Director of the Office of Economic Opportunity indicates that the law would not require him to put out money for projects that would be harmful and improper. For instance, it is difficult to develop well conceived special impact projects between now and June 30; the agency has been planning a threefold increase over last year, but none of that has been able to move forward pending appropriation. New Follow Through projects require careful development, and are indeed superfluous at this date to the design of that experiment. The analysis in the RECORD contains a fuller explanation. In sum, though, Mr. Rumsfeld believes that much of the increase would, because of the lateness in the fiscal year, end up not being used, rather than wasted.

This is doubly shameful when we look at programs which would face sudden reductions to provide money for the mandatory minimums. The Headstart case is particularly severe, where children and projects would be closed out. A planned Job Corps center would be dropped, new legal services projects endorsed by local bar associations and public officials in Illinois, Indiana, Tennessee, and Mississippi would be suddenly canceled. Much of the President's thrust in research and development which prepares for his new family assistance and manpower training proposals would not be funded.

I hope that after the expected Presidential veto is sustained, the Appropriations Committee will reconsider this important matter so that these cuts will not be necessary.

Mr. FLOOD. Mr. Speaker, I move the previous question on the motion.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Is the gentleman from Iowa making a point of order on the motion?

Mr. GROSS. No, Mr. Speaker. I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BOGGS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 3]

Anderson, Calif.	Frelinghuysen	Pepper
Andrews, N. Dak.	Fulton, Tenn.	Podell
Ashbrook	Giaimo	Pucinski
Ashley	Green, Oreg.	Purcell
Barrett	Grover	Railsback
Berry	Halpern	Reid, N.Y.
Blackburn	Hanna	Reifel
Bray	Hansen, Wash.	Reuss
Broyhill, N.C.	Harrington	Rostenkowski
Buchanan	Harsha	St Germain
Burke, Fla.	Hastings	Sandman
Bush	Hébert	Satterfield
Cabell	Kirwan	Saylor
Casey	Kleppe	Smith, Calif.
Chappell	Lipscomb	Snyder
Clay	Lloyd	Springer
Cohelan	Long, La.	Stanton
Collins	Lowenstein	Steiger, Ariz.
Conyers	Lukens	Stratton
Corbett	Mculloch	Symington
Corman	McEwen	Thompson, Ga.
Cowger	McFall	Tiernan
Cramer	Mailliard	Tunney
Dawson	Mathias	Van Deerlin
Diggs	Melcher	Vander Jagt
Dorn	Meskill	Watkins
Edwards, Calif.	Mollohan	Whalley
Evins, Tenn.	Monagan	Wiggins
Farbstein	Morse	Wilson, Bob
Fish	Morton	Wolff
Flowers	Moss	Wydler
	Murphy, Ill.	
	Ottinger	

The SPEAKER. On this rollcall 337 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS, 1970

The SPEAKER. The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. FLOOD).

The motion was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report.

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

There was no objection.

AUTHORIZING THE CLERK TO RECEIVE MESSAGES FROM THE SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until tomorrow 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 truly enrolled.

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

There was no objection.

ENVIRONMENT AND DISCIPLINE

(Mr. ASPINALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ASPINALL. Mr. Speaker, there is every indication that the quality of our environment will receive increasing and accelerated attention in the year ahead of us. It is also clear that this movement, or, at least, the goals of this movement, enjoy the support of the American people. But the question that all of the citizens of this Nation must answer is: How much are we willing to pay—how much effort are we willing to make?

Recently, one of this Nation's recognized authorities on air pollution control, Aaron J. Teller, dean of the School of Engineering and Science, Cooper Union, made the following observation:

> Pollution is going to be a real problem for the businessman, and it's going to cost him lots of money, but for society the real problem isn't industrial. It's the public itself. The public is the one that has done all of the talking but not much else.

I was particularly impressed with these thoughts as I reviewed the latest figures on one of our oldest forms of pollution, the littering of our streets, highways, parks, and other public properties. Mr. Speaker, the most recent estimate of the cost of removing that litter is $500 million annually. One-half billion dollars each year. Every month American motorists drop an average of 1,304 pieces of litter on every mile of the Nation's vast network of primary highways, or nearly 16,000 pieces of litter per mile per year.

The Forest Service alone spent approximately $15.5 million in 1 year to clean and maintain our recreation sites and facilities. And each year this amount is increasing.

While Dean Teller has referred to the cost of pollution control, there is no monetary cost in saving ourselves the half-billion dollar annual cost of litter pollution. The answer, quite simply, is discipline. That is all it takes. Discipline—on the part of all of us. Overnight we could wipe out a $500 million annual debt.

This is money that could be used for solving pollution problems that are not the result of simple carelessness but the inevitable consequence of an expanding population. I am thinking especially of the domestic water and waste disposal problems that are an increasing burden on towns and cities throughout the Nation.

With these facts in mind, Mr. Speaker, I ask not only that we give our best efforts to solving the problems of pollution control, but that we do it honestly and that we place the responsibility wherever it rightly belongs.

WMAL-TV AND RADIO ENDORSE CONGRESSMAN ANNUNZIO'S INNER-CITY INSURANCE BILL

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ANNUNZIO. Mr. Speaker, I am calling to the attention of my colleagues an editorial that was broadcast over WMAL television and radio on December 24, 1969, and a second editorial that was broadcast over WMAL television and radio on January 16, 1970, calling for early passage of the inner-city insurance bill which I had introduced in the House of Representatives on September 8, 1969.

Over 100 of my colleagues in the House of Representatives have cosponsored this legislation because they, too, recognize that the need is urgent and a solution can be put off no longer. Quite clearly something must be done if our inner-city property owners and small businessmen are to have access to insurance coverage at reasonable costs.

There presently exists a critical housing shortage in America, and there also exists a shortage of money with which to build this urgently needed housing. I appreciate all of the great problems of housing that exist today and I am keenly aware of the miserable and inadequate housing in which people in our inner cities are obliged to dwell. These are the people who are being left out in the cold, like stray cats and stray dogs, for they do not even have access to sufficient insurance coverage at reasonable rates to protect themselves against disastrous losses.

We must not forget these people who are living in our inner cities and who cannot buy insurance. It is only a question of time before these people abandon their home in the inner cities—and then we are going to be confronted with an even greater housing shortage than the one which presently exists. In fact, the mass exodus of these inner-city residents has already begun.

I have been a longtime supporter of housing legislation and of maximum funding to implement our housing programs. I am hoping, therefore, that my legislation will be incorporated into the 1970 housing bill. I refer particularly to the section of my bill that gives the Department of Housing and Urban Development the authority to guarantee some insurance coverage to those people who are unable to secure coverage even under the so-called FAIR plan.

The FAIR plan, as my colleagues will recall, was enacted by the Congress as part of the Housing and Urban Development Act of 1968. While valid in theory, nonetheless it has not worked out in practice. Not only my own congressional office, but the offices of many of my colleagues who represent urban areas, have been flooded with mail from individuals who are unable to secure insurance coverage even under the so-called FAIR plan.

There are no statistics available on how many hundreds of thousands of our citizens across the Nation are without insurance. The Department of Housing and Urban Development should assign sufficient staff to make this study and make this information available to the House Banking and Currency Committee.

I want to reiterate that I do hope the 1970 housing bill will incorporate the provisions of my inner-city insurance bill so that inner-city residents and businessmen may have access to insurance coverage at reasonable rates.

I want to express my deep appreciation to WMAL television and radio for its outstanding public-spirited editorials in support of my legislation which offers an urgently needed solution to the critical insurance problem that exists in America today, and I know that my colleagues who have cosponsored my legislation are also grateful for WMAL's constructive help and support.

The text of WMAL's two editorials follows:

[WMAL editorial, Dec. 24, 1969]

INNER-CITY INSURANCE COVERAGE

Few weeks go by without a call from an inner-city Washington businessman whose insurance has been cancelled because of repeated robberies. Many small businesses are closing. The inner-city economy is eroded.

The obvious solution is to cut the crime rate, but that solution may be a long way off. The immediate need is insurance for small businessmen.

A plan to spread the risk among many insurance companies was passed by Congress in 1968, but was promptly appealed in court by the underwriters.

We believe that Representative Frank Annunzio of Illinois has offered the most practical approach. The Annunzio bill would allow the Small Business Administration or the Department of Housing and Urban Development to nationally underwrite crime insurance on risks private companies cannot take.

The Annunzio bill has some 100 co-sponsors, yet hearings have not been called. The House Banking and Currency Committee should take up the Annunzio bill immediately after the new year. A government that cannot assure the safety of property should at least insure the property owner against loss.

[WMAL editorial, Jan. 16, 1970]

Washington area business leader Joseph Danzansky had a bleak forecast for the future of Washington's economy in a recent newspaper article. Mr. Danzansky wrote "The economy of the District of Columbia is in advanced stages of a serious illness, and this illness does not show any indications of improvement for the foreseeable future.

Certainly a major underlying cause of this pessimistic prediction is the uninsurability of many inner-city businesses because of crime. A business is robbed repeatedly, its insurance is cancelled, the business closes its doors, the inner city economy erodes.

This is why Congress must pass a bill introduced by Representative Frank Annunzio of Illinois which would guarantee insurance to inner-city businesses. The Annunzio bill would allow the Federal government to insure businesses in high crime areas that private insurance companies will not insure.

The Annunzio bill is vital not only to the inner-city but to the suburbs. As Mr. Danzansky wrote "We fail to recognize that this is one integrated metropolitan economy and that a cancer at its heart will eventually spread and envelop the rest of the economic body."

UNITED STATES-ISRAEL RELATIONS

(Mr. ADAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ADAMS. Mr. Speaker, I am troubled by the change of direction in our foreign policy with respect to the Middle East. It seems to me that implicit in this change is an erosion of the traditional support our Government has given to the State of Israel.

First of all, it is in our own enlightened self-interest that our friendship with Israel be maintained. Israel is an outpost of democracy in the Middle East, and it is to our advantage that she be strong and viable. Her loyalty to our country has been constant. I must say I am deeply impressed by the support of the overwhelming number of Americans of all faiths for Israel as against the Arab-Soviet effort to destroy Israel.

Israel is isolated except for American support and will be unable to defend herself successfully against Soviet attacks, camouflaged by Arab proxies, if we withdraw our support. I am convinced that the most crucial factor affecting Israel's future remains American support and aid.

I fear there are significant segments of our population who wrongly view Israel as an expansionist, militarily aggressive country. This view has been carefully cultivated by Arab propagandists anxious to cut Israel off from further U.S. aid. I disagree with this point of view. Israel is interested only in retaining her sovereignty and she seeks peace, not territory, in the only way it is ever possible to make peace, which is by face-to-face negotiation with her Arab neighbors.

Russia's overwhelming supply of the latest sophisticated weapons to certain Arab nations, and France's latest arms deal with Libya and Iraq have put Israel in greater danger now than at any time since the 6-day war of June 1967. I am concerned lest this danger grow to a point where Israel will find herself alone and facing overwhelming arms and manpower when the Arabs decide it is time for the next round.

This Congress should take a stand in support of a faithful friend and ally: Israel.

ISRAEL MUST NOT BE LEFT DEFENSELESS

(Mr. PELLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PELLY. Mr. Speaker, President Nixon made an important statement yesterday on our Middle East policy. He said:

> The United States believes that peace can be based only on agreement between the parties and that agreement can be achieved only through negotiations between them. The United States is prepared to supply military equipment necessary to the efforts of friendly governments, like Israel's, to defend the safety of their people.

The President's statement coincides with my views, Mr. Speaker, and it appears to contradict some statements on this matter recently made by Secretary of State Rogers. I hope this is true.

On this policy regarding Israel, I am joining with the dean of the House of Representatives, EMANUEL CELLER, and other colleagues in issuing a statement which will be released shortly, critical of the State Department's Middle East policy and urging instead, U.S. support of direct face-to-face negotiations between Israel and the Arab countries.

Mr. Speaker, the search for peace and political stability must consider three conflicts; the United States-Soviet power struggle, the inter-Arab differences, and the Israeli-Arab struggle.

As to the first of these, the United States-Soviet power conflict, the aim of the Soviet Union obviously is to oust the United States from the Middle East and achieve for itself the dominant role of influence. Our objective, obviously, should be to thwart the Soviets because of the adverse effect Soviet success would have on our NATO allies in Europe as well as on our friends in Turkey and Iran and eventually on the entire continent of Africa.

The outcome of the Soviet-American power struggle lies in whether the Soviets succeed in their objective of undermining or destroying the pro-Western Governments of Saudi Arabia, Jordan, Lebanon, and especially Israel.

To accomplish her purpose, the Soviet Union has backed Egypt and promoted President Nasser's grand plan of dominating the Middle East. In other words, the Soviet Union's success and the United States failure depends on Nasser and his position of leadership in the Arab world.

Mistakenly, it seems to me, Secretary of State Rogers recently indicated a U.S. policy of concession and mollification of Nasser thereby causing dismay to our non-Communist friends.

Instead, I would hope for termination of the Four Power discussions and instead a forthright expression of support of Israel and of a program of direct negotiations between the Arab and Israel countries over their border and refugee differences.

U.S. national interests lie in the downgrading of Nasser as an Arab leader, and the firm and forthright demonstration of our support for Israel.

U.S. POLICY IN THE MIDDLE EAST

(Mr. RYAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, the National Emergency Conference on Peace in the Middle East met this weekend in Washington in response to the serious questions which have arisen about the posture of the Nixon administration toward Israel and achievement of peace between her and her neighbors. The meeting was convened by the conference of presidents of major Jewish organizations to express "deep concern and apprehension" over recent U.S. policy statements on the Middle East.

Yesterday the delegates to the National Emergency Conference adopted a resolution calling for the U.S. withdrawal of the settlement proposals the Nixon administration has made over the past several months, "so that the Arab-Israeli negotiations which President Nixon has called for will indeed be undertaken without preconditions."

Four Presidents—Truman, Eisenhower, Kennedy, and Johnson—have made unquestionably clear our commitment to a viable Israel. The United States has supported Israel because we endorse the self-determination of nations; we uphold the principles of democracy and freedom which Israel embraces; we reciprocate the friendship which Israel has given us without any claim but that of our friendship in return; and we view Israel as an example to its neighbors of how to bring the benefits of modern technology to their citizens.

However, over the past year there has been a shift in emphasis. The so-called "balanced policy" which Secretary of State Rogers described in his speech of December 9 is, in effect, a policy of retrogression from the previous firm support this Nation has extended to Israel.

While the President, in his message yesterday to the National Emergency Conference, has affirmed the idea of "negotiations between" the parties, the practical effect of U.S. proposal for peace settlements mitigates against such negotiations occurring. And direct negotiations are essential for a meaningful peace, and a viable Israel.

The increasing specificity of the U.S. proposals—particularly the Israel-Egypt settlement proposal of October 28 and the Israel-Jordan settlement proposal of December 18—serve further to undercut the feasibility of direct negotiations. By making specific recommendations for Israeli compromises, the State Department encourages the intransigence of the Arabs. The more the United States details what a settlement agreement should include, the more the Arab States are encouraged to hold out for even more favorable terms.

In order that the Congress and the people may assess the administration's posture toward the Mideast and particularly, toward Israel, I have called upon Secretary of State Rogers by my letter of January 14, and in my speech on the floor of the House on January 19, to make public the substance of the U.S. proposals. Thus far, no response has been forthcoming.

I have made clear my opposition to the administration's shift to a so-called "balanced policy"—which is in effect a retreat from the essential support which Israel needs—in my speech of December 23. I have also joined in cosponsoring House Concurrent Resolution 480, which expresses the sense of the Congress that the United States supports "direct face-to-face negotiations" between the parties, and that it opposes an imposed settlement and a settlement achieved through other than face-to-face negotiations.

In addition, I have joined in the declaration of support initiated by Congressman CELLER for peace in the Middle East achieved through direct negotiations and

maintained by a balance of armaments in that area.

I applaud the National Emergency Conference's bringing careful scrutiny to bear on the problem of the Nixon administration's posture toward Israel. And I am heartened by the President's response. I now await evidence that his words will be confirmed by his deeds. Positive action is even more critical in light of the recent revelation of the sale of 100 jets to Libya by France. I would recall Presidential Candidate Nixon's statement on September 8, 1968:

Israel must possess sufficient military power to deter an attack. As long as the threat of Arab attack remains direct and imminent, "sufficient power" means the balance must be tipped in Israel's favor. An exact balance of power, which in any case is purely theoretical and not realistic, would run the risk that potential aggressors might miscalculate, and would offer them too much of a temptation.

For that reason—to provide Israel a valid self-defense—I support a policy that would give Israel a technological military margin to more than offset her hostile neighbors' numerical superiority.

It is urgent that the administration endorse the principles of a secure Israel and a peace achieved through direct negotiations—by deed, as well as by word.

At this point in the RECORD I include the resolution adopted by the National Emergency Conference on Peace in the Middle East on January 25, 1970:

A RESOLUTION ADOPTED BY DELEGATES TO THE NATIONAL EMERGENCY CONFERENCE ON PEACE IN THE MIDDLE EAST, CONVENED BY THE CONFERENCE OF PRESIDENTS OF MAJOR AMERICAN JEWISH ORGANIZATIONS, AT THE STATLER-HILTON HOTEL, WASHINGTON, D.C., JANUARY 25–26, 1970

The leadership of the American Jewish community, gathered in our nation's capital, expresses its deep anxiety over the direction of United States policy in the Middle East.

We do so as Americans profoundly concerned for our country's national interests; as Jews with a strong sense of kinship with out fellow Jews; as people who share all mankind's yearning for peace.

Since the founding of the State of Israel in 1948 the people and government of the United States have consistently affirmed that it is in America's national interest to support the sovereignty and security of Israel. We are truly gratified that we have received this day from President Richard M. Nixon a clear re-affirmation of this Administration's friendship, understanding and support for Israel. The President stated that "the United States does not intend to negotiate the terms of peace." Earlier, he made clear his belief that the Four Powers "cannot dictate a settlement in the Middle East."

We believe that the attempts of the Four Powers to draft the framework for a settlement have in fact impeded the progress toward a genuine peace.

We believe that the recent specific proposals submitted by our State Department to the Two Power and Four Power talks—which suggest: pre-determined Egypt-Israel and Jordan-Israel borders; that Jordan share in the administration of Jerusalem; and that the Arab refugees be repatriated under a formula that would flood Israel with those bent upon its destruction—endanger the security of Israel and imperil the cause of a just and lasting peace in the Middle East. These proposals should be withdrawn forthwith so that the Arab-Israeli negotiations which President Nixon has called for will indeed be undertaken without pre-conditions.

Peace in the Middle East can be attained only if Israel is recognized by her Arab neighbors as a sovereign state with mutually agreed upon secure borders; only if the nations which fought the war make the peace, negotiating freely; only if the Arab lust for vengeance is abandoned.

In light of the massive arms shipments to Arab states by the Soviet Union, France and other countries, it is imperative that the United States continue to support the security of Israel with the military equipment she so urgently requires.

We believe that the role of America in the Middle East is to bring the parties together in direct negotiations; to stand firm against Soviet pressure, and above all to provide Israel with sufficient economic and military strength to deter any Arab ruler from aggression.

We dedicate ourselves to the achievement of a just and lasting peace, fulfilling the divine promise spoken by the immortal prophet of Israel: Nation shall not lift up sword against nation, neither shall they learn war any more.

LET US INTERNATIONALIZE THE ASTRONAUT PROGRAM

(Mr. FINDLEY asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. FINDLEY. Mr. Speaker, it would be of great value to the United States both scientifically and diplomatically to set as official policy our desire to have qualified nationals of other free world countries participate in the NASA astronaut-training program. Although citizens of other nations are actively involved in our space program at the ground level, they have not yet had the opportunity to participate as astronauts. The rewards of national pride generated by a successful moon shot, of course, go primarily to the astronauts and the country of which they are citizens. While there are undoubtedly qualified individuals from other countries who can be trained as our own citizens have been, so far only U.S. citizens have been chosen.

On Wednesday, January 21, I sent a letter to President Nixon urging him to act on this proposal.

The International Treaty on Outer Space, ratified by the Senate in February 1967, says that—

States Parties to the Treaty shall carry on activities in the exploration and use of outer space, including the moon and other celestial bodies, . . . in the interest of maintaining international peace and security and promoting international co-operation and understanding. (Article III.)

Internationalizing astronaut training would show the good faith and good will of the United States in fulfilling its treaty obligations. It would be an important step toward internationalizing space technology, a goal clearly defined by Congress. The act establishing the national space program states—

The Congress declares that it is the policy of the United States that activities in space should be devoted to peaceful purposes for the benefit of all mankind. It continues to say that: "The aeronautical and space activities of the United States shall be conducted so as to contribute materially to . . . cooperation by the United States with other nations and groups of nations in work done pursuant to this chapter and in the peaceful application of the results thereof . . . (PL 85–568).

The acceptance of non-U.S. applications in NASA's astronaut training program would have another important implication in light of the recent cutback in the NASA budget. It would demonstrate to the world that the United States is not abandoning its space effort. To the contrary, it is embarking upon an important new phase which holds special meaning for other countries.

There is ample precedent and basis for including qualified nationals of other countries in the astronaut corps. NASA already has extensive connections with most countries in the free world. As of July 1969, there are or have been—

Cooperative flight projects involving first, development of satellites with six other nations, second, experiments on NASA satellites involving four other nations, third, sounding rocket development with 19 other countries;

Cooperative ground-based projects for, first, meteorological satellites in 63 other nations; second, communications satellites in 13 other countries, third, ionospheric satellites in 42 foreign countries, fourth, geodetic satellites involving 14 countries;

Aeronautics experiments in four other nations;

Operations-support projects between NASA and other countries involving, first, eight nations in scientific satellites experiments, second, 11 nations in our manned flights, third, four nations in deep space data acquisition projects, fourth, 12 countries in optical experiments, and fifth, four nations in general data acquisition networks;

Personnel exchange programs involving, first, 386 foreign nationals from 35 countries in research fellowships at NASA sites for 1 year, second, 210 nationals from 19 countries in year-long fellowships at U.S. universities, third, 461 men from 18 countries in technical training at NASA centers; and

Approximately 37,200 official visitors from 125 nations.

The total number of countries involved in various joint projects has reached 84, including the European Launcher Development Organization—ELDO—and the European Space Research Organization—ESRO.

The Solar Wind Composition Experiment of Apollo 11 was designed and analyzed by a Swiss group of scientists. Thirty-six foreign scientists from eight different nations have helped to analyze the lunar surface materials brought back by Apollo missions. Apollo 11 used Swedish Hasselblad cameras fitted with Zeiss—West German—optics, a Japanese Sony tape recorder, and British-designed fuel cells.

It is obvious that foreign countries contribute valuable resources to our space program. Dr. Thomas Paine, speaking of the land and tax benefits donated

at 10 sites around the world for satellite tracking and rescue stations, said:

If other countries refused to assist us in this respect, we would have to develop very expensive and necessarily inferior alternate means and to accept an incalculable cost in risk to mission success and safety.

The inclusion of foreign astronauts would be a strong impetus toward further material and financial help from these countries. It could eventually lead to cost-sharing of our space program with those nations which are capable so that the United States would not have to carry the entire financial burden.

It is already official NASA policy to judge proffered experiments for each Apollo moon mission strictly on their merit; it should also be official policy to judge potential astronauts strictly on their qualifications.

Internationalizing the astronaut program need not, and should not, impair its high standards. It is imperative that there be no reduction in the strict standards of acceptance for astronaut training by NASA. The safety and mutual confidence of the men who go into space are of paramount importance.

Similarly, there need be no question of losing control over planning and operating the program. The astronaut would represent his country, but work entirely under U.S. auspices and authority.

Presently it takes 2 to 3 years to train an experienced test pilot for the astronaut program. No man who has flown in outer space has trained for less than 3 years, and some have trained for up to 6 years. Therefore, it may not be possible to include a foreign astronaut in any of the remaining Apollo flights. These consist of seven, to be concluded in 1974. But these facts add urgency to the decision to share future space flights with nationals from other countries. Training will soon be needed for the projected test space stations and manned space laboratories of the late 1970's and early 1980's. Based on past experience, most of our present astronauts will have left the program by 1980. If their replacements are to include foreign nationals, the decision should be made soon.

There is no statutory requirement that astronauts be U.S. citizens. Many of them had no flight experience previous to their election. Thus lack of experience as a high-performance test pilot need not deter foreigners. The training program will not need to be modified, since it already provides for specialization in science, anticipating the increased emphasis on experimentation that the manned space laboratories will require.

In addition, there are foreign astronauts with backgrounds similar to our own men. Between 1959 and 1969, 46 foreign students have graduated from the USAF Aerospace Research Pilots School at Edwards Air Force Base in California. This is the course from which the Air Force recommends acceptance of its personnel into the astronaut-training program. The foreign graduates include six Japanese, 11 Canadians, nine Italians, nine Germans, two Danes, five Netherlanders, two Swedes, one Norwegian, and one Argentinian. Two are presently enrolled, and three more will enter in August 1970. These men would provide a logical starting point for the selection of a foreign astronaut.

In conversations I have had with government leaders and private citizens in Western Europe and, most recently, Latin America, I have been struck by the deep interest of these nations in our technological advances and especially our space program. Young people in these nations are eager to have a part in the excitement and achievement so evident in our technology.

Although they rejoice in the achievements of U.S. astronauts and glory in the groundwork contributions they have provided, the widening gap between their technology and ours is nevertheless painfully felt. They feel left out, because technology up to now has advanced mainly within national boundaries.

Steps on our part to internationalize our astronaut program would pay immediate rich dividends in international good will, even though the fulfillment of the program would require several years.

In an age when the unifying forces of military commitments to defend the free world are being challenged by divergent national interests, the proposed move by the United States could do much, in a peaceful, nonmilitary way, to improve the solidarity of the free world and demonstrate the basic common interests of all mankind. No doubt valuable contributions to our space program have been made, and will continue to be made by other countries.

The internationalization of our astronaut program would provide a vivid demonstration of our own reciprocal commitment to these nations. It is clearly within the intent of the Congress, and it seems to me this is the ideal time to begin.

ADMINISTRATION CONSIDERING LIBERALIZING IMPORT QUOTAS ON FOREIGN STEEL

(Mr. GAYDOS asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous material.)

Mr. GAYDOS. Mr. Speaker, this past weekend in my district I read published reports the administration is considering liberalizing import quotas on foreign steel. These reports, although unconfirmed, touched off an immediate reaction of indignation among steelworkers in the 20th Congressional District of Pennsylvania. A wave of grave concern swept through the Mon-Yough Valley at the possibility of thousands of men facing unemployment if foreign steel is allowed to glut our domestic market.

The report, which appeared in a local newspaper, said the administration is weighing this plan as a means of driving down the price of American steel. The article observed a relaxing of import quotas would increase the supply of steel and thereby dampen the upward trend of steel prices in this country. It pointed out the Government's wholesale price index showed steel prices rose more rapidly last year than any general commodity except farm products.

According to the news item, the price of steel products rose 6.7 precent; prices of iron and steel products went up 7.4 percent while the index as a whole reflected a gain of 4.8 percent. Furthermore, the article went on to say the steel industry already has increased the price of nine major products so far this year and it claims, too, the end is not in sight.

This may be true. But I seriously question the wisdom of lifting any limitation on steel imports at this time. Such action, I believe, would drive hundreds of men from their jobs and the rolls of unemployment would be grossly swollen by a mass enlistment. The President might well find himself given a headstart, albeit an unwanted one, on his new welfare program.

Since 1968, Mr. Speaker, steelworkers throughout the Nation have been working under the sword of Damocles, saved only by the gossamer thread of voluntary restraints on steel imports. It was in 1968, you will recall, when an all-time record high of 18 million tons of steel was imported into this country. The tonnage total triggered alarm bells in the Congress. Numerous bills were submitted, each geared to enact mandatory quotas on nations who were threatening to erect a tombstone, made of foreign steel, over our steel industry.

The bills never got out of committee. Instead of legislation by Congress, the steel industry saw the State Department negotiate a voluntary arrangement with Japan and ECSC nations, our major competitors in this market. Competitors, I might add, who are protected from military invasion by the tax dollars of the American people, including steelworkers who have shelled out untold thousands of dollars to defend their economic enemy.

These voluntary arrangements contain vague promises of "trying" to stay within self-imposed tonnage limits and "trying" not to change the product mix too greatly. While the total tonnage from these sources in 1969 appears to be within the established 14-million-ton limit, which, incidentally, is still higher than any other year before 1968, the product mix was changed. It was changed substantially, according to the Department of Commerce. The DOC reports show foreign producers began selling more higher priced items and their pocketbooks bulged with American currency.

Despite their inherent weaknesses, the voluntary quotas nevertheless have stayed the fall of the sword of Damocles—at least for the present. The quotas are to remain in effect for 2 more years with a 5-percent increase allowed in tonnage for 1970 and 1971. But what would happen if those voluntary restraints were ignored?

Mr. Speaker, that sword will fall and with deadly effect. It would slice through the jugular vein of the steel industry. Thousands of American steelworkers would suddenly find themselves available on the open labor market while an uncontrolled surge of foreign steel would be pumped into the domestic economy.

I do not mean to sound like a prophet of doom nor am I predicting overnight breadlines for our steelworkers. But we have experienced what can happen in

this country when large groups of men suddenly are thrown into the pit of unemployment. I can imagine the frustrations that can tear at a man who wants to work at his trade but cannot although all around him he sees new buildings rise, supported by foreign steel.

The steelworker's status is rather shaky as it is. What happens when the demand for steel in Europe, which has been a principal reason for a decline in imports last year from ECSC member nations, becomes satisfied? Do you not think they might look for a larger slice of the American steel market pie?

All that stands in their way of reaching for it is the voluntary arrangement with the State Department. And, I remind my esteemed colleagues, there is no penalty to be incurred by the foreign producer who violates his own self-imposed limits on steel shipped to this Nation. The letters of intent expressing a desire to try to do this or that can be brushed aside without a second thought. That gossamer thread now holding the sword of Damocles would be snapped and down it would come.

If those events should occur, and I certainly hope they do not, the steel industry would soon be reeling under a heavy pounding from foreign manufacturers who will flood this country with their products. We have already seen what these economic blows have done in other American industries where there are no quotas for protection.

The number of imported shoes rose from 10 million pairs in 1956 to 176 million pairs in 1968, textile materials rose from 1.5 billion square yards in 1964 to 3.3 billion square yards in 1968, and electric components went from $1.3 billion in 1968 to $1.9 billion in 1969.

It is an ironic twist of fate, Mr. Speaker, that has reversed this Nation's position in the world of economy since 1945. At that time America felt, and fulfilled, a responsibility to help those nations, including our former enemies, erase the scars of World War II. With typical American generosity we overdid it. We overdid it to the point where it now is difficult to tell the victor from the vanquished in that war. We overdid it to the point where we forgot America.

The losers in the military conflict have become the winners in the economic struggle. Foreign producers enjoy many benefits granted by their governments which are not afforded the American industry. Japan, for instance, gives top priority to loans for steel industries and at low interest rates. European producers in some countries are given rebates on certain taxes. Some foreign industries are the recipients of indirect subsidization or are under outright control by their government.

In addition to these advantages and to the American dollars which helped put them back on their feet, foreign competitors work with the latest equipment. Their oldest facility probably dates back to just after the war. In the 20th district most of the younger plants are at least that old. These new facilities and the fact the foreign government needs little tax money for defense of the homeland since America picks up most of that tab certainly puts our overseas competitors in a most enviable position.

Here in America, on the other hand, we actually have discouraged the expansion or remodelling of plants. The repeal of the 7-percent investment credit caused more than one business leader to think twice about spending large sums of money for improvements.

Mr. Speaker, although I have spoken out against any further liberalization of steel import quotas at this time I do not mean to imply I am opposed to all free trade. I definitely am not. But I am opposed to unreasonable free trade whereby the American market is put up for grabs at the expense of its working force.

I realize, too, that mere publication of certain reports do not make them gospel facts. Therefore, Mr. Speaker, I wrote President Nixon for an official confirmation or denial of the report.

If such a plan is in the offing for the Nation, I believe the Congress and the American public should be made aware of it and of the possible dire consequences which may follow its adoption.

If such a plan is not being given the consideration reported, I feel it would behoove the White House to squelch such talk. The denial also will do much to allay the fears of all steelworkers as to what the future has in store for them and their jobs.

I am vitally concerned, Mr. Speaker, that liberalization of steel import quotas could leave this Nation holding a very big, very expensive bag, and the label will probably read "Made in Japan."

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

The SPEAKER. Under a previous order of the House the gentleman from Kentucky (Mr. PERKINS) is recognized for 60 minutes.

Mr. PERKINS. Mr. Speaker, during this past weekend, many more responses to the title I questionnaire have been received. Today, I will make part of the RECORD 107 questionnaires received since Friday morning. At this time responses have been received from school districts enrolling over 900,000 students in title I projects, and from school officials who are responsible for an average daily attendance of 5,659,572 students. With the inclusion of the responses today, Mr. Speaker, results will have been obtained from hundreds of school districts, large and small, from every section of the country, and virtually every congressional district. Responses have been received from large urban areas and from small rural communities. And it is something to be recognized that, with such a great diversity in terms of respondents, there is virtual unanimity in the concern and comment being registered. The responses are today as they were each day last week, an expression of confidence—rather, enthusiasm—for the effectiveness of title I and a plea for increased funding of programs which are of proven worth. Regardless of whether it is from a small school system in the rural South, or a middle-sized district in the Far West, or an urban district in the industrialized East, superintendents and other concerned school officals are making a strong case—an overwhelming case—documenting the need for not only the school increases in the pending appropriations bill but also for substantially larger amounts in support of title I.

In connection with the questions which have been raised with regard to statistical data to support judgments and evaluations made by school officials at the local level, I wish also to share with my colleagues information from letters and telegrams I have received from State departments of education that contain the hard statistics which demonstrate achievement of title I students.

Louisiana reports that in the 1968–69 school year, over 100,000 children were involved in title I reading programs at a cost of close to $4 million. During the 9-month period there has been an average grade level improvement of 1.3 in 56 of Louisiana's 66 school systems operating title I reading programs.

From Connecticut, we learn that standardized reading test results involving over 5,000 students who received title I program services showed a reading rate of gain per year of 1.1 years based on national normative data.

Oregon advises that 81 percent of all eligible Oregon school districts conducted reading activity as a total of significant part of their title I project. The State title I coordinator has commented that percentile gains in reading indicate positive growth as a result of title I reading projects. His statement is based on test results which show that the mean percentiles for title I project pupils moved from 29.9 on the pretest to 36.8 on the posttest. The medium percentile moved from 28.3 on the pretest to 36.4 on the posttest, and the mode percentile moved from 20.29 on the pretest to 30.39 on the posttest.

Let me read from the telegram I received from Kansas:

> Remedial reading program constituted major thrust Title I project in Wichita. Target schools located in low income areas. Students selected were those not having gained sufficient ability in reading to succeed in classwork requiring reading. 3,070 students enrolled in grades 1 to 9 participated. Considering length of time from pretest to posttest, average gain should be .7 of grade level. Gates-McGinitie test results show: gains in pupils instructional grade level range from .8 to 1.8; gains in pupils independent reading grade levels ranged from .5 to 1.4. All students made more than average growth in instructional reading grade levels, with successively smaller gains shown for independent reading grade levels.
>
> On statewide basis, three objective tests—Iowa Basic Skills, California Achievement (Reading), Gates-McGinitie Reading—given to 4,658 remedial reading students. Pre-test was given in September and the Post-test was administered the following May. Quartile ranges: first quartile, 1 to 24 percent; 2nd quartile, 25 to 49 percent; third quartile, 50–74; 4th quartile, 75–100. 38.2 percent of the students advanced 1 quartile in percentage rank between pre-test and post-test administration. Under normal instruction procedures, students seldom advance a quartile rank. Test results justify remedial reading program.

A telegram from Missouri is similar. It states:

The total number of public school students receiving concentrated remedial reading instruction under Title I ESEA was 46,320 for regular year and 16,402 for summer. There were 3,097 non-public school students participating.

The following school district reports reflect success of Title I remedial reading program:

St. Louis City: in grades 6–8, in eleven schools with 2,626 Title I students, the mean gain based on achievement tests was 1.4 years. These same children had in years before averaged about eight months.

Sikeston: The project objective of improving performance on standardized tests was accomplished by enough children that 34 children of the group (188-Grades 2–5) could be dismissed from special reading classes.

Mr. Speaker, this weekend I had opportunity to review many of the State title I evaluation reports covering title I projects for the 1968–69 school year. It is my considered judgment that the statistics contained in these reports—statistics which are comparable to the information I have received directly from the State departments of education—fully support the contention of local school superintendents that title I is effective. Let me share with my colleagues the comments from the State reports from the two States surrounding the District of Columbia—Virginia and Maryland.

The Virginia report states:

The educationally deprived child enrolled in Title I instruction has definitely improved his education. His rate of learning has been accelerated and he is closing the gap between him and others in his grade. This conclusion is reached as a result of extensive use of standardized tests and analyses of all data submitted to the state office by local educational agencies. About 90% of all local educational agencies use standarized tests to pre- and post-test pupils enrolled in Title I classes. . . . an analyses of test results for approximately 8,000 Title I pupils Grades 2–12, taking the California Reading and Stanford Achievement Tests indicates that pupils enrolled in remedial reading classes have shown considerable progress.

The results of the Stanford achievement test show a marked shift of students from the 1–10 percentile to higher percentiles between the pretest and posttest period. The number in the 1–10 percentile category decreased by over 10 percent on the posttest, with corresponding increases in the higher percentiles.

Another significant portion of the Virginia report indicates that local school officials feel they are making better progress with title I students as the program matures. In 1969, 59.2 percent of the local educational agencies reported they were experiencing substantial success with all title I activities, whereas in 1967, only 47.7 percent indicated that this was the case.

Turning now to Maryland. Much information has been compiled with regard to achievements made in reading programs. The Maryland report, however, also speaks of behavioral changes and indicates that of 3,456 title I students administered a behavioral inventory, 31 percent experienced a marked improvement in their attitude toward school and toward reading, and 48 percent showed some improvement in their attitude toward self, teachers, peers, and parents.

The Maryland report also contains information on achievements in mathematical skills. Based on standardized tests for title I students, it may be said that in the posttest, a substantially small proportion of those children in grades 2-3-4 were achieving in the lowest percentile band than was the case in the pretest; and that a larger proportion of the students were scoring above the 50 percentile at the conclusion of their title I mathematics program.

Mr. Speaker, in addition to the more than 30 telegrams and letters I have received from State departments of education, I will also place in the RECORD at the conclusion of my remarks selected excerpts from 10 title I State reports, because I believe these very vividly demonstrate the effectiveness and worth of title I activities.

Mr. Speaker, in addition, I will also today include a number of letters I have received from college financial aid officers across the country. As I indicated during my first special order on the title I questionnaires, the consequences of the threatened Presidential veto are most severe in connection with higher education, particularly for many needy college students.

If the veto is sustained, more than 100,000 such students will be adversely affected. At this time, I should like to share with my colleagues just a few of the comments made and concerns expressed by student aid officers with regard to the adequacy of existing appropriations and the tremendous need for additional funds. West Virginia University advises:

Specifically, we have 213 qualified National Defense Loan applicants for the second semester of this current year who were not offered loan funds. Our summer school loan program will be drastically reduced if additional funds are not provided for the current year.

A report from the University of Wyoming is most disturbing. A letter from O. R. Hendrix, director of student financial aids, reads as follows:

At the time of our application deadline last spring, we had on file applications from students with documented need of $2,443,-104. Federal student financial aid grants from the several programs in which we participate plus the University's matching funds for the current fiscal year totaled $798,810, leaving an unmet need of $1,644,294. To state the situation in another way, our Federal grants and required institutional contributions provided assistance for only 33 percent of documented need of on-time applicants. Since that time, we have received late applications from over 1,000 students. While a number of students whose needs we were unable to meet managed one way or another to enroll, they did so by borrowing at high interest rates and oftentimes in amounts in excess of the dictates of good judgment.

Mr. Hendrix's next paragraph is even more disturbing. He writes:

According to the attached clipping from the Denver Post, John O'Connor, Program Officer for Region VIII, estimates that nearly 30,000 students were kept out of school in the five-state area making up the Region.

Anderson College in Indiana has advised:

The second semester will begin without several students who were eligible to return but could not find financial resources to meet their educational expenses.

Michigan State University advises:

It has been necessary to deny NDEA student loans to approximately 1,500 qualified needy students, and that they will not be able to meet an anticipated 1,500 more applications for aid covering the Spring and Summer quarters.

Wichita State University reported that they had to "refuse aid to 600 students because of a lack of funds."

A letter from the University of Missouri at Columbia states the situation quite succintly—a situation which can be found on virtually every campus across this Nation—that is, enrollments and costs are spiraling upward, while funds available for student assistance is less than in previous years. Loan funds at the University of Missouri for 1969–70 are $139,000 less than for the previous year. Yet enrollment has increased by approximately 1,000 students, and fees have been increased by 25 percent. They advise that over 400 worthy students are in need of loans for the second semester, but that the universtiy does not have the approximately $150,000 available to meet that need.

Western Michigan University reports that as the National Defense Student Loan funding presently stands, they will be unable to assist any applicants for aid during the period beginning April 26, that is the third semester in their trisemester system. Last year during that same period, the university made loans totaling $106,000 to 362 students, and that if adequate funds had been available, they could have made loans of over $150,000 to approximately 500 students.

And finally, Mr. Speaker, let us not forget the implications of the threatened veto for a relatively small yet significant group of young men and women who are striving to secure additional educational opportunities. I speak of students attending business schools and technical schools. Under the terms of the Higher Education Amendments of 1968, such students were made eligible for participation in the NDEA student loan program—but only if appropriation exceeds $190,000,000.

There is presently on file in the Office of Education approved applications in excess of $4,000,000—applications which involve some 16,000 students. Mr. Speaker, as long as we continue to allow the NDE student loan program to operate at less than $190,000,000 we are denying these students funds for which they are eligible and for which they are in desperate need.

The Presidential veto, if it is sustained, will mean just that for the 16,000 students I refer to.

The material previously referred to follows:

CONCORD, N.H.

Hon. CARL D. PERKINS,
Chairman, Education and Labor Committee, House of Representatives, Washington, D.C.:

Goffstown, N.H., relatively small suburban community, eight miles from the state's largest city, Manchester, had title I remedial reading program at grades 9–10. This program involved 40 children, 50% of whom were bilingual. Reading grade levels at entry into the program ranged 2.9 to 8.8. At the conclusion, the range was from 5.9 to 10.4. The average gain in grade level was 2.2 years.

City of Dover conducted one of most extensive, intensive remedial reading programs in N.H. Average gain for 207 students involved, 17.33 percentile rank points. Students not only improved their own skills, but also standings relative to classmates.

WILLIAM C. STERLING,
Coordinator-Director, Title I, ESEA.

MONTPELIER, VT.

Hon. CARL D. PERKINS,
House of Representatives,
Washington, D.C.:

Replying to your request of 1/21 following excerpts from state annual evaluation report: central Vermont district reports since inception of title I program we have had remedial reading with supplementary library service. Areas of improvement include improved attitudes toward education and improved self image. General improvement in academic areas better attendance records and decrease in behavioral problems support this. St. Johnsbury reports fewer children in school system below grade level in reading as impact of increased assistance is felt example, out of 72 children moving into 6th grade only six below grade level. Several of these 72 children have been in title I program periodically over last four years.

Franklin County District reports remedial reading program according to classroom teachers enables youngsters to better handle other material in classroom some percentiles were raised and many other difficulties were located. Lamoille County District reports concentration of relatively large sums of money on small number of pupils resulted in significant improvement, example 11 children with expenditure of $4,172.00 showed overall improvement of one grade or more in reading.

ALLAN J. HEATH,
Title I Coordinator.

CHARLESTON, W.VA.

Hon. CARL D. PERKINS,
Chairman, Education and Labor Committee, House of Representatives, Washington, D.C.:

Remedial reading is a high priority need of educationally deprived children and W.Va. schools. Objective test results in fiscal year 1969 show gains in reading achievement of target pupils ranging from .8 of a year to 2.5 years for an average gain of approximately 1.3 years.

VIRGIL H. STEWART,
Coordinator, Title I, ESEA.

NASHVILLE, TENN.

Hon. CARL D. PERKINS,
Committee, Education and Labor Committee, House of Representatives, Washington, D.C.:

Evaluation documents for fiscal year 1969 indicate that title I activities have made a difference in the achievement of participants in remedial reading. An East Tennessee system reports, 56 grade 3 children, with IQ of 80, progress of four months greater for Title I participants than for non title I participants. Same system reports 40 grade 5 children with an IQ of 80, a progress of one month greater for Title I participants than for non title I participants. Additional supporting data available.

ERVIN H. THOMAS,
Coordinator, Title I, ESEA.

SALT LAKE CITY, UTAH.

Hon. CARL D. PERKINS,
Chairman, Education and Labor Committee, House of Representatives, Washington, D.C.:

Developmental not remedial reading major emphasis of Utah statewide projects, the following are examples of projects having remedial components: Cyprus High School enrollment 1,493, project participants, 60 average gross reading level 1.4 years; Brockbank Junior High, enrollment 805, project participants 62, more than 60 percent showed from 1 to 4 years in vocabulary and comprehension; Kearns Junior High, enrollment 1,358, project participants 134, average gain of all participants was 1.14 years; Orem Junior High, enrollment 1,124, project participants 35. Participants showed reading gains in all areas tested developmental projects in general show from moderate to substantial gains.

N. CRAIG KENNINGTON,
Utah Coordinator Title I, ESEA.

LANSING, MICH.

Hon. CARL D. PERKINS,
Chairman, Education and Labor Committee, House of Representatives, Washington, D.C.:

Pupils participating in Detroit Great Cities School Improvement Project Program, during summer 1968 and regular school year 1968–69, reached a level of reading achievement that would have taken from 2 to 3 years at previous rate of progress. This data extracted from 1968–69 project evaluation report dated 12–5–69. Reading comprehension of participants in Detroit communication skills project was doubled in 1967–68 school year. Data extracted from project evaluation report dated June 1969 (one) 18,000 pupils in project results based on random sampling of 1,100 pupils; (two) 942 pupils participating results based on random sampling of 146 pupils.

LOUIS KOCSIS,
Chief Administrator.

AUGUSTA, MAINE,
January 23, 1970.

Hon. CARL D. PERKINS,
Chairman, Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

The following data are excerpted from our State report submitted November 13, 1969 to the U.S. Office of Education. 432 pupils were tested at the beginning of the 1968–69 school year and toward the end of school year on the California reading test. On the pre-test, there were 163 pupils at or below the 25th percentile; 161 between the 26th and the 50th percentile; 88 between the 51st and the 75th percentile; and 20 at the 76th percentile or above. On the post-test for these students, 86 were at the 25th percentile or below; 138 at the 26th to 50th; 114 at the 51st to 75th; and 94 at the 76th or above.

243 students in grades 2–6 were tested in the same manner on the Gates-McGinitic test.

In the pre-test, 167 were at the 25th percentile or below; seventy at the 26th to 50th; six at the 51st to 75th; and none over the 75th. In a post-test administered to the same students, 130 pupils were at the 25th percentile or below; eighty at the 26th to 50th; 31 at the 51st to 75th; and two at the 76th or above.

The Stanford achievement test was administered to 501 pupils in grades one through 8. In the pre-test, 252 pupils were at the 25th percentile or below; 139 at the 26th to 50th; 58 at the 51st to 75th; and 52 at the 76th or above. In the post-test, 209 were at the 25th or below; 164 at the 26th to the 50th; 84 at the 51st to 75th; 44 at the 76th or above. A complete copy of the report for Maine on title 1 of ESEA for fiscal year 1969 is being sent to you air mail special delivery. Also enclosed are the annual report of P.L. 89–750, the report for P.L. 89–313, a copy of the effect of title 1 funds on the educational program at the A. R. Gould School and more recent data for the same school.

Sincerely,

JOSEPH J. DEVITT,
Director, Bureau of Secondary Education and Special Projects, State Department of Education, Augusta, Maine.

AUSTIN, TEX.

Hon. CARL D. PERKINS,
Chairman, Education and Labor Committee, House of Representatives, Washington, D.C.:

Regarding your request of January 21 regarding achievement of title I participants in remedial reading programs, the main impact of title I ESEA reading programs is at the elementary level. Statewide information on reading achievement scores show a maximum gain of 1 year, 2 months in mean grade equivalency, and a minimum gain of 3 months in mean grade equivalency across grades 2 through 8. All grade levels that reported mean scores show a gain in reading ability. Kennedy is an example of marked achievement in remedial reading by a rural school. At grade level 2, a gain in mean GE of 8 months was shown; grade level 3 shows a gain in mean GE of 1 year, 2 months; grade level 4 shows a gain in mean GE of 1 year 4 months, grade level 5 reflects a gain in mean GE of 1 year; and grade level 6 reflects a gain in mean GE of 1 year. This project cost $72,500 for 782 children.

Mean scores do not always reflect individual achievements. Dallas reports mean GE gain at grade level 2 of 4 months in 7 months of instruction. The number of grade level 2 who are reading below grade level 2 had been reduced by 32 or 32 percent. At grade level 3 the number reading below that level was reduced by 223 or 26 percent. At grade level 4, the number reading below level was reduced by 92 or 35 percent. At grade level 5 the number reading below fifth grade level was reduced by 32 or 13 percent (73 percent made more than 5 months gain) and at grade level 6, 54 percent made more than 5 months gain in grade placement. This project cost $918,929 for 5,370 children. Additional information available upon request.

R. E. SLAYTON,
Director, Division of Compensatory Education.

OKLAHOMA CITY,
January 22, 1970.

CARL D. PERKINS,
Chairman, Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

Nineteen percent of Oklahoma Title 1 funds spent on remedial reading program: 389 reading programs with 37,509 students participating in programs.

READING ACHIEVEMENT

Grade	Pretest percent	Posttest percent	Difference
1	34	47	13
2	36	42	6
3	33	37	4
4	30	37	7
5	30	35	5
6	28	33	5
7	30	35	5
8	31	37	6
9	30	35	5
10	32	38	6
11	31	37	6
12	30	41	11
Total	31	37	6

JACK L. TAYLOR,
Title I Administrator, Oklahoma Department of Education.

DENVER, COLO.,
January 23, 1970.

CARL D. PERKINS,
Chairman, Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

Regarding achievement of title one participants in reading program, over 8,000 pupils were pre and post tested in reading programs. Of that number, 5,744 scored below 25 percentile on the pre test but only 4,624 scored

below that level on post tests—a reduction of 14 percent. The same pupils, grades 1–12, improved their average readings by 2.7 standard scores, or over half of a full grade in grade—placement above expectancy. In grades 1–6, the reading improvement of participants was 3.3 scores, or nearly a full grade, in grade placement. Note: 5 standard scores correlate with one full grade in grade placement.

FRANKFORT, KENTUCKY,
January 22, 1970.

CARL D. PERKINS,
Chairman, Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

Children in Title I programs are generally those children one or more grades below expected level. Participants average from .4 of a year below norm, in grade one, to two years below in grade nine. Changes in reading achievement from pretest to post test during FY 1969: Grades 1–3, 24 percent fewer children achieving in lower ¼ according to national norms. Grades 4–6, 18 percent fewer children. Grades 7–9, 21 percent fewer children. Reading consultant for Dept. of Education states: Definite attitude changes on part of teacher and learner are evident. Teachers are learning how to attack reading deficiencies. This change in attitudes is substantiated by school administrators throughout State. Children screened for cause of reading deficiencies have received corrective health and medical services. More data being sent by mail.

JOHN H. BRUCE,
Director, Title I ESEA, Kentucky Department of Education.

BALTIMORE, MD.

CARL D. PERKINS,
U.S. House of Representatives, Washington, D.C.:

19 of the 24 local school systems in Maryland supplied pre post test data on ESEA Title I participants during fiscal year 1969. Data was supplied on a sampling basis for grades 2, 3, and 5; where we placed major emphasis for Title I funds. The following results are significant in the statewide samplings: In second grade, in reading comprehension, 1,315 pupils received the pre-test and 1,313 the post-test. The average gain was .70 for each month of participation in the program. In second grade, in reading vocabulary, 1,303 pupils received the pre-test and 1,296 the post-test. The average gain was .76 for each month of participation in the program. In third grade, in reading comprehension, 1,568 pupils received the pre-test and 1,528 the post-test. The average gain was .80 for each month of participation in the program. In third grade, in reading vocabulary, 1,116 pupils received the pre-test and 1,110 the post-test. The average gain was .83 for each month of participation in the program. In a special program in Baltimore City for fifth grade, 338 pupils in a remedial reading sample showed an average gain of 1.04 for each month they participated in the remedial reading program. The averages indicated above reflect substantial gains in most of the local educational agencies that participated in Title I.

DR. PERRY B. WILLIAMS,
Director of Division of Compensatory Urban and Supplementary Program, Maryland State Department of Education.

MONTGOMERY, ALA.

CARL D. PERKINS,
Chairman, Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

116 local educational agencies spent $7,747,229 directly on Title I ESEA reading programs for 363,729 participants. Evaluation reports indicate children made substantial progress.

ERNEST STONESTATE,
Superintendent of Education.

LINCOLN, NEBR.

HON. CARL D. PERKINS,
Chairman, Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

Last year's Title I programs study involved 10,162 students representing 159 different communities, who had been given a standardized reading test at the beginning and end of the school year. Instead of focusing the average gain of the group, individual student gains were examined. Of the 10,162 students, 2,493, or 24.5 per cent, were identified who had pre-test scores below grade level and post test scores at or above grade level. Note this represents a gain of more than one year and that these students are now at their appropriate grade level. In addition, 2577, or 25.3 per cent of the students were identified who had made more than one year's gain but were still below grade level. Thus 5072, or 49.8 per cent, of the 10,162 students gained one year or more during the school year programs. Gains such as these are certainly testimony to the education of Title I teachers and the application of the participants. These results are more impressive when you consider that 60 per cent of the participants based on a 40 per cent sample had intelligence quotients less than 100.

ROBERT E. DYKE,
Chief, ESEA Programs.
LAWRENCE VONTZ,
Director, Title I Nebraska Department of Education.

SANTA FE, N. MEX.

CARL D. PERKINS,
Chairman, Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

Subject your request regarding remedial reading program achievement title I. Page 12 New Mexico Annual Title I Evaluation Report FY 1969 states ten percent title I reading programs, comparing compatible pre- and post-test data, show approximately fourteen percent decrease in number students scoring in lower tenth percentile based on national norms, and increase in number of students scoring in 91st percentile. Greatest pupil gain was from 10.3 perecnt to 16 percent student scoring in the 21st to 30th percentile range. Generally the greatest gain in reading achievement was in second, third, and fourth grades. On pre tests 89.5 percent of students scored below 50th percentile, while on post tests only 81.4 percent scored below 50th percentile.

T. DONALD HARVEY,
Coordinator, Title I ESEA.
By B. L. CAPTERON,
Coordinator of Compensatory Education, New Mexico Department of Education.

PIERRE, S. DAK.

HON. CARL D. PERKINS,
Chairman, Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

The fiscal year 1969 title I evaluation reports reveals extra assistance given to children through remedial reading classes showed average education achievement from three standardized tests as follows: grades one through three .83 average grade equivalent, grades four through six .8 average grade equivalent, grades seven through nine .9 average grade equivalent.

LYNDON M. LOKEN,
Coordinator of Title I, ESEA, State Department of Public Instruction.

SPRINGFIELD, ILL.

CARL D. PERKINS,
Chairman, Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

481 respondents to title I evaluation out of 639 responding indicate significant gain on national norms in Reading when given pre- and post-tests. Am sending details by special delivery.

NOAH S. NEACE,
Director, Title I, ESEA, Office of the Superintendent of Public Instruction, Springfield, Ill.

JACKSON, MISS.

CARL D. PERKINS,
Chairman, Committee on Education and Labor, U.S. House of Representatives, Washington, D.C.:

In reply to your request for data regarding achievement of title 1 participants in remedial reading programs, we respectfully submit following findings; FY 1967—Statewide finding—general achievement, primarily influenced by reading.

Grade 2—Of 183 children scoring lowest quartile on nationally standardized test at beginning of school year, 13 advanced to next highest quartile at end of school year.

Grade 4—Of 200 children in lowest quartile, 21 advanced to next highest quartile.

Grade 6—Of 587 children in lowest quartile 105 advanced to next highest quartile.

Grade 8—Of 700 children in lowest quartile 256 advanced to next highest quartile.

FY 1968—In East Tallahatchie school district, Charleston, 511 elementary children during 3 month period had average reading level increase of 2.7 months. (At no time in past had any of these children made normal progress at any grade level).

FY 1969—In Attala County School District, Kosciusko, 178 elementary children during 12-month period had average reading level gain of 1.4 years. One child entered remedial reading program as a non-reader and reached a 4.2 level at end of period. Children enrolled at beginning of period were more than two years below national norms in reading.

In Biloxi separate school district, Biloxi, 191 elementary children during nine month period had average reading level gain of .9 years. These children at beginning of period were reading more than one year below grade level.

These findings generally illustrate findings in most districts conducting reading programs under title I.

W. L. HEARN,
Coordinator, Title I, ESEA, Mississippi State Department of Education.

ALBANY, N.Y.

CARL D. PERKINS,
Chairman, Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

The highest percentage of New York State's title 1 programs is in reading, and the remedial aspect of such programs receives the major emphasis at the elementary level.

A sample of the State's children classified as below minimum competence in reading at the third grade level, residing in cities (New York City data are not included because the "strike" prevented offering a full year academic program) and fitting the definition of ESEA title I eligibles was examined with a standardized test at the beginning and the ending of the 1968–69 academic year.

A review of the data indicates that not only did the average child (after a one year period) score above the minimum competence level, but averaged in excess of a 50 percent test score gain. Further data will be needed, but it would appear at this time that the "hard core" cases may either be, not falling behind:

A—As rapidly as was previously felt.

B—At all.

Supportive of the current thrust toward the improvement of reading achievement in the State's deprived urban areas, reports of two specific programs for the 1968–69 school year follow:

One city school district reported that for a 7-month period 584 third grade students made an average gain of 12 months in reading achievement; 617 fourth graders made an average gain of 9 months; 577 fifth graders and 414 sixth graders made a gain of 10 months.

Another urban school district studied the gains made by 330 students from grade two in 1965 through grade five in 1969. Although the group average was below grade level at the second grade, it exceeded the average of the Fifth Grade in word knowledge skills.

IRVING RATCHICK,
Assistant Commissioner.

BISMARCK, N. DAK.

CARL D. PERKINS,
Chairman Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

1968–69 data concerning reading progress of North Dakota title 1 children follows. A sampling of 38 LEA evaluations was analyzed, involving 1095 participants, or 14 percent. Average gain for participants was nearly the equivalent of one grade level (.97) using national forms. Largest gains were made by the lowest pretest group indicating more concentrated effort with these pupils. Average grade equivalency gains of grades 1 through 9 respectively were .68, .93, .93, .97, .97, .90, 1.15, 1.07, and 1.07.

WARREN PEDERSON,
Title I Coordinator.

JEFFERSON CITY, MISSOURI.

CARL D. PERKINS,
Charman, Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

Pursuant to your request for remedial reading data under Title I, ESEA:

The total number of public school students receiving concentrated remedial reading instruction under Title I, ESEA, was 46,320 for regular year and 16,402 for summer. There were 3,097 non-public school students participating.

The following school district reports reflect success of title I remedial reading program:

St. Louis City: In grades 6–8, in eleven schools with 2,626 Title I students, the mean gain based on achievement tests was 1.4 years. These same children had in years before averaged about eight months gain.

Sikeston: "The project objective of improving performance on standardized tests was accomplished by enough children that 34 children of the group (188—grades 2–5) could be dismissed from special reading classes."

P. J. NEWELL, Jr.,
Assistant Commissioner, Division of Instruction, State Department of Education.

TOPEKA, KANS.

CARL D. PERKINS,
Chairman, Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

Remedial reading program constituted major thrust title I project in Wichita. Target schools located in low income areas. Students selected were those not having gained sufficient ability in reading to succeed in classwork requiring reading. 3,070 students enrolled in grades 1 to 9 participated. Considering length of time from pre-test to post-test, average gain should be .7 of grade level. Gates-McGinitie test results show: gains in pupils instructional grade level range from .8 to 1.8: gains in pupils independent reading grade levels ranged from .5 to 1.4. All students made more than average growth in instructional reading grade levels, with successively smaller gains shown for independent reading grade levels.

On statewide basis, three objectives test.—Iowa basic skills, California achievement (reading), Gates-McGinitie reading, given to 4,658 remedial reading students. Pretest was given in Sept. and the posttest was administered the following May. Quartile ranges: first quartile, 1 to 24 percent; 2nd quartile, 25 to 49 percent; third quartile, 50–74; 4th quartile, 75–100. 38.2 percent of the students advanced 1 quartile in percentage rank between pretest and post test administration. Under normal instructions procedures, students seldom advance a quartile rank. Tests results justify remedial reading program.

HENRY PARKER,
Title I Director, Kansas State Department of Education.

HONOLULU.

Hon. CARL D. PERKINS,
Chairman, Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

Remedial reading projects showing significant gains per pupil in Hawaii. Halawa Elementary School, 40 pupils grades 2 through 6, criteria used in selecting participants one to two years below grade level in reading.

Average child was achieving at .5 grade gain per year. Comparison of pre and post test scores show participating pupils gained one year growth in reading during the year they were in this class. Wailuku Elementary School, 26 pupils in grades 1, 2, and 3, comparison of pre and post test scores reveal an average gain of .8 year per child. Interval between pre and post tests was 6 months. Hilo reading clinic 105 pupils in grades 3 to 7 diagnosed, 59 pupils treated. Average gain for each child was 2.8 months of progress in his reading for each month that he attended the reading clinic.

CLARENCE MASUMOTOYA,
Director Federal Programs.

HARTFORD, CONNECTICUT.

CARL D. PERKINS,
Chairman, Education and Labor Committee, U.S. House of Representatives, Washington, D.C.

Standardized reading test results for 5,219 children who received title one program services showed a reading rate of gain per year of 1.1 years based on national normative data. A title one evaluation report supporting the above statement has been forwarded by mail.

ALEXANDER J. PLANTE,
Chief, Bureau of Continuing Education.

SALEM, OREGON.

Hon. CARL D. PERKINS,
Chairman, Education Labor Committee, U.S. House of Representatives, Washington, D.C.

Approximately 225 school districts in Oregon which received Title One ESEA funds in FY 1969, or 81 percent of all eligible Oregon school districts, conducted reading activity as a total or significant part of their title one project. 59 percent of all title one funds used during FY 1969 were spent for instructional activity in reading. Achievement report from all school districts conducting special title one project showed the following results:

Mean percentiles for project pupils moved from 29.9 on the pretest to 36.8 on the post test.

The medium percent title moved from 28.3 on the pretest to 36.4 on the post test.

The mode percentiles moved from 20.29 on the pretest to 30–39 on the post test.

The percentile gains indicating positive growth as a result of the title one ESEA compensatory education project.

JACK GROSSNICKLE,
Title I Evaluation Coordinator, Oregon Board of Education.

HELENA, MONT.

Hon. CARL D. PERKINS,
Chairman, Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

Referring to January 21. For fiscal year 1968, reading achievement tests given by leas to 3116 kindergarten through grade twelve title 1 participants shows that a total of 191 pupils advanced from below-the-50th-percentile on a pretest to above-the-50th-percentile on a post test.

The greatest number of pupils, 273, moved out of the 0-to-25th-percentile category to other percentile categories.

The most significant net increases, 91 pupils, occurred in the 51st-to-65th-percentiles category and 46 pupils in the 76th-to-85th-percentile category.

For fiscal year 1969, 83 projects or 58 percent of all title I regular school term projects had reading as a component. The results of reading programs were evaluated in a number of ways by the least using a variety of standardized tests. Montana has no statewide testing program; thus the sea has no authority to recommend or discourage the use of or demand the use of any specific test. However, 9 projects in which the Nelson-Denny reading test was used for pretest and posttest evaluation purposes were selected for comparative analysis. This analysis shows that there was a median rate of gain of 10 percentiles.

State agency considers title I programs with reading components essential to raising the level of educational attainments of disadvantaged students participating in ESEA title I.

RALPH G. HAY,
Coordinator.

DEAN M. LINDAHL,
Supervisor, Office of the State Superintendent of Public Instruction, Helena, Mont.

BATON ROUGE, LA.

CARL D. PERKINS,
Chairman, Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

During the 1968–69 school year a total of 101,957 children were involved in title 1, ESEA reading programs in Louisiana at a total cost of $3,993,081. During this 9 month period there has been an average grade level improvement of 1.3. 56 of Louisiana's 66 school systems participated in title 1 reading programs. Reading improvement is listed by Louisiana educators as the greatest, single educational need.

E. E. DAVIS, Jr.,
State Administrator, Federally Assisted Programs Section, Louisiana State Department of Education.

CARL D. PERKINS,
Chairman of Education and Labor Committee, U.S. House of Representatives, Washington, D.C.:

Approximately 1,100 students are currently being served by a Title I remedial reading project. A standardized reading test for school years 1967–68 and 1968–69, showed the following average grade level gains:

1967–68: Grade 3—1.3; Grade 4—1.8; Grade 5—.3; Grade 6—.3; Grade 7—.6; Grade 8—.5; Grade 9—.8; Grade 10—.9; Grade 11—.9; Grade 12—.8.

1968–69: Grade 3—1.1; Grade 4—1.7; Grade 5—.8; Grade 6—1.0; Grade 7—1.0; Grade 8—.6; Grade 9—1.1; Grade 10—.7; Grade 11—.9; Grade 12—.7.

Other indications of Progress: children's interest and attitude toward reading has improved; children come to the reading classes with enthusiasm and are reluctant to leave; children work attentively and independently in reading classes; and children read an average of 30 to 50 books each year, a gain of 100%.

If additional information is required, please advise.

MRS. PATRICIA V. POTTER,
Administrator Federal Programs, Guam Department of Education, Agana, Guam.

STATE OF FLORIDA,
DEPARTMENT OF EDUCATION,
Tallahassee, January 22, 1970.

HON. CARL D. PERKINS,
Chairman, Education and Labor Committee, House of Representatives, U.S. Congress, Washington, D.C.

In response to your inquiry of January 22, 1970, you will find attached significant data on a nine percent sample of ESEA Title I participants in remedial reading programs during the 1968–1969 program year in Florida.

Part of this data was derived from material sent to the Office of Education by our office as part of the required annual evaluation. Our report was sent to the Division of Compensatory Education December 1, 1969.

Hopefully, you are well aware of the difficulty in providing the type of hard data which is so greatly needed by people like yourself who are struggling so admirably to support the types of program which ESEA provides. The Office of Education and the states are still struggling to establish data which reflects the true impact of Title I ESEA. If you, and many others could "see" and "feel" the difference that is made in classrooms and in the attitudes of participating children, parents and professionals that is observed by those of us involved directly in the program, there could be no doubt of the continued need for massive support for the programs launched by Title I.

Please do not hesitate to contact our office directly for further information. Please call Richard Curtis, Evaluation Consultant, Bureau of Planning and Coordination, Division of Elementary and Secondary Education, Department of Education, Tallahassee, Florida, 32304. (Phone 599–5153).

We appreciate your inquiry and greatly support the efforts you are making in our behalf.

Sincerely,

JOHN H. WHEELER,
Coordinator, ESEA Title I Federal-State Relations.

The State of Florida has provided the following significant data, based on a 9% sample of ESEA Title I participants in remedial reading programs which had been conducted during the 1968–69 school program year in Florida:

ALL PARTICIPANTS IN TITLE I READING PROGRAMS
STANDARD ACHIEVEMENT TEST

	Pretest		Posttest	
	Number	Percent in band	Number	Percent in band
9th percentile and below	851	46.8	616	38.3
10th to 19th percentile	331	18.2	329	20.4
20th to 29th percentile	171	9.4	209	12.9
30th to 39th percentile	142	7.8	131	8.1
40th to 49th percentile	90	4.9	85	5.3
50th to 59th percentile	69	3.8	79	4.9
60th to 69th percentile	60	3.3	59	3.7
70th to 79th percentile	37	2.1	38	2.4
80th to 89th percentile	30	1.6	26	1.6
90th to 99th percentile	37	2.1	46	2.4
Total	1,811	100	1,615	

Note: Area—Reading. Reported in—Number and percent by percentile band.

GATES—MacGINTIE READING TEST

	Pretest		Posttest	
	Number	Percent	Number	Percent
9th percentile and below	1,368	28	1,071	22
10th to 19th percentile	1,119	23	982	20
20th to 29th percentile	600	12	675	14
30th to 39th percentile	466	10	563	12
40th to 49th percentile	297	6	311	6
50th to 59th percentile	279	6	352	7
60th to 69th percentile	473	10	566	12
70th to 79th percentile	100	2	191	4
80th to 89th percentile	78	1.5	101	2.1
90th to 99th percentile	72	1.5	27	.8
Total	4,852		4,839	

METROPOLITAN ACHIEVEMENT TEST

	Pretest	Posttest
9th percentile and below	870	978
10th to 19th percentile	852	933
20th to 29th percentile	570	617
30th to 39th percentile	489	545
40th to 49th percentile	410	435
50th to 59th percentile	386	388
60th to 69th percentile	475	302
70th to 79th percentile	738	404
80th to 89th percentile	778	328
90th to 99th percentile	346	330
Total	5,914	5,260

Note: Area—Reading.

STATE OF DELAWARE
DEPARTMENT OF PUBLIC INSTRUCTION,
Dover, Del., January 23, 1970.

HON. CARL D. PERKINS,
Chairman, Education and Labor Committee, U.S. House of Representatives, House Office Building, Washington, D.C.

DEAR MR. PERKINS: In answer to your request for Title I achievement in Delaware I have selected results from one school district as shown by pre and post tests. This period covers the 1968–69 school year. The information is enclosed.

Please be aware that not all of our districts have made such significant gains as those shown.

At such time as our statewide data is available I will have a more complete assessment of the state over-all program.

Sincerely yours,

WILLIAM CORKLE,
Coordinator, ESEA Title I.

LEE-CLARK READING READINESS TESTS

[Grade 1: Average gain in months based on pre and post tests—9.9—Total test: Letter symbols, concepts, word symbols]

METROPOLITAN ACHIEVEMENT TESTS

	Word recognition	Word discrimination	Reading	Remarks
Grade 2: Average gain in months based on pre and post tests.	4.8	5.7	5.3	Primary I battery.
Grade 3: Average gain in months based on pre and post tests.	3.6	8.6	9.5	Primary II battery.
Grade 4: Average gain in months based on pre and post tests.	9.6	9.4	10.7	Elementary battery.
Grade 5: Average gain in months based on pre and post tests.	2.7	3.0	1.3	Intermediate battery partial.
Grade 6: Average gain in months based on pre and post tests.	.5	2.1	1.3	Do.

CARSON CITY SCHOOL DISTRICT—NEVADA

Form and test	Grade 1		Grade 2		Grade 3		Grade 4		Grade 5	
	Pretest	Posttest	Pretest	Posttest	Pretest	Posttest	Pretest	Posttest	Pretest	Posttest
Language arts and word meaning	1.4	1.6	2.3	2.1	2.6	3.2	3.9	4.4	4.6	4.6
Paragraph meaning	1.5	1.4	2.2	2.2	2.5	2.8	3.8	4.2	4.8	4.8
Vocabulary	1.8	1.9								
Spelling	1.0	1.0	1.9	2.0	2.7	2.9	4.3	4.6	5.4	4.5
Word study skills	1.5	1.4	2.0	2.0	3.2	3.9	2.7	3.6		
Language			2.2	2.4	3.1	3.2	3.4	3.5	4.6	4.7

Note: Results of Stanford achievement tests administered as pretest (May 1969) and Posttest (August 1969) for grades 1–5. Reported in mean grade equivalents.

CLARK COUNTY SCHOOL DISTRICT—NEVADA

Test	N	Grade	Pre-test	Post-test
Metropolitan readiness tests	14	1	42.6	
Lee-Clark reading test	16	1		20.4
Lee-Clark first reader	11	2-3	21.4	40.2
Lee-Clark first reader	5	4-6	29.8	40.9
California reading test (Comp)	12	4-6	[1] 3.47	[1] 3.88
California reading test (total battery)	12	4-6	[1] 3.40	[1] 3.85

[1] Mean grade equivalent.

Note: Results of various reading tests administered as preproject and postproject tests for grades 1-6. Reported as test means.

Grade	Test administered	Pretest	Posttest
3-4	Reading comprehension	27.40	30.60
3-4	Reading vocabulary	22.80	24.80
5	Total comprehension subtest	20.67	21.66

Note: Results of Stanford diagnostic reading tests administered as preproject and postproject tests for grades 3-5. Reported as means.

NYE COUNTY SCHOOL DISTRICT—NEVADA

Grade	Mean grade equivalent		
	N	Pretest	Posttest
3	2	1.9	2.4
4	7	3.7	3.9
5	4	4.4	4.7
6	1	3.3	3.5
7	3	3.6	4.0
8	3	4.3	5.0

Note: Results of Stanford diagnostic reading test administered as Pretest (March 1969) and Posttest (May 1969) for grades 3-8.

PERSHING COUNTY SCHOOL DISTRICT—NEVADA

Grade	N	Pretest	N	Posttest
1	10	9.7	12	33.3
2	4	45.7	7	71.5
3	8	51.1	8	54.4

Note: Results of Stanford achievement test administered as pretest (October 1968) and posttest (April 1969) for grades 1-3. Reported in raw scores.

Percentile	Grade 1		Grade 2		Grade 3	
	Pretest	Posttest	Pretest	Posttest	Pretest	Posttest
90				1		2
75				4	3	1
50				2	4	3
25		1	1		1	2
15		3	1			
10	10	8	2			

Note: Number of students taking test reported above who scored at or below percentiles according to national norms.

WASHOE COUNTY SCHOOL DISTRICT—NEVADA

Results of Stanford Achievement Tests for word and paragraph meanings administered as preproject and post-project tests for grades 4-6.

Grade and percentiles	Number of students scoring at or below percentile according to national norms	
	Pretest	Posttest
Grade 4:		
90	2	35
75	9	45
50	33	59
25	47	27
15	26	11
10	45	5
Grade 5:		
90	2	15
75	6	31
50	37	54
25	42	34
15	45	21
10	44	12
Grade 6:		
90	1	4
75	7	40
50	28	48
25	47	29
15	30	6
10	33	6

STATE OF WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION,
Madison, Wis., January 22, 1970.

TITLE I READING ACHIEVEMENT RESULTS

Sample: 56 programs; 4,460 pupils.

Based on expected gain of 0.1 grade equivalent for each month of instruction for nondisadvantaged.

Disadvantaged above expected gain—27 schools; 2,597 pupils; 48.2%.

Disadvantaged below expected gain but above minimum of 40% expected gain—23 schools; 1,570 pupils; 41.1%.

Disadvantaged below minimum of 40% expected gain—6 schools; 293 pupils; 10.7%.

[From Kenneth Grieser, Coordinator, Federal Funds, Administrative Services, Department of Education, State of Alaska Department of Education]

(1) For 1963 rural students in grades 4, 5, 6, 7, and 8 as determined by the Iowa Test of Basic Skills, the composite score of each grade raised from the 19th percentile to the 27th percentile. Comparison between rural youth grade equivalent scores and Iowa Test of Basic Skills for I.Q. range of 90 to 99 show grades 4, 6 and 8 performed slightly above average for their I.Q. range.

(2) In a remedial reading program for boy students, locally designed questionnaires reveal that pupil attitude regarding a number of situations improved 36 to 67 percent according to a parent survey. Seventy-five percent of the pupils felt their reading had improved and teachers noted that 63 percent of the students had improved in reading accomplishment and attitude.

(3) In a program with 318 students the California Reading Test-Forms W and X were given. The standard score for the group rose from 37 to 42 or from the 10th percentile to the 21st percentile. On the basis of pre and post test scores the mean grade placement rose from 3.1 to 3.7. This group for the time elapsed rose .2 grade placement above what was expected.

(4) The Cooperative Primary Test, Form A was given to 25 students at the beginning of a summer program and Form B at the conclusion. Grade one averaged a gain of 2.2 percentiles; grades 2 and 3 made gains of 3.6 percentiles.

(5) On the basis of the Iowa Test of Basic Skills, 69 students showed reading comprehension gains as follows: grade 4, a gain of 1.08; grade 5, a gain of .87 and grade 6, a gain of .79. The average gain for all three grades was .90 which was interpreted as significant for the general ability of the group.

(6) In a reading enrichment program involving 185 students (K-12) the following gains were made as measured by standarized tests: grades 9-12 showed an average growth of 1.1 in vocabulary and comprehension; grades 7-8 made gains of 2.0 in comprehension and grades 3-6 gained 1.5 in word recognition and 0.9 in paragraph meaning for a mean grade placement growth of 1.0.

(7) Based on results of the California Reading Test 25 students out of 332 that participated in a remedial reading and teacher aide program returned to regular classroom instruction.

(8) Fifty students participating in a remedial reading program showed the following gains as measured by the California Reading Test:

Vocabulary.—Pre-test: 42 at grade level, 3 above grade level. Post test: 27 at grade level, 23 above grade level.

Comprehension.—Pre-test: 36 at grade level, 14 above grade level. Post-test: 26 at grade level, 24 above grade level.

Average grade gain 1.21 vocabulary; 1.04 comprehension.

(9) Sixty-six students participating in a remedial reading and basic skills program advance one year in grade equivalent as measured by the California Reading Test. The gain was greater than expected as pretest data showed retardation 0.5 to 1.0 year.

RESPONSE OF DONALD L. CROLLEY, SUPERINTENDENT, LANCASTER CITY SCHOOLS, SOUTH CAROLINA, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 1,865.

What is the ADA in your school district grades K-12?

Answer: 6,607 for the report period ending November 20, 1969.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $130,000, 1969 $119,000, 1970 $125,896.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $75,000, 1971 $75,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: I very definitely believe that Title I programs are needed to meet the needs of these children. Without the use of these funds, the effectiveness of our educational program would be appreciably limited.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Our Title I programs are extremely effective in attacking the special educational problems experienced by our educationally disadvantaged children. Such programs should be continued and expanded. The investment would be financially sound.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: The multitude of diverse educational needs experienced by the educationally disadvantaged are identified. One of our greatest needs is an adequate financial resource with which the implement educational programs designed to have a positive, substantial impact on meeting these needs.

RESPONSE OF A. G. ADAMSON, SUPERINTENDENT, PEORIA EDUCATIONAL SERVICE REGION, ILLINOIS, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 4,281.

What is the ADA in your school district grades K–12?

Answer: $36,955.46.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $639,378.50, 1969 $644,026.25, 1970 $560,811.00.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 40%, 1971 60%. (We felt these should be placed on a percentile basis)

In your judgement, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Very definitely so.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: We especially invite any of your representatives to attend our programs. Also, many school District Administrators are very discouraged in the funding part of Title I, because it is so late in their school year to establish a budget. Please consider funding in early spring so that school Administrators may plan accordingly.

RESPONSE OF GARLAND R. LIVELY, SUPERINTENDENT, HAMPTON CITY SCHOOLS, VIRGINIA, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 578.

What is the ADA in your school district grades K–12?

Answer: 29,775.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 232,318.50, 1969 229,158.00, 1970 189,364.00. Does not include Summer Program which is to be proposed.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 50,000 for Summer Day Camp, 1971 250,000.

In your judgment, do you believe that the title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: See Attached Sheet, Item I.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: See Attached Sheet, Item II.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: See Attached Sheet, Item III.

ITEM I

Yes, definitely. The majority of these children are functioning on achievement levels lower than their more affluent peers. Without such programs additional special personnel and necessary materials would not have been available, and desired provisions for appropriate grouping impossible.

ITEM II

Yes, the programs are effective as administered in the six identified schools. There is, however, no continuity in the program if a child transfers to a non-Title I school due largely to the fact that there are no concentrated poverty areas in our school system. This points up a need for continued help for these children and/or youth regardless of where they attend school. An expansion of the programs should be considered so that disadvantaged children in each school, however few, could be recipients of the benefits although the school in which they are enrolled does not qualify percentagewise.

ITEM III

There is evidence, it appears, that these funds have been misused in given areas. This should not mean that those systems which adhere to the guidelines are to be deprived of funds. If the moneys cannot be properly administered, then they should be withdrawn. Where they are effectively used to meet the needs of youth in accordance with given criteria, then they should not be withdrawn.

RESPONSE OF EMMETT T. STRICKLAND, FRANKLIN SPECIAL SCHOOL DISTRICT, FRANKLIN, TENN., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 1,768.

What is the ADA in your school district grades K–12?

Answer: 1,643.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $47,156, 1969 $52,500, 1970 $52,807.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: If forced to integrate completely before a sound educational program is established, a new building is needed—Cost: one to one and one-half million dollars.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, and at the same time it should help all children if *properly administered.*

Do you regard your present Title I programs effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes, and we feel that it is helping all children but the programs are limited.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: To clarify what I mean by *Properly Administered,* in No. 5 above and why No. 6 is *limited,* I offer the following statements and suggestions:

1. Guideline restrictions.
2. Delay in appropriations.
3. Delay in getting forms in the hands of schools early enough to make good plans.
4. Delay in getting evaluation forms in time to adequately evaluate the projects.
5. This all delays approval of projects which in turn delays the total program.

This adds up to one thing. We are forced by these delays and restrictions to:

Rush the planning, limit the time, and to curtail the evaluation of the projects in order to get the greatest benefit from the money spent.

SAINT LOUIS PUBLIC SCHOOLS,
January 20, 1970.

HON. CARL D. PERKINS,
Rayburn Building, Washington, D.C.

DEAR CONGRESSMAN PERKINS: We appreciate very much the opportunity to respond to your questionnaire regarding the effective use of Title I funds in St. Louis.

1. How many children in your district are benefitting from education programs funded under Title I of ESEA?

Title I

Enrolled in St. Louis Public Schools 1969–70:	*Estimates*
Rooms of 20 (99 rooms)	1,980
Lincoln High School	280
Mini-grants	600
Work-study high school	276
Remedial reading	2,685
From institutions for neglected and delinquent children	67
Served by teacher aides	7,050
Study learning resource centers	4,930
Vit-a-lunch	10,829
Instructional and audiovisual materials	2,540
Total	31,237

2. What is the ADA in your school district grades K–12?

Answer: 102,294.

3. What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $4,523,097, 1969 $4,299,849, 1970 $3,926,736.

4. What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: Since it takes time to recruit and train a competent staff we would only ask for about double our presently anticipated Title I appropriation (4 million). This would mean that St. Louis could have effectively used about 8 million dollars in fiscal year 1970. Based on Title I expenditures of 8 million in 1970, we could easily use 15 million in 1971. Such funds would be spent in a programed, responsible fashion and would begin to solve the multiple problems of children. The child with many problems needs more than an effective program of reading but must have social service work, enough nutritious food, adequate clothing, medical help, etc., if the reading instruction is to do him any good.

5. In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes. Sometimes it is difficult to imagine how the present problems of the public schools in large cities could get any worse. However, there is no question that the schools' ability to provide education for poor children would be less without Title I. In St. Louis the number of school age children receiving Aid to Dependent Children (ADC) has increased about fifty percent in the last three years and we have documented the relationship between poverty and low achievement in our schools. Based on this increase in numbers of poor children (22,000 to 30,000) the city schools could be expected to have dropped an average of six months or more in tested pupil achievement. The fact that the schools have not only failed to show a lowered achievement level, but have actually demonstrated a small gain, may be attributed directly to the beneficial effects of Title I.

6. Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes. We have steadily monitored our programs, analyzed their deficiencies and strengths and worked to improve them. Ineffective ones were culled out. At this point, we are satisfied that our Title I projects are doing an effective job. Again, with additional funds we could accomplish much more.

7. Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Answer: Without a doubt inadequate funding is a grave problem if we are sincere about our commitment to provide equality of educational opportunity. The education of children from seriously deprived homes requires *at least* the level of expenditure now made in the more favored suburban schools. Less than a mile from St. Louis city schools are schools which spend in excess of $1500 per year per child. This amount is for children who started life with every imaginable advantage. The city schools expend about half this amount per pupil on children with every imaginable problem. Funds to bring the expenditure for city children up to suburban averages must come from outside the city itself. Declining taxable wealth in the city makes it impossible to find the necessary funds locally.

I would challenge the critics who say that schools cannot effectively use the funds. About the only educational experiment which has not been tried is to provide sufficient funding to provide an adequate education for city children. I would suggest that we experiment by providing city schools with as much money per child as the more affluent suburbs do.

Again, I would like to thank you and your excellent committee for your dedication to a better educated America. If we can provide additional information to you at any time we would consider it a privilege to do so.

Sincerely yours,

WM. KOTTMEYER,
Superintendent of Schools.

RESPONSE OF PARKER E. RICHARDS, POCATELLO SCHOOL DISTRICT NO. 25, IDAHO, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 2,270.

What is the ADA in your school district grades K–12?

Answer: 11,741 total enrollment January 15, 1970.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $124,075, 1969 $114,527, 1970 $101,637.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $200,000, 1971 $200,000. This is a rough estimate. We would like to add several programs to our curriculum for these children, but have had to cut some due to reduced funding.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, our average per pupil expenditure for 1969 was $398.76 and the Title I funds are definitely needed to help the educationally disadvantaged children. Without them we would have to eliminate some essential programs for these children.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes, we have been able to offer special help for many children through the ESEA Title I program. This help will not be possible without this program.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comments: Title I funds have not been misdirected in our District. Our biggest problem is still inadequate funding. We have proposed several other programs but have dropped them due to lack of funding. Almost 100 percent of our funds have been spent for service to children. Very little for materials and equipment.

RESPONSE OF JOHN ROJAS, DIRECTOR, MULTI-COUNTY PROGRAM FOR MIGRATORY CHILDREN, CALIFORNIA, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 4,451.

What is the ADA in your school district grades K–12?

Answer: ADA—75,006 (Enrollment). Encompasses 50 school districts in the Multi-County Program for Migratory Children, a component of the California Plan for the Education of Migrant Children.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $1,193,900, 1969 $1,089,583, 1970 $938,968.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $50,000, 1971 $75,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Title I funds have made it possible for school districts to provide supplemental educational services of a comprehensive nature to meet the varied and complex educational needs of educationally disadvantaged children.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Title I programs are proving highly effective in meeting the special education needs of educationally disadvantaged children.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Please be assured Title I funds have not been misdirected and are effectively reaching educationally disadvantaged children. Instructional services and health, nutritional and counseling services have been expanded to better meet the special needs of disadvantaged children, who are experiencing success for the first time.

RESPONSE OF EARL W. ANDERSON, MINNESOTA, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 1,020.

What is the ADA in your school district grades K–12?

Answer: 1,020. Unusual—but we have a study center built by ESEA funds. Special program for summer school—approximately 200.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $21,000, 1969 $19,000, 1970 $25,000.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $6,000, 1971 $12,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Definitely yes!

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Some of the needs—yes!

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: District merged in 1969–70 with neighboring district.

RESPONSE OF ALBERT C. AUSTIN, NO. 29, NEBRASKA, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 164.

What is the ADA in your school district grades K–12?

Answer: 1,179.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $41,363, 1969 $38,284, 1970 $34,778.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $10,000, 1971 $10,000. One more teacher to work in this area.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, we are helping children we never helped before, and because of our financial situation would discontinue if these funds were not available.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes: However we are always trying to do even better.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: We have a long ways to go before we are doing all that we should for these children, as far as I know these funds are being used as intended.

RESPONSE OF CUMBERLAND COUNTY BOARD OF EDUCATION, NORTH CAROLINA, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 4,899.

What is the ADA in your school district grades K–12?

Answer: 28,724.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $804,637, 1969 $762,762, 1970 $714,481.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $50,000, 1971 $350,000. This year for summer programs if planning time is possible.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes! These are the only funds available which belong exclusively to educationally disadvantaged children.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes! Carefully conducted evaluations establish the effectiveness of the program.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Inadequate funding *is* a major problem. In this School District all funds under Title I have been and are being used exclusively for the specific purposes for which they were appropriated.

Sincerely,

CARL D. PERKINS,
Chairman.

RESPONSE OF MERRITT W. SORBER, SUPERVISING PRINCIPAL, NORTHWEST AREA SCHOOL DISTRICT OF LUZERNE COUNTY, PA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 360.

What is the ADA in your school district grades K–12?

Answer: 1,724.5.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $62,894.88, 1969 $58,097.69, 1970 $47,170.42.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $10,000, 1971 $10,000.

In your judgment, do you believe that the Title I programs are need to meet the special needs of educationally disadvantaged children?

Answer: Yes, definitely, because extra funds, not available in general fund budgets, are needed to provide for extra or specialized services.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: We feel that Title I programs in our school district are definitely effective.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: We have utilized funds as efficiently and economically as possible and sincerely believe that funds so administered can be of definite value in providing for the education of the *educationally disadvantaged.*

RESPONSE OF DR. ROBERT A. MELLMAN, SUPERINTENDENT, DALLAS SCHOOL DISTRICT, PA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 274.

What is the ADA in your school district grades K12?

Answer: 3,201.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $43,507.77, 1969 $39,719.92, 1970 $34,655.82 (tentative).

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $5,000, 1971 $40,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Our Title I program objectives are aimed at the prevention of educational disadvantagement.

We base our philosophy on the premise that the educationally disadvantaged of today are more liable to become the economically deprived of tomorrow.

RESPONSE OF JOHN E. DWYER, SUPERINTENDENT OF SCHOOLS, ELIZABETH, N.J., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: Approximately 2,000.

What is the ADA in your school district grades K–12?

Answer: 13,329.5.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $462,831, 1969 $415,116, 1970 $445,332.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $200,000, 1971 $700,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Very definitely.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disdvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Elizabeth is doing an effective job in meeting the needs of our disadvantaged children under E.S.E.A. Title I funding. However, additional funds will permit us to expand our present program and introduce new programs that will be beneficial to the disadvantaged youngster. You may be assured that Elizabeth is one community where E.S.E.A. Title I funds are being misdirected and are not reaching the disdvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Elizabeth is doing an effective job in meeting the needs of our disadvantaged children under E.S.E.A. Title I funding. However, additional funds will permit us to expand our present program and introduce new programs that will be beneficial to the disadvantaged youngster. You may be assured that Elizabeth is one community where E.S.E.A. Title I funds are being misdirected and are not reaching the disdvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

RESPONSE OF MRS. ANN R. RAMIREZ, PROGRAM DIRECTOR, BOULDER VALLEY SCHOOL DISTRICT NO. RE2, BOULDER, COLO., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: Presently 668.

What is the ADA in your school district grades K–12?

Answer: As of June 30, 1969, ADA, $721.17.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $120,856—cut budget, 1969 $105,438—cut budget, 1970 $88,366—cut budget.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 triple the funding—$250,000 to $265,000, 1971 triple the funding—$250,000 to $265,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, with emphasis upon new approaches to teaching young children and continual staff training and retraining.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Somewhat effective if there has been early identification of problems and educational needs of the children.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: In this school district, as in most of the nation, there are few funds available to test new programs in order to establish a model for change. Federally funded programs allow school districts the opportunity for careful investigation and experimentation.

RESPONSE OF MR. DONALD A. DAKE, SOUTH BEND COMMUNITY SCHOOL CORPORATION, SOUTH BEND, IND., JANUARY 26, 1970.

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 2,273.

What is the ADA in your school district grades K–12?

Answer: 33,799.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $457,100, 1969 $464,571, 1970 $381,794.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $61,400, includes $41,490 for ten summer school programs, 1971 $478,894.

In your judgement, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, if Title I funds ceased, these children could not receive compensatory education. What is being done provides the children with specific helps, additional services, and individual attention to problems.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes. However, with each cut-back in funding important phases of the program have to be eliminated.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: We are able to plan effectively the programs we need for disadvantaged children by being assured of fundings and approvals in advance. Damage is done to programs due to inconsistencies and delays in funding and approval. Extra funds can be effectively used for their intended purposes, and with sufficient time for planning. A "windfall" cannot be expected to make possible the kinds of programs that long-range and in depth planning can achieve.

RESPONSE OF GLENN FLETCHER, HOUSTON INDEPENDENT, HOUSTON, TEX.

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 21,317.

What is the ADA in your school district grades K–12?

Answer: 221,557.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $3,548,670, 1969 $3,290,311, 1970 $2,847,951.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $1,700,000—to bring us back to 1968 level, 1971 $2,000,000—for food for needy children in Title I schools.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: As long as we must plan year by year with decreasing funds, there can be no long range educational planning.

RESPONSE OF LONNY PARRISH, SUPERINTENDENT, OKMULGEE CITY SCHOOLS, OKLAHOMA, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 982 directly.

What is the ADA in your school district grades K–12?

Answer: 3,500.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $257,711, 1969 $223,543, 1970 $198,712.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $50,000, 1971 $50,000. We feel these funds should be restored to their 1968 level.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes. Over 30 percent of our students are Negro, the vast majority of which are educationally disadvantaged.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes. Title I funds are being used to pay the salaries of 18 additional teachers, 15 teachers aides, clerical aides, etc., who work with disadvantaged students. In addition to these teachers who work during the regular school term, another 12 are employed to teach summer school for those students who need additional help before going on to the next grade level.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: The charges that Title I funds are not reaching the disadvantaged are hogwash. To discontinue these services for disadvantaged youngsters that Title I funds would provide for education like stepping from the space age back into horse and buggy days.

RESPONSE OF DR. ROBERT E. HUMMEL, DISTRICT SUPERINTENDENT, HEMET UNIFIED SCHOOL DISTRICT, CALIFORNIA, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 150.

What is the ADA in your school district grades K–12?

Answer: 5,220.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $40,975, 1969 $42,995, 1970 $46,369.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $8,000—ESL Instructor, supplies and other program, 1971 $16,000—1½ ESL Instructors, supplies and other program.

In your judgement, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Our ESEA budget has been carefully monitored by the Director of the Project and the Business Manager. Every expenditure is accounted for by amount and budget category. There are no exceptions. Our students show improvement in academic as well as personal worth every year of the project to date (this is the fourth year of Title I project participation).

RESPONSE OF RAYMOND CHRISTIAN, SUPERINTENDENT, BIRMINGHAM PUBLIC SCHOOLS, ALABAMA, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 53,000.

What is the ADA in your school district grades K–12?

Answer: 62,080.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $1,996,831, 1969 $1,837,699, 1970 $1,661,601.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $500,000, 1971 $750,000.

In your judgment, do you believe that the Title I programs are needed to meeet the special needs of educationally disadvantaged children?

Answer: Title I Programs are limited to Socio-Economic Educationally deprived children in certain districts. I believe that the whole school system should be eligible and all schools in it, then the superintendent can set up programs to meet the needs of educationally disadvantaged children in the system and not just part of the system that can qualify for Title I.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: The Title I Programs in our system are meeting that portion of special educational needs of educationally disadvantaged children that it is funded for, but there are greater needs that we have funds for.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill, because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Inadequate funding is an obstacle in the path of effectively reaching more disadvantaged children. Also, the restrictions placed on funds limits what a school system can do with the funds. The school system has to keep up regular commitments to all schools, then add Title I Programs to certain qualified schools, which makes it difficult to reach all disadvantaged students because they are spread out over all the system. I do not know of any misdirected funds because we are checked when we present a budget, item by item. Then we have administrators visit to determine if we are doing what we say. So I can not see where misdirected funds come in. I think our State people are very conscientious in carrying out the policies set down.

RESPONSE OF ALDRICH A. DRAHOS, CEDAR RAPIDS COMMUNITY SCHOOL DISTRICT, IOWA, JANUARY 26, 1970

How many children in your district are benefiting from education programs funded under Title I of ESEA?

Answer: 1,747 (1968–69), total of which 423 were students attending nonpublic schools.

What is the ADA in your school district grades K–12?

Answer: 23,149.9.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $214,872, 1969 $267,898, 1970 $268,100.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $400,000 (estimate), 1971 $450,000 (estimate). This estimate is based on providing existing Title I services in all target schools.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: The cost of programs for educationally disadvantaged could not be met with local funds alone. Federal funding added to local support has been the most logical choice.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: The present programs have not been in operation long enough to provide sufficient evidence. Subjectively, there is general opinion that we are meeting needs for a limited part of the students. However, funds do not permit complete service to all disadvantaged children.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: It has been very disappointing to see such statements coming from what are considered reliable persons. Schools have spent considerable effort and time studying the disadvantaged. Statistical data from present standardized tests can not be used to develop present opinions. We do not have the instruments to measure the impact on the disadvantaged. Though I do not condone misdirection of Title I funds, evidence indicates most of the funds were used for other educational purposes. Instances of educators using the funds for personal benefits are rare. Most misdirection of funds cases seem to involve interpretation of eligibility.

RESPONSE OF STEPHEN H. HOWES, JR., SPRINGFIELD, VT., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 65.

What is the ADA in your school district grades K–12?

Answer: 2,700.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $21,686, 1969 $20,384, 1970 $22,965.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $3,000, 1971 $8,000. We presently only meet needs of exceptionally needy.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: We are not able to meet the needs of all of our educationally disadvantaged youngsters at present funding levels.

RESPONSE OF JAMES T. OGG, SUPERINTENDENT OF SCHOOLS, BROWNSVILLE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT, BROWNSVILLE, TEX., JANUARY 26, 1970

How many children in your district are benefiting from education programs funded under Title I of ESEA?

Answer: 5,770.

What is the ADA in your school district grades K–12?

Answer: 15,533 (1968–69).

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968, $1,027,317; 1969, $1,220,968; 1970, $797,528.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970, $500,000; 1971, $800,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Additional and earlier funding would make effective planning and use with greater efficiency. Extra funds added now would make possible expanded services for summer. The physical and mental well being of the disadvantaged children of this district has been greatly improved through utilization of these funds.

RESPONSE OF SHERMAN W. WING, SUPERINTENDENT, PROVO CITY SCHOOLS, UTAH, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: Over 500—many more children are indirectly affected when aides are hired to assist in the Instructional Media Center.

What is the ADA in your school district grades K–12?

Answer: 8,107.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $76,000, 1969 $55,000, 1970 $49,000.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $125,000, 1971 $133,000. We feel we have some outstanding programs under Title I. Because of lack of funds, we have had to cut some worthwhile programs.

In your judgement, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, Title I money has made it possible for us to finance programs for the educationally disadvantaged that we could not fund locally.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes, because of the experience we have had in developing programs under Title I, we feel we are presently making more of a contribution than ever before.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: We do not feel that the funds are being misdirected in the State of Utah. Proper administration from the State Department of Public Instruction level has helped greatly.

More money would be helpful in meeting the needs of the disadvantaged child. One of the greatest problems is not knowing from year to year how much money will be appropriated so adequate planning for programs can be made.

RESPONSE OF MR. B. F. DUNCAN, SUPERINTENDENT, COLUMBIA MUNICIPAL SCHOOL DISTRICT, MISSISSIPPI, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 365 children.

What is the ADA in your school district grades K–12?

Answer: 2,282.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $202,873, 1969 $188,446, 1970 $133,961.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $225,000, 1971 $185,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: We do not know how other districts are spending Title I funds, but in our district these funds are definitely reaching the disadvantaged. We could use additional funds for helping the children who come from low-income families.

RESPONSE OF J. L. JOHNSON, SUPERINTENDENT, WINCHESTER, VA., JANUARY 26, 1970

How many children in your district are benefiting from education programs funded under Title I of ESEA?

Answer: 309.

What is the ADA in your school district grades K–12?

Answer: 2,795.78.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968, $36,967.62; 1969, $40,555; 1970, $38,241.80.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970, $20,000; 1971, $20,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes. We have been unable to raise sufficient funds locally to provide the special materials, the equipment, the personnel to deal with the educationally disadvantaged pupil. In our migratory society they will probably become someone else's problem in the future. This, in other words, is a problem of national scope.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes, very much so. We simply cannot, from local funds, provide many of the services the educationally disadvantaged require to become successful learners. Among these are medical and dental services, psychological testing, special equipment and materials, and additional personnel.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Our division receives a relatively small amount of money because we have fewer children from qualifying homes. We could use more funds per child. In our situation we believe that the funds have reached the disadvantaged children for whom they were intended and that these pupils have benefited from them.

RESPONSE OF DR. BERT M. KLEIMAN, DADE COUNTY PUBLIC SCHOOLS, FLORIDA, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 8,357.

What is the ADA in your school district grades K–12?

Answer: 227,744.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $3,419,439, 1969 $3,221,637, 1970 $3,176,645, potential funding at 100%, $2,970,551, present level of funding 90%.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $500,000, 1971 $4,000,000 (based upon 18,000 figure of eligible disadvantaged youngsters.)

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Considering present resources, we feel that the concentration of services on fewer children is an effective tool. We wish we had adequate funds to concentrate on *all* eligible children. We feel that our plan of having schools and community people design a needs based individual program is effective.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: ESEA, Title I services are provided to students identified by name and identification number and who meet the criteria of both being economically disadvantaged and having a particular educational deficit. In Dade County services are reaching the right children.

RESPONSE OF J. PAUL BEAM, SUPERINTENDENT, CHEROKEE COUNTY SCHOOL DISTRICT NO. 1, GAFFNEY, S.C., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 4,965.

What is the ADA in your school district grades K–12?

Answer: 8,030.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $382,581, 1969 $370,557, 1970 $312,718.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $50,000.00 (Summer Remedial Program), 1971 *Restoration* of cutbacks we have suffered over the past two years, plus an increase in funding by 25%.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: It is difficult to evaluate the real effectiveness of Title I program, since we feel that significant progress is long ranged; however, noticeable progress is effective in many of our activities and services funded through Title I, such as:

(1) Art and Music.
(2) Health Services.
(3) Guidance.
(4) Library Services.
(5) Reading.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Inadequate funding has been an obstacle in these inflationary times. This year we have experienced salary raises and ever increasing cost of instructional materials. Local taxes are insufficient to produce better schools. Additional funds for FY 1970 could be used most effectively in providing summer remedial programs. We too have heard so much about Title I funds being misdirected and failing to reach the needs of disadvantaged children. We feel that Title I funds have been used wisely. During 1967–68 our Title I program was cited by the Office of Education as one among one hundred outstanding projects from across the nation.

RESPONSE OF ARTHUR SHAVER, SIOUX FALLS, INDIAN SCHOOL DISTRICT NO. 1, SIOUX FALLS, S. DAK., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 639.

What is the ADA in your school district grades K–12?

Answer: 17,476.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $179,498, 1969 $230,759, 1970 $207,811.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $250,000, 1971 $325,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Definitely. Local sources now provide 83% of our revenue, and property taxes are at a maximum. State financing resources are not adequate to support a higher level of funding.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Definitely. Recent studies are showing meaningful results. Educational levels of disadvantaged children have been raised.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contents would be appreciated.

Comment: The Title I funds for this district are reaching the disadvantaged. Our problem becomes one of planning. We are now in a situation where funds, if appropriated, must be planned and spent in a short period of time. If allocations were made in advance of the fiscal year for which they

are to be spent, more effective use of funds would be accomplished.

RESPONSE OF VICTOR E. SOLHEIM, ASSISTANT SUPERINTENDENT, BISMARCK PUBLIC SCHOOL DISTRICT NO. 1, BISMARCK, N. DAK., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: Most programs approximately 500 students, one T.V. program in music reaches a wider area on live T.V., approximate audience 1,700 students.

What is the ADA in your school district grades K–12?

Answer: Approximately 8,000, grades 1 to 12.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $62,722.74, 1969 $59,560.75, 1970 $52,505.06.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 an additional 15 to 20 thousand dollars can be wisely used and spent on reading and other programs. 1971 $10,000 to $15,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, to what extent is difficult to determine—the small sum of money granted by the Federal government in a district where the overall expenditure amounts to 4½ million dollars, could certainly be increased.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes, but more is needed. I believe you are aware of the fact that we need a reassessment in national priorities.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: I believe we need to re-emphasize education, light poverty and social ills. Some "lean" beginnings could be made by simply trimming the "fat" from the defense budget. The cost of one major military plane could do much for 150,000 schoolchildren in N. Dak. It is terribly late!

RESPONSE OF ROBERT Z. BELLES, SUPERINTENDENT, PRINCIPAL, LAKE-LEHMAN, LEHMAN, PA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 343.

What is the ADA in your school district grades K–12?

Answer: 1,918.9.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $51,929.85, 1969 $42,091.26, 1970 $41,274.

What additional funds, if any could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $10,000, 1971 $10,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Statistics to-date show improvement of children under Title I programs. Allows for lower pupil-teacher ratio.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Our district is doing its best to work with educationally disadvantaged children. All monies received are used only in this program. Teachers' salaries take nearly all money and they work only with these children.

RESPONSE OF DR. JAY L. GRUENER, ASSISTANT SUPERINTENDENT, RESEARCH AND DEVELOPMENT, NORRISTOWN AREA SCHOOLS, NORRISTOWN, PA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 815, but we focus on three target areas serving three elementary schools.

What is the ADA in your school district grades K–12?

Answer: 9,624.31.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $72,000, 1969 $89,000, 1970 $100,000.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $10,000, 1971 $20,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes. It is clear, by observation alone, that these children need more educational, medical, and psychological help than normal children. They need personnel who understand them and can meet them in small groups.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes. Our program provides remedial reading, medical, dental, and psychological services for primary children. We have found our program to be most effective and getting better each year.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: All that I can say is that they are not being misdirected here. Our funds are not used to pay administrators but used for personnel, medical, dental, and psychological services, and equipment only. The school district has assumed all administrative costs.

RESPONSE OF DR. HENRY F. PATERSON, JR., HAZLETON AREA SCHOOL DISTRICT, HAZLETON, PA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 1,418.

What is the ADA in your school district grades K–12?

Answer: 11,777.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $321,153, 1969 $259,068, 1970 $221,412.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $114,840, 1971 $125,850.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: There is a vital need for programs to meet the needs of the educationally disadvantaged children.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: The Title I program of the local school district is meeting the special educational needs of the disdavantaged children.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: The most urgent need of the local school district is the necessary funding to implement the present functional program.

RESPONSE OF MR. BILLY C. EARLES, ABILENE INDEPENDENT SCHOOL DISTRICT, ABILENE, TEX., JANUARY 26, 1970

How many children in your district are benefiting from education programs funded under Title I of ESEA?

Answer: 1,432.

What is the ADA in your school district grades K–12?

Answer: 18,700.88—1969–70.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 *$222,261,* 1969 *$233,899,* 1970 *$191,315.*

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 *$200,000,* above present funding level, 1971 *$50,000,* above 1970 recommended funding level.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes. The students who participated in the Title I Programs in the school system are those students who need special help beyond the program offered by our district before the advent of Title I funds.

Do you regard your present Title I Programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes. Since the beginning of Title I Programs in our school system the drop-out rate at the secondary school level has decreased tremendously.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Additional funds are needed in order to provide more services for more students in our school system who qualify ac-

cording to the guidelines set up by Title I of the Elementary and Secondary Education Act. In Texas, the Texas Education Agency screens our applications and monitors our programs to see that we stay within the guidelines set up in this act. The present funds are meeting the needs of about 60 percent of the children in our district who qualify under this act.

RESPONSE OF MR. W. PAUL WASSUM, CABELL COUNTY SCHOOL SYSTEM, HUNTINGTON, W. VA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: Approximately 3,500.

What is the ADA in your school district grades K–12?

Answer: 19,881.42 for 70 days (21,446 total enrollment).

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $508,000, 1969 $460,000, 1970 $414,058 (continuing resolution).

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970–71—at least an amount equal to the 1968 grant.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: There appears to be an unjustified assumption on the part of those who feel that funds are being misdirected—they are assuming that all programs are misdirected. For those who have made every endeavor to follow all guidelines carefully, such statements and assumptions help only to cause discontent and to lower morale. Lack of adequate funding is, in my opinion, the greatest deterrent to the success of ESEA Title I programs.

RESPONSE OF GLENN E. ENGELKING, NO. 3, LOVELL, WYO., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 603.

What is the ADA in your school district grades K–12?

Answer: 911.2.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $10,622, 1969 $12,680, 1970 $10,482.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $8,000, 1971 $8,500.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Funding is the major burden of the local school districts in that local districts often are unable to provide those services needed to help the disadvantaged. Local districts are doing their utmost to direct these funds toward the needs of the disadvantaged.

RESPONSE OF SEDLEY STEWART, LEE COUNTY, BEATTYVILLE, KY., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 745 in scheduled Title I Classes. All children are involved in Title I Library Program.

What is the ADA in your school district grades K–12?

Answer: 1,750.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $185,776, 1969 $169,814, 1970 $143,780.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $16,000, 1971 $160,000 (total).

In your judgement, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: It is the opinion of the majority of our regular teachers that our Title I Program has been of great help to our students who have participated in Title I funded programs.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: More than 60 per cent of the children in Lee County Schools meet the economic requirements for Title I Assistance. Title I has purchased, for a large number of our children, medical and dental, as well as, educational services which would not have been possible with local funds.

RESPONSE OF SPENCER E. DOUGLAS, STEUBENVILLE CITY, ADMINISTRATIVE OFFICE, STEUBENVILLE, OHIO, JANUARY 26, 1970

How many children in your district are benefiting from education programs funded under Title I of ESEA?

Answer: 300.

What is the ADA in your school district grades K–12?

Answer: 4,400.4.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $129,523.06, 1969 $131,864.68, 1970 $116,810.22.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $35,000, 1971 $35,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: No, due to inadequate funding. We have need for more classrooms and instructors.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Inadequate funding is our greatest problem in trying to meet the needs of the educationally disadvantaged. The contention that funds are being misdirected is not true in our district.

RESPONSE OF DR. DUANE W. SMITH, DIRECTOR OF PUPIL PERSONNEL, LOS ALAMOS SCHOOLS, LOS ALAMOS, N. MEX., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 48.

What is the ADA in your school district grades K–12?

Answer: 4,851.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $13,147, 1969 $12,347, 1970 $10,304.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $20,000, 1971 $25,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: We have been able to direct some $35,000.00 over the past three years toward a program in learning disabilities for students identified with these problems. I certainly believe the program has been successful in starting these children on the correct "path" toward a worthwhile education.

In these three years, approximately 150 students have been served. If only a small percentage of these students were helped to a point where they stay off the welfare roles later in life, it would be money well spent.

RESPONSE OF THOMAS CHESLEY, TITLE I CONTACT PERSON, RUTLAND CITY SCHOOLS, RUTLAND, VT., JANUARY 26, 1970

How many children in your district are benefitting from education program funded under Title I of ESEA?

Answer: Approximately 600.

What is the ADA in your school district grade K–12?

Answer: 3,791.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $34,172, 1969 $41,360, 1970 $41,543.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding. In fiscal year 1971?

Answer: 1970 $15,000. A difficult question since there are many needs which appear to have no end—health services, for example. We could profitably expand our teacher aid program, our social work services, our summer school, and learning disabilities programs.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: It has been our experience that Title I funds have started many programs for disadvantaged students which would not otherwise have been started. It has been used as "seed" money in this system to begin programs which have, at least in part, been taken over by local tax effort.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: We are very pleased with our Title I programs. They have been developed at every level, and have involved staff in planning. We are able to document cases of spectacular change in students as a result of Title I programs. We have a long way to go, but our present Title I funds have given the community a big boost.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: The system is most careful that Title I funds are spent as they are intended to be spent—to provide programs for disadvantaged. We do not use the funds to reduce the local tax effort. We do not charge administrative expenses to Title I. In looking back over the years of Title I, we would have to say some of our programs have produced better results than others, but all the programs have been designed in keeping with Title I guidelines. In the ESEA act, it was first felt that Title III was the "sleeper," and that the most significant changes would come from this Title. It is very possible that Title I has had more influence on educational change than Title III, and that it has more potential for change than has been realized.

RESPONSE OF WENDELL G. EATON, BANGOR SCHOOL DEPARTMENT, BANGOR, MAINE, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 261.

What is the ADA in your school district grades K–12?

Answer: 6,068 during the 1968–69 school year.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $77,806, 1969 $77,606.78, 1970 $77,034.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $20,000, 1971 $20,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Partially. Additional funds would make it possible to provide pre-school services.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: It is possible that some funds are misdirected, but special education for these youngsters is necessary if we are to win the war on poverty.

RESPONSE OF HELENA PUBLIC SCHOOLS, DISTRICT NO. 1, GERALD W. ROTH, COORDINATOR OF FEDERAL PROJECTS, HELENA, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 157.

What is the ADA in your school district grades K–12?

Answer: 1968–69 Grades 1 to 6, 2,727, Grades 7 to 9, 970, Grades 10 to 12, 2,085.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $73,026, 1969 $52,208, 1970 $44,802.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $25,000, 1971 $50,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Our records indicate no misappropriations and these coincide with records of Montana State Department of Public Instruction. Additional funds are vitally needed to insure continuation of quality education programs for the disadvantaged.

RESPONSE OF DAVID H. PORTER, HARRISBURG CITY SCHOOL DISTRICT; HARRISBURG, PA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 3,671.

What is the ADA in your school district grades K–12?

Answer: 11,948.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $488,973.51, 1969 $552,966.51, 1970 $506,239.67.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $250,000, 1971 $270,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Insufficient funds limit the scope of present programs. Our priorities are to serve the most needy within the limits of our present ESEA resources. Many children with numerous educational disabilities could benefit from increased compensatory programs.

RESPONSE OF DUDLEY P. VAN ARNAM, SUPERINTENDENT, CITY SCHOOL DISTRICT OF TROY, TROY, N.Y., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 1,740.

What is the ADA in your school district grades K12?

Answer: 6,159.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $397,039.41, 1969 $348,860.32, 1970 $444,033 (tentative).

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $100,000, 1971 double the current allocation since the numbers of disadvantaged children is twice the figure upon which the allocation is based.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, the correlation between education and income producing ability is high, the greatest resource of any nation is its people—to provide the vehicle for solving the problems of those persons not in the mainstream of American life is a definite need.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: In so far as the all-out approach or the concentration of services to disadvantaged children as being effective, the answer is yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Inadequate funding is only one of the major problems; the second is the delay in appropriation and the frustration in planning for programs prior to notification of allocation.

This school district can indeed utilize effectively extra funds in Title 1, 11, NDEA 111 since planning activities are on-going. I am certain all other cities do not terminate planning as soon as a project application is submitted.

I should like to state, however, the ESEA Title II and III special grants have not always found their way to cities. Standards are so high that cities, for whom these programs were intended often are ruled out.

RESPONSE OF KENNETH E. WARLING, FAIRFIELD UNION LOCAL, LANCASTER, OHIO, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 168 per year.

What is the ADA in your school district grades K–12?

Answer: 1,969 this year.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $33,095.90, $1969 $22,625.44, 1970 $24,779.22.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $7,000 (additional teacher), 1971 $7,000 (additional teacher).

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Very definitely, otherwise, we just are not financially able to provide the specialized training needs.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Very definitely. We have used only what we needed for the program. One year we turned back $3,000 which we were not geared to use. I might say we were not popular with some people above us for being realistic in the use as to need.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: It is meeting our needs. We are near the Appalachia area and I think are funded fairly to meet our needs for our area.

RESPONSE OF DR. ROBERT E. KELLY, SUPERINTENDENT, LOS ANGELES UNIFIED SCHOOL DISTRICT, LOS ANGELES, CALIF., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 61,000.

What is the ADA in your school district grades K–12?

Answer: 650,000.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $16,200,000, 1969 $15,028,000, 1970 $15,288,666.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $8,000,000, 1971 $21,000,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes. The Los Angeles Unified School District would be unable to meet the special needs of educationally disadvantaged children without the assistance of ESEA, Title I. It has been the District's experience and the experience in California that programs for these young people cannot be conducted on a piecemeal base. Programs must contain sufficient resources to do an adequate job, not only in the year that the program is conducted, but also in following the child for a substantial period of time to insure the child is able to maintain his progress in the school.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Title I programs are only partially effective in meeting the special education needs of educationally disadvantaged children. The effectiveness of the program is reduced by a number of factors which are beyond the ability of local school districts to remedy. These include late funding, uncertainty of entitlements, the inability of school districts to include programs for disadvantaged young people in their regular planning procedure annually, and the revisions of guidelines from the State Department of Education which change the direction of programs at the local level.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: The Los Angeles School District whole-heartedly agrees that inadequate funding is one of the greatest obstacles in the path of more effectively reaching disadvantaged young people. In Los Angeles for an example, based on the formula developed by the Congress, we have in excess of 120,000 young people who qualify as educationally disadvantaged. The funds received by the District allows us to conduct a program for approximately 60,000 of these young people. The District has been unable, with District funds or with funds from State Departments of Education, to conduct programs for the remaining 60,000 eligible children in the District. Los Angeles has been audited frequently by HEW and recently by the General Accounting Office and has a clean record in terms of directing the funds to young people who are eligible for the program. In fact, in the two most recent audits, one conducted by HEW, one conducted by the General Accounting Office, there were a total of four audit exceptions; three of these audit exceptions were based on procedures established by the State. The fourth was a minor exception relating to record keeping for equipment at the local school level while records at the central office were more than adequate to satisfy the needs of the auditor.

School districts, of course, are placed under great pressures by communities to provide programs for their young people. In Los Angeles, currently, there are three major sections of the school district with substantial numbers of young people who classify as disadvantaged where programs are not being conducted under ESEA Title I. This situation is the result of inadequate funding and because State guidelines require districts to concentrate their efforts on limited numbers of young people. Los Angeles receives an entitlement of approximately $15,000,000 a year. The actual amount authorized for Los Angeles would exceed $40,000,000 if the bill were fully funded. Full funding of ESEA Title I would allow the District to reach each eligible child with a program designed to assure the maximum effectiveness of the funds in Los Angeles.

RESPONSE OF SULPHUR INDEPENDENT SCHOOL DISTRICT ONE, MURRAY COUNTY, SULPHUR, OKLA., JANUARY 26, 1970.

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 262.

What is the ADA in your school district grades K–12?

Answer: 1,150 (1968–69). 1,230 (1969–70 to date).

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $57,297, 1969 $55,413, 1970 $47,644.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer 1970 unlimited amount, 1971 unlimited amount.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, there are many children we could assist if more money were available.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes, although our programs need expanding but our funds are limited.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Our funds are being utilized to a great advantage although they spread over too large an area. In many schools I am sure space and facilities are limited which also limits the programs which might otherwise be available.

If in determining the programs needed, you considered the salary of an instructor only, it would not cost a great deal to expand our programs but the physical plant needs sometimes are limited.

Our allotment should be determined early to assure us receiving the amount before we plan our program.

RESPONSE OF T. J. SILVEY SUPERINTENDENT, CALICO ROCK SCHOOL DISTRICT NO. 50, CALICO ROCK, ARK.

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 228.

What is the ADA in your school district grades K–12?

Answer: 422.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $28,462, 1969 $28,163, 1970 $25,347.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: $1970 $21,000, 1971 $48,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes. Relaxing regulations as to use would let this school do a much better job.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: No. The grant is insufficient to provide the minimum defensible educational

program much less permit the development of a curriculum that would alleviate more of the problems of the educationally disadvantaged.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

No comment.

RESPONSE OF DR. ROBERT F. HARDENBROOK, ASSISTANT SUPERINTENDENT, RIVERSIDE UNIFIED SCHOOL DISTRICT, RIVERSIDE, CALIF., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 664.

What is the ADA in your school district grades K–12?

Answer: 27,785.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $275,444, 1969 $254,725, 1970 $204,160.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $30,000, 1971 $30,000 plus.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

No comment.

RESPONSE OF MONI SABATINI, SUPERVISING PRINCIPAL, PLAINS TWP., PLAINS, PA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 335.

What is the ADA in your school disrtict grades K–12?

Answer: 1,380.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $50,835, 1969 $40,311, 1970 $40,311.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $15,000, 1971 $15,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes. Because it will help to give special attention to those who need it most.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated uner Title I ESEA. Your brief comments on these contentions would be apprepciated.

Comment: I honestly believe that the funds are being used to the best advantage of all students who need special services.

RESPONSE OF A. J. HOZEMPA, COORDINATOR, WYOMING VALLEY WEST SCHOOL DISTRICT, EDWARDSVILLE, PA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer. 1,760.

What is the ADA in your school district grades K–12?

Answer: 8,816.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $284,984.63, 1969 $246,915.63, 1970 $211,785.55.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $35,000, 1971, $73,000.

In your judgement, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes. Within limitations of present funding.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: It may be true that some instances of misdirection occurred due to initial misinterpretation of guidelines. However, as programs developed, more efficient ways to help the poor were developed in our schools. Pennsylvania has initiated one of the best methods of evaluating programs which are federally funded—this, by means of evaluating committees. It would be unfortunate if we curtail Title I now that more effective programs of helping the poor are coming into their own. Our program will have more emphasis on food, health, and tutoring of economically deprived pupils.

RESPONSE OF CLIFFORD H. MYERS, NOME CITY SCHOOL DISTRICT, NOME, ALASKA, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 280 in 1969–70 school year.

What is the ADA in your school district grades K–12?

Answer: 746.22 1st. 9 weeks of 69–70 year.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $35,756, 1969 $31,761, 1970 $32,758.10.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

No answer.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, very much.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: There is no doubt that some funds are misdirected. In a program of the scope and size of Title I, this is bound to happen. The bulk of these funds do help disadvantaged children, and must be continued. Our efficiency here varies from year to year, but we continually strive to be more efficient and effective.

Sincerely,

CARL D. PERKINS,
Chairman.

RESPONSE OF COTTONWOOD UNION SCHOOL DISTRICT, JOSEPH V. BABIARZ, SUPERINTENDENT, COTTONWOOD, CALIF., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: Approximately 30 students.

What is the ADA in your school district grades K–12?

Answer: Our district accommodates students from K–8. The ADA is approximately 750 students.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $6,528, 1969 $5,797, 1970 received none, as of this date, not even for the teacher's salary. We had to join a larger Co. Coop project this year. By doing this nearly half of the funds will go into a questionable in-service program & administration. This will take most of the benefits.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 none, next year, if we are again compelled by law to go under the same Co. Coop program. We will then drop it next year because there is too much "red tape" with it so that benefits are reduced to a non-workable amount. We haven't previously received enough to pay.

In your judgment, do you believe that the Title I programs are the teacher needs to meet the special needs of educationally disadvantaged children? salary.

Answer: All we need are funds! Funds for teachers' salaries, so we can reduce loads. These slower youngsters should not be treated any differently than any other type of youngsters. It appears that Educationally disadvantaged is not the term for our district.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

All we need to do is reduce class loads to 15–20 students per teacher.

Answer: The regular teacher can do more with a small class, with all types of students, than a teacher assigned to special projects etc.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds

contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: I believe my comments above to questions will answer this question. I definitely question the funds as they are allocated.

It appears everyone spends too much time and funds writing complex compositions as projects to do a relatively simple job of just actually teaching students.

RESPONSE OF DR. EARL A. MCGOVERN, LIMA CITY SCHOOL DISTRICT, LIMA, OHIO, JANUARY 26, 1970.

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 1,200.

What is the ADA in your school district grades K–12?

Answer: $11,150.80 (Oct. 1969).

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968, $185,967.08; 1969, $176,133.-58; 1970, $169,198.06.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970, the 1968 figure plus an amount to cover inflation for 2 years; 1971, the 1968 figure plus an amount to cover inflation for 3 years.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, definitely. The supplementary educational programs offered through Title I funds are necessary. However, they could not have been made available without these funds.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes, many of the special educational needs of educationally disadvantaged children are being met much more adequately than before Title I funds were made available. Additional programs in our schools and in the community are needed also, however.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Funding has been a problem in the past and obviously will be again this year. Schools have had difficulty planning properly with "go" "No go" approach of the past. I feel that most funds have been wisely used and have been directed toward the disadvantaged. Anything else is the exception rather than the rule.

RESPONSE OF MANDAN PUBLIC SCHOOL DISTRICT, MANDAN, N. DAK., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 140.

What is the ADA in your school district grades K–12?

Answer: 2,500.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $18,446.21, 1969 $22,315.82, 1970 $31,814.88.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $5,000, 1971 $30,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes—this has enabled the school district to the "little extra".

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes. It has been the school district option as to what the special needs are.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: I can only speak for our district, but our funds go *only* and *directly* to the children.

RESPONSE OF MR. ANTHONY AMICO, ADMINISTRATOR, FEDERAL AND STATE PROGRAMS, STAMFORD PUBLIC SCHOOLS, STAMFORD, CONN., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 800 in the 1969–1970 project. This limited number is the result of current restrictions under Title I regulations.

What is the ADA in your school district grades K–12.

Answer: 20,830.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $279,819, 1969 $248,910, 1970 $235,467.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $50,000. This is a limited request only because of the difficulties posed by the timing. The fiscal year is half over. Additional time would be loss in proposal preparation and program implementation. 1971 $200,000. We would need more if federal funding for Head Start, Follow-Through, and other ESEA-titles are not increased. We could use more funds if we receive sufficient advance notification and approval to plan and implement programs adequately.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Absolutely! There is a greater chance the needs of these children will be met if the use of certain funds are restricted to serving the educationally disadvantaged children. Title I should have very high priority in funding.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Our programs appear to be effective in terms of comparisons with other attempts to meet the needs of disadvantaged children. However, substantially increased funding, received early enough and with firm commitments for more than one year at a time, are necessary to meet the needs of these children more satisfactorily.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Assumptions should not be made that any misdirection or misuse of funds applies equally to all states or school districts. It would be better to correct matters where misuse does exist rather than deny or curtail funds to others.

One of the serious problems in federal aid to education generally is the uncertainty, insecurity, and repeated delays in Congressional action on authorizations and final appropriations. School districts could do a more effective job if they had early notification, several months prior to the start of each fiscal year, of Title I allocations and any changes in regulations or requirements. Also, funding has to be increased substantially to overcome the rising costs of programs and to enable programs to increase services and to reach more children effectively.

RESPONSE OF JOHN G. ROEDER, RISING SUN-OHIO COUNTY COMMUNITY SCHOOL CORP., RISING SUN, IND., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 74.

What is the ADA in your school district grades K–12?

Answer: 9.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $12,409, 1969 $12,523, 1970 $8,995 (tentative).

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $25,000, 1971 $25,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes; with less strict guidelines.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: It would be most difficult to serve one special group without "spin-off" benefits. The program does help.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

No comment.

RESPONSE OF DR. CLARENCE E. HAM, BAY CITY INDEPENDENT SCHOOL DISTRICT, BAY CITY, TEX., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 1,200.

What is the ADA in your school district grades K–12?

Answer: 4,000.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $146,365, 1969 $133,011, 1970 $119,706.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $30,000, 1971 $50,000.

In your judgment, do you believe that the Title programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: As far as they go.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: It is my belief generally, and my knowledge specifically as concerns my particular school district, that Title I funds are effectively and conscientiously utilized to accomplish the goal of improving the educational performances and opportunities of disadvantaged children.

Title I is a good program, and worthy of continuation. However, as with any program, improvements can be made. The following suggestions might be worthy of your consideration.

1. Lack of consistency in funding level hampers effective planning for programs utilizing Title I funds. Funds are usually cut from one year to the next, causing deletions and patching of programs.

2. Late funding of Title I programs has caused uncertainty, confusion, and frustration to administrators in the past. At times, school districts have had to begin Title I programs for a school year with no certainty that funds would be forthcoming. It is difficult to plan properly under such conditions.

3. The specificity of some requirements of Title I programs, plus the fact that the requirements change from year to year hamper effective planning and implementation.

4. Many laymen have misconceptions of the financial level of funding required to effect major improvements in education. When the purpose of the schools was to prepare students for a "horse-and-buggy" society, the task could be accomplished inexpensively. It is much more expensive to prepare students for the highly technical society in which we now live.

5. Too many programs are funded with essentially the same goals. Headstart and Title I, for instance, overlap in some of their goals. However, it is almost impossible to develop a single, coordinated program using funds from each of these programs, because of specific requirements of each.

RESPONSE OF NORMAN G. BALDWIN, CIMARRON, KANS. JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: Approximately 80.

What is the ADA in your school district grades K–12?

Answer: 630.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $14,519, 1969 $13,067, 1970 $14,500 until further notice (two districts combined for this amount).

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $4,000, 1971 $5,000.

In your judgement, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: We need to know earlier what our allocation is going to be.

RESPONSE OF FRANCIS L. SAVAGE, SUPERINTENDENT, LEWISTON, MONT.

How many children in your district are benfitting from education programs funded under Title I of ESEA?

Answer: We estimate that 100 will be in the program.

What is the ADA in your school district grades K–8?

Answer: 1,350.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968, $41,478; 1969, $25,000; 1970, $23,000.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970, $10,000; 1971, $10,000. This is being determined by a joint study with the State Department of Public Instruction.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Too narrow; expenditures per child too high. More children in the program preferred.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes. If we could continue with summer camps, prekindergarten, etc., and forget academic remedial programs.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: I cannot agree. This is a rural area, but we need programs that broaden the educational needs. How could a child that needed $200 worth of work on his teeth in our prekindergarten program enter school as a normal child, is our program did not see that the work was done.

RESPONSE OF PARK CITY, UTAH, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 28.

What is the ADA in your school district grades K–12?

Answer: 415.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $4,031, 1969 $4,162, 1970 $2,866.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $5,000, 1971 $6,000.

In your judgement, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes; in part. They have been effective in starting to find answers to the problem.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

No comment.

RESPONSE OF R. C. CARTER, SUPERINTENDENT, NO. 77, GLENDALE, OREG., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 82.

What is the ADA in your school district grades K–12?

Answer: 516.9.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $12,008.41, 1969 $13,334, 1970 $12,000.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: Fully fund the enabling law.

In your judgment, do you believe that the Title I programs are need to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: I would like to see the equipment and plant appropriations boosted. For example, our small high school has a qualified instructor for teaching electricity, electronics, etc., but we badly need equipment and plant to aid the educationally deprived students.

RESPONSE OF DR. MICHAEL GIOIA, SUPERINTENDENT OF SCHOOLS, PATERSON, N.J., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 3,340.

What is the ADA in your school district grades K–12?

Answer: 5,485.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $1,159,994, 1969 $1,079,275, 1970 $1,047,240.

What additional funds if any, could you effectively apply to your Title I programs

in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $250,000, 1971 $1,200,000.

In your judgement, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes; educationally needs have been documented especially in the areas of reading and math instruction, English as a second language, and early childhood education. Present local and state sources of funds cannot meet these needs.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes; although available funds severely limit the concentration of special programs needed to meet needs and not all educationally disadvantaged children can be accommodated in programs.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: All funds received by the City of Paterson have been used in programs directed at the educationally disadvantaged children attending designated Title I schools. Programs are developed in cooperation with an advisory committee of parents and community representatives from the Title I and are continually subjected to their review. Program effectiveness is hampered by the limitation of funds.

RESPONSE OF MR. ROBERT H. KENNEDY, TITLE I SUPERVISOR, MANSFIELD CITY SCHOOL DISTRICT, MANSFIELD, OHIO, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 616 Public and Non-Public.

What is the ADA in your school district grades K–12?

Answer: 12,847 Public and Non-Public.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $210,074.81, 1969 $173,257.53, 1970 $163,523.96.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $28,405.63—Summer Program and 3 Reading Readiness Rooms for 1 semester, 1971 $127,765.08—1 Reading Readiness Room in all Title I Target Area Schools.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Absolutely, Title I Programs are needed to focus on the special deficiencies of the cultural and economic environmental forces which cause educationally disadvantaged children to experience educational lag.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Our Remedial Reading program is imperatively necessary and successful in increasing basic reading skills for disadvantaged children. In my opinion both remediation and prevention are necessary programs in preparing these children for successful school experiences.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: It is catastrophic that the misdeeds of a few school districts have placed in jeopardy the entire Title I Program of the nation. In our society today, publicity and over exposure in the mass media goes to minority issues and minor incidents.

Just because a few school districts have misused their Title I funds is no reason to dissipate all the programs. Rather, it is the responsibility of those in charge to provide better monitoring of Title I expenditures and programs in order to eliminate these minor abuses.

Inadequate funding and support of public education is a national problem in order to provide equal educational opportunity for all American youth. Local taxation can no longer carry an increased load but must be highly reinforced by state and federal funds. This federal-state-local partnership must be strengthened nationally by federal leadership in fiscal responsibility. This is especially true in the area of the culturally and economically disadvantaged child. The children of poverty are the "step-children" of education. They are handicapped from the start in learning. Lacking the cultural advantages of the middle and upper group, they flounder in the mass system of public education. They need "catch-up" programs of readiness and pre-school education as well as individualized, small group instruction in remediation. All of these preventative and remedial programs mean special materials, innovative methods, specially trained teachers, and additional facilities and equipment. All of these necessary features of programs for the educationally disadvantaged child takes large amounts of funds. The public schools can barely supply the necessary funds for "bricks and mortar" programs now—in no way, can they supply these desperately needed extras in order to break the poverty cycle.

It is clearly the task of federal and state government to furnish the necessary funds, such as Title I, to continue the assault on the cultural and economic factors which make the children of the poor educationally disadvantaged.

The Title I Program of the Mansfield Public Schools currently expends $163,523.96 on a Remedial Reading Program in disadvantaged schools. This is not enough program or enough money. We should be preventing reading failure in kindergarten and first grade by developing a highly focused and concentrated program of reading readiness. This type of program would need an additional allocation of approximately $128,000 in order to establish one room in grade one for each of our 9 Title I Elementary Schools. Local funds are not available for such a simple project. Additional funds would allow us to develop such a program.

RESPONSE OF PAUL W. BRIGGS, SUPERINTENDENT OF SCHOOLS, CLEVELAND CITY, CLEVELAND, OHIO, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 8,710.

What is the ADA in your school district grades K–12?

Answer: 140,289.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $5,743,444, 1969 $5,499,210, 1970 $5,048,218 (Tentative).

What additional funds if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $2,500,000, 1971 $5,000,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Definitely yes. These children have distinct educational needs which must be met by specially designed strategies and projects which stress specialization and individualization of instruction.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes. Evaluation reports based on hard data in present programs show their effectiveness in meeting the special needs of the limited number of children toward which they are directed.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Because of inadequate funding only a limited number of schools in low income areas and a limited number of students in these schools can now be served. Extra funds would be used to increase the number of disadvantaged who are able to be served, and would increase the limited service now being provided to current participants.

RESPONSE OF CARMEN M. GIOIELLO, DIRECTOR OF FEDERAL PROGRAMS, COUNCIL BLUFFS COMMUNITY SCHOOLS, COUNCIL BLUFFS, IOWA, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 1,213.

What is the ADA in your school district grades K–12?

Answer: 14,333.17.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $110,000, 1969 $216,744, 1970 $265,822.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $35,000, 1971 $325,000.

In your judgement, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: State and local tax funds provide for the education of all. Title I funds provide vicarious experiences for those not so fortunate as children whose backgrounds have included a physical and intellectual environment to motivate learning. By means of Title I facilities, success has become measurable, thus, the self image has improved.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes, through use of enriched materials, methods and personnel this is being made possible.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: I agree that the inadequate funding has been and still remains as one of

the greatest obstacles that continues to block the path of administering a more effective program for the disadvantaged student. Without a doubt through advanced knowledge of funding above all additional funds beyond our present allocation, our school system would be able to adequately plan and continue to meet the needs of the disadvantaged. Our school system faces the same financial problem that many others do throughout the country, and therefore, without the financial aid from Title I ESEA, our disadvantaged students would suffer a tremendous set back. I feel that emphasis should be placed upon the overall constructive use of federal funds and not upon the isolated misuse of federal funds.

RESPONSE OF GEORGE B. SMITTLE, SUPT., ELYRIA CITY SCHOOL DISTRICT, ELYRIA, OHIO, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 492 (1969–70).

What is the ADA in your school district grades K–12?

Answer: 13,570.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $146,472.75, 1969 $137,686.30, 1970 $122,223.88.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $30,000 (see comment). 1971 at least $130,000 additional if funded in time to employ certificated teachers (preferably by June, 1970 at latest).

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Definitely yes. Our remedial reading and counseling services under the program should at least be doubled.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes. Test results, as well as statements from principals and teachers, confirm that the program is effective.

Recent hearings in Washington disclose that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: "Misdirected" is certainly a wrong and misleading term as far as the situation in this area is concerned. We are, however, greatly handicapped in recruiting personnel for the program because of the uncertain and late funding. Funds for 1971 should be appropriated now.

Recruitment of teachers for 1970–71 (fiscal '71) should begin in March or April, 1970. However, the situation isn't too bad in this respect if we know by June, 1970. Beginning in July, the situation is difficult. When school starts in September it is almost impossible to recruit qualified people, because they are already obligated elsewhere. It is extremely difficult to utilize funds for personnel when the funds are received in the middle of the school year. In the case of highly trained professionals, e.g., psychologists, counselors, reading specialists, etc., it is virtually impossible to get people in the middle of a school year.

If Congress wishes to deal with the problem effectively, money for a given fiscal year should be appropriated the previous year. A heavy responsibility for each of 100% effective use of funds lies with Congress.

RESPONSE OF MR. BILL BRANTLEY, SUPERINTENDENT, KILGORE INDEPENDENT SCHOOL DISTRICT, KILGORE, TEX., JANUARY 26, 1970

How many children in your district are benefiting from education programs funded under Title I of ESEA?

Answer: Approximately 660 unduplicated count (essentially kindergarten and remedial reading.)

What is the ADA in your school district grades K–12?

Answer: 3200.45 1968–1969.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $106,590, 1969 $90,601, 1970 $88,176.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $40,000, 1971 $40,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes. Current local budget obligations do not provide adequately for the special needs of this group and would probably not be able to continue full funding.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Title I funds have contributed immeasurably toward filling the special needs of these children. The fact that these needs are not measurable does not detract from their value.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: These accusations are another example of the majority of excellent, valuable, well directed programs suffering because somewhere, maybe less than one half of one percent might be questioned. These cases are blown entirely out of proportion.

RESPONSE OF RALPH M. ATWOOD, OAKLAND, MAINE, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 210 directly, all indirectly.

What is the ADA in your school district grades K–12?

Answer: 1,765.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $12,058, 1969 $11,123, 1969–1970 $10,022.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $10,000, 1971 $20,000. I can help children if so much inference is eliminated. Otherwise the true worth is questionable.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Not the way they are administered by regional groups presently.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: I am enclosing your form dealing with Title I ESEA funds. There have been many thoughts in my mind concerning federal funds and projects and feel that this is the time to bring them to your attention and the attention of your committee. No doubt professional lobbyists have expressed views not similar to mine.

As you can see from the form, we have had a 20% reduction ($12,000 to $10,000) in Title I ESEA funds in the few short years that we have received them. In addition, the limited funds have never been available on time. Projects had to be supported by local funds in anticipation of federal money. Our first project was approved in early spring with the directive to spend it before the end of the fiscal year. Our allocation did not represent our true need. Why? The 1960 census was used in determining need and errors and omissions in that census made no provision for one of my towns. This town had no Post office and mail was routed from surrounding cities and thus by using mailing addresses we had no eligible persons. I protested but was informed that nothing could be done. This is 1970 and the 1960 census is still a criteria.

The $10,000 that my District receives for the so-called "disadvantaged children" from low income families is but a drop-in-the-bucket compared to our budget of $1,200,000. I found that in the past all the forms necessary to complete to comply with federal guidelines required valuable time to complete. The wording had to be just right so that they would be approved. The evaluation forms and final reports were actually foolish and designed to feed information to computers to prove more federal funds were needed. Large systems hired additional help at high salaries paid by federal funds to write up projects that were in many cases lacking in a lasting value. To seriously consider federal programs, and I would except the NDEA Title III matching funds program now dead, I would require additional administrative personnel. I have therefore taken the road taken by many many other busy superintendents and now try to concentrate on the work of educating ALL of our youngsters and not trying to see if I can get a federal buck.

In the past year we have been harassed by local poverty groups in the role of "do-goodera". To get federal money it has been necessary to seek their opinions. If we heeded their demands our school system would disintegrate very shortly.

In the federal School Lunch Program, under which we have met the needs of our needy youngsters, we find guidelines that make it a crime to have any youngster work for his meal. How absurd can a directive be.

In answer to the question as to whether our federal funds are mis-directed as charged by "poverty leaders", I would say that we have spent all dollars wisely and would continue to meet the needs of our young people if eductaors on the local level were given the confidence of the legislators. It seems strange to me that as more and more federal funds are reported in the press, that my District receives less.

I realize that only a brief comment was requested but perhaps the time has come when somebody should get down and talk to the busy people in the local communities who are in daily contact with the situation and continually strive to educate all children regardless of their circumstances. These same busy people are also concerned with the plight of the local property taxpayer when it comes time to determine what they can afford.

I have never appeared before a Committee in Washington although I was present when your committee met in Bangor a few years ago. I hope you realize that this letter represents my humble opinion and I shall continue to do my best in my position for all children and if federal funds are administered as in the past I could care less whether we get any or not.

RESPONSE OF WINSTON COUNTY BOARD OF EDUCATION, DOUBLE SPRINGS, ALA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 2,500.

What is the ADA in your school district grades K–12?

Answer: 3,983.36 (October, 1969).

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $199,547, 1969 $183,451, 1970 $165,148.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $35,000, 1971 $50,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children.

Answer: Definitely yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Definitely yes. Our Title I program is having a tremendous impact in our County.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: In a program as large as this, isolated cases of misuse will happen. I strongly believe, however, that the bulk of Title I funds are being used in a great way in educating our disadvantaged. Winston County's Title I program is meeting a terrific need.

RESPONSE OF BRISTOL TENNESSEE BOARD OF EDUCATION, BRISTOL CITY, BRISTOL, TENN., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 589.

What is the ADA in your school district grades K–12?

Answer: 3,950.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $102,953.58, 1969 $95,966.17, 1970 $86,423.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $50,000, 1971 $75,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: We have been able to set up reading programs and kindergarten programs which would not have been possible without the availability of Title I funds.

RESPONSE OF DR. LESTER L. DICKEY, HAMILTON CITY, HAMILTON, OHIO, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 1,200.

What is the ADA in your school district grades K–12?

Answer: 14,500.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $225,143, 1969 $196,348, 1970 no grant yet received.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $125,000, 1971 $150,000.

In your judgement, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Definitely.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: In our school district, definitely yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: In our district one hundred percent of the funds received through Title I, ESEA is going to our disadvantaged children.

REPSONSE OF DONALD BEVIS, ASSISTANT SUPERINTENDENT FOR RESEARCH, DEVELOPMENT, AND FEDERAL PROGRAMS, MINNEAPOLIS, MINN., JANUARY 26, 1970

How many children in your district are benefiting from education programs funded under Title I of ESEA?

Answer: 7,123.

What is the ADA in your school district grades K–12?

Answer: 65,748.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $2,494,562, 1969 $2,274,236, 1970 unknown as of January 16, 1970.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $1,000,000, 1971 $14,245,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Educating educationally disadvantaged children requires more staff, more books, more materials, more supplemental services, such as social workers, and more pre-school and community education than any school system is able to provide with local funds. Furthermore, these resources must be used in imaginative ways, designed specifically for the disadvantaged, not just absorbed and lost in the traditional patterns of a large school system. We believe that Title I type categorical Federal aid provides the only opportunity for schools to adequately serve the disadvantaged.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: We believe that our Title I programs include the best of what we know about how to help educationally disadvantaged children. Based on what we have learned from Title I programs in previous years, we continue to revise some programs, discard others, and initiate new programs to meet the needs of disadvantaged children. Both objective and subjective data testify to the effectiveness of some programs, such as teacher aides and store front junior high schools. In one of our store front junior high schools last year in eight months the students made two years gain in basic skills.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Although the natural tendency during the first years of Title I funding was to try to provide something for all disadvantaged children, we now realize that success can only be achieved through concentration of resources on fewer children. The Minneapolis Public Schools spend approximately 28% of Title I funds in only four schools. A very high percent of the population at these schools is both poor and educationally disadvantaged. New staff hired by Title I funds for these schools works directly every day with the most disadvantaged children. The staff instructs children in small groups or on a one-to-one basis and tries new materials and methods to stimulate interest in learning. We believe that this type of program has the greatest chance of success. It is obviously very expensive. Funding limitations prevent us from providing similar highly concentrated services for more children eligible to participate in Title I. The "Concentrated Education Centers" just described serve only about one-third of children eligible for Title I programs in our target areas.

Appropriately 38% of our Title I funds support a teacher aide program. All aides supported by this program serve inner city schools. Most work right in the classroom. They free teachers to provide individual attention to children who need it most and they also help directly in the instructional program.

In light of the types of programs provided for disadvantaged children in our inner city, the charge that Title I funds do not reach the disadvantaged seem entirely unfounded.

RESPONSE OF LOUIS H. DUNLOP, MCKEESPORT AREA SCHOOL DISTRICT, MCKEESPORT, PA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: Directly 1,791. Spin-off from the programs indirectly affect 9,802 others.

What is the ADA in your school district grades K–12?

Answer: 10,501.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $251,066.00, 1969, $247,360.25, 1970 $238,619.74.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $49,555.26 actual deficit this year, 1971 $61,381.00.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: An unequivocal yes. Without Title I funds our district could not support the additional counseling and health services and reading support.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Our district has been mandated by the Human Relations Commission to assure racial balance and Title I funds are necessary to meet this need plus the special attention these students need because of home conditions.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Contrary to the recent media releases regarding Title I, the results of our program will be over a long range of years to come and as yet adequate measuring criteria are not immediately available.

RESPONSE OF DANIEL B. TAYLOR, SUPERINTENDENT, WOOD COUNTY SCHOOLS, PARKERSBURG, W. VA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 2,500 students.

What is the ADA in your school district grades K–12?

Answer: 18,670.71.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $279,493, 1969 246,512, 1970 217,285.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $30,000 for summer programs. 1971, if allocations for fiscal year 1971 are made prior to August 1970, we could very effectively utilize a 100% increase in funds.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes! The special needs of educationally disadvantaged youngsters must be met and the money is not available at the local and state levels.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Inadequate and late funding has been the greatest obstacle in the path of Title I. Programs have improved over the past few years and the money is getting to the disadvantaged. Dropping Title I now or reducing the funding level of Title I will be dealing a very critical blow to the educationally disadvantaged in their attempt to become successful productive citizens.

RESPONSE OF BARTON H. NAGATA, DISTRICT SUPERINTENDENT KAUAI SCHOOL DISTRICT, LIHUE, KAUAI, HAWAII, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 233.

What is the ADA in your school district grades K–12?

Answer: 7,326.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $81,173, 1969 $70,822, 1970 $70,822.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $10,000, 1971 $15,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes. It gives some latitude in experimentation—to attempt more non-conventional methods and techniques in meeting the special needs of certain students or alleviating certain specific problems or to make provisions for exceptions difficult under normal conditions.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes. I believe that the programs are geared to assist these students providing special or additional assistance which otherwise would be difficult to provide for. The personnel involved in these programs or projects, subjective though it may imply, also feel the same way.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: It is not inadequate funding, but more so the annual uncertainty of funds or the uncertainty as to the amount of the funds which has created more anxiety and apprehension, more hastily conceived projects, and more short term projects. Funding should be on a longer term basis so much better planning and implementation can take place, and it should also consider annual rising costs of materials and personnel. I believe that our funds are being utilized most advantageously under the conditions set forth and with extra funds could anticipate and plan for better and larger projects.

RESPONSE OF R. C. AUNGST, MARSHALLTON-MCKEAN SCHOOL DISTRICT, WILMINGTON, DEL., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 106.

What is the ADA in your school district grades K–12?

Answer: 4,724.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $8,000.00, 1969 $8,366.70, 1970 $12,267.00. This increase is due to district reorganization.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $25,000.00, 1971 $25,000.00.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes. Following guidelines established by the State, this money must be focused on those children. It cannot be used for other priority items.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriations Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your comments on these contentions would be appreciated.

Comment: It has been my experience that Title I Funds in this State are reaching the disadvantaged and are making a significant contribution.

RESPONSE OF E. E. BRICKELL, DIVISION SUPERINTENDENT, VIRGINIA BEACH CITY SCHOOLS, VIRGINIA BEACH, VA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 2,363.

What is the ADA in your school district grades K–12?

Answer: 40,977.23.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $601,290.83, 1969 $601,837.43, 1970 $461,726.00.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $150,000, 1971 125,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Definitely. It is the only federally sponsored program that has depth enough to meet these special needs.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes. The program is meeting our present needs.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: The late funding and cut in the appropriation for our local school division has resulted in some hardships in the administering of our Title I Program. I do not believe that Title I funds are being misdirected in the State of Virginia.

RESPONSE OF DR. PEYTON REAVIS, DIRECTOR ADMINISTRATIVE SERVICES, AMPHITHEATER PUBLIC SCHOOLS, TUCSON, ARIZ., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 301, K–12.

What is the ADA in your school district grades K–12?

Answer: 6788.650 (1968–69).

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $70,356, 1969 $62,889, 1970 $55,404.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $20,000 (est.), 1971 $27,000 (est.).

In your judgement, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes; Title I or similar financial assistance.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Children selected for our programs do make gains, but an adequate "catch up" is not achieved. Title I has helped us concentrate efforts beyond what we were previously able to do.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: The indefinite status of funding from year to year and the subsequent cutbacks in funding mean that we are not able to plan for and achieve our program aims. Our district has not been able to fill the gaps in programs started and not continued because of cut-backs.

RESPONSE OF DR. KENNETH J. KOGER, RICHMOND COMMUNITY SCHOOLS, RICHMOND, IND., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 1970 grant, 2,685.

What is the ADA in your school district grades K–12?

Answer: 11,225.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer 1968 $128,643.56, 1969 $118,677.00, 1970 $109,883.00.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $12,000, 1971 $26,000.

In your judgement, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment:

1. The adequacy of funds at our local level is not as much a problem as the fact that each year the amount of allocation has become less, thus not enabling us to provide a consistent program running over a period of several years without experiencing continual alterations due to the shrinking monies once a program is established and determined to be worthwhile. We are also informed that we cannot supplement programs with local monies without jeopardizing the entire program financed by Title I funds. The stipulation is clearly provided in the guidelines for the use of the monies and has been reinforced with various directives from the State Title I Office. If local funds could be used to "beef up" the shrinking monies from the Federal level, this would, in part, serve as a solution to the problem.

2. Our local district has continually attempted to reach the disadvantaged with direct benefit from Title I funds, however, the fact that quite often disadvantaged youngsters are housed in buildings which do not qualify for Title I aid under the present set of guidelines, means that these youngsters are arbitrarily deprived of potential benefit due to the fact that the percentage of disadvantaged in that building does not meet the required quota.

3. Although many "sour grapes attitudes" are being aired in the press and other news media at this time, there is no doubt whatsoever in my mind that the vast majority of local programs has sincerely attempted to follow the intent of Title I, and to the greatest degree they have been successful in providing experiences which would otherwise not have been available to these youngsters.

I do hope that your Committee is not unduly swayed by the vocal impressions which you received from a minority group, referring to a minority series of actions.

RESPONSE OF BUEFORD RISNER, BATH COUNTY, OWINGSVILLE, KY., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 1,083.

What is the ADA in your school district grades K–12?

Answer: 1,900.6.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $167,001.00, 1969 $153,544.00, 1970 $131,540.00.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $100,000 or more, 1971 $150,000 or more. We can justify programs for any additional funds we could receive.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes. We could not operate several programs designed to individualize instruction—which is of great benefit to the disadvantaged child without the Title I funds.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes. Without Title I funds we would have to drop many programs that we now have to help the disadvantaged child.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Inadequate funding is certainly the greatest obstacle in doing a better job of educating the disadvantaged. Claims that extra funds contained in the HEW Appropriation Bill . . . simply is untrue. Anything that I might say or do further, please don't hesitate to call on me.

RESPONSE OF THOMAS D. SHELDON, SUPERINTENDENT OF PUBLIC INSTRUCTION, BALTIMORE CITY PUBLIC SCHOOLS, BALTIMORE, MD., JANUARY 26, 1970.

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Although 69,047 public and 5,133 nonpublic school children are attending participating schools and receiving some facet of the services and benefits of the various ESEA, Title I projects (total: 74,180), the greater concentration of project services has been given to 27,705 children.

What is the ADA in your school district grades K–12?

ADA, K–12, is 173,902 (as of October, 1969).

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $7,574,551, 1969 $7,299,502, 1970 $6,386,387 (not yet fully determined by Congress, but is 90% of FY 1969 grant by a continuing resolution).

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $7,500,000, 1971 $8,000,000. Considering the fact that we are reaching less than ½ the eligible Title I pupils, a doubled allocation would be required, at least, just to meet their needs at current levels.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes, but programs are underfunded and are leaving a large segment of needy children without the helpful additional services.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Funds are not being misdirected, but are being applied to disadvantaged children in BCPS to the extent possible. A major thrust has been made in the hiring of over 700 paraprofessionals from Title I school communities to help meet the instructional needs of the pupils. There are far too many children who are not receiving the services, although they are eligible, due to limited funding and the stress upon confining and husbanding the meager funds to smaller numbers of children so that impact may be made on the limited group. Another handicap to more effective use of funds is the belated action of Congress in making the annual appropriations and allocations to the SEAs and the LEAs, thereby creating havoc and uncertainty in planning and implementing programs.

RESPONSE OF MARVIN KILLFOIL, COUNTY SUPERINTENDENT, PERSHING COUNTY, LOVELOCK, NEV., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 42 actually involved—150 receiving benefits.

What is the ADA in your school district grades K–12?

Answer: 640.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $8,888.00, 1969 $8,403.000, 1970 $5,565.00, not used.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970, 1971: Will not use program as apportionment is too small.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: In many areas I believe it one of the best means of meeting the needs of educationally disadvantaged children.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: We believe the program we had was effective and we are sorry funds were not available to continue.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: None.

RESPONSE OF MR. GILBERT V. PERRY, ACTING SUPERINTENDENT, WYOMING AREA SCHOOL DISTRICT, WYOMING, PA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 434.

What is the ADA in your school district grades K–12?

Answer: 3,810.31.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $74,434.98, 1969 $59,876.30, 1970 $52,224.39.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $50,000.00, 1971 $50,000.00.

In your judgement, do you believe that Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Unquestionably.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: We are completely convinced that our program involves the low-income and financially disadvantaged and that we are doing an effective job in helping these children. We have provided them with 4 teachers and 3 reading specialists. Reports indicate that students have increased reading abilities greatly in almost every single case.

RESPONSE OF GEORGE J. PLAVA, SUPERINTENDENT, ALBERT GALLATIN AREA SCHOOL DISTRICT, UNIONTOWN, PA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 2,820, or 41%.

What is the ADA in your school district grades K–12?

Answer: 6,400.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $396,986.56, 1969 $402,238.30, 1970 $339,338.21.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $70,000 to $75,000, 1971 $70,000 to $75,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Title I Programs are needed badly in our area to assist the disadvantaged children, especially at the lower grade levels and pre-school education. A side benefit of our programs which cannot be measured in educational achievement has been the increased interest of the parents of poverty children. They have been made to feel that someone cares.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Our Title I programs are meeting the educational need of our poverty children in the remedial reading and math program and our health program.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: We are in the Appalachian Region of Southwestern Pennsylvania where the socio-economic level of our population is very low. Forty one percent of our children are from families who meet poverty guidelines. Title I funds are a must for our district, if we are to provide quality education. The assessed valuation behind each child in our district is $2965, the national average is approximately $9300. This gives you some idea of the financial plight of our district. I urge your continued support of Title I Programs.

RESPONSE OF DR. JOSEPH MANCH, SUPERINTENDENT, BUFFALO PUBLIC SCHOOLS, BUFFALO, N.Y., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 27,915 public, 7,077 nonpublic, total 34,992.

What is the ADA in your school district grades K–12?

Answer: 65,008 public.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $5,399,734, 1969 $4,227,868, 1970 $5,259,000, estimate based on pending H.R. 13111.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $1,000,000, 1971 $5,800,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes. The American Institute for Research in the Behavioral Sciences reported to the U.S. Office of Education that they selected 11 programs throughout the nation as being of outstanding value to inner-city children. Four of the 11 programs are conducted by the Buffalo Board of Education.

The following items are pertinent:

"[From Your Schools at Work, September 1961]

"FOUR BUFFALO PROGRAMS NAMED EXEMPLARY: BUFFALO DOMINATES FIELD OF AWARD WINNERS

"A California research institute, under contract to the U.S. Office of Education, combed the entire country for programs considered to be of outstanding value to inner-city children. The result: out of 11 finally selected, four were products of the efforts of school staff in the Buffalo Public Schools.

"The Plus Program, the Afternoon Remedial and Enrichment Program, Expanded Language Arts Program, and Project Early Push were named as programs which had yielded measured evidence of academic achievement for disadvantaged school children.

"The American Institutes for Research (AIR) in the Behavioral Sciences, Palo Alto, California, prepared the study for the U.S. Office of Education. In the summary to the published report, AIR directors explain that a preliminary literature search established a pool of 320 programs which were thought possibly to meet criteria for the study. The field was then narrowed to 110, and 20 programs were selected for site visits.

"Source of pride

"After studying the remaining 20 programs thoroughly and interviewing project administrators, AIR reduced the field of award-winners to 11.

"Project Early Push is a prekindergarten program begun in 1966. Education authorities had previously cited Early Push as one of the 10 best ESEA programs in New York State.

"The Afternoon Remedial and Enrichment Program is an after-school grade 3-through-8 program in reading and mathematics begun in 1966.

"Expanded Language Arts is a grade 7-through-12 program which attempts to improve English language abilities.

"Plus, grade 1-through-8, offers remedial services for more than 7,000 pupils.

"Dr. Manch called the citations 'a source of tremendous pride to the Buffalo Public Schools, to teachers and administrators.' The Superintendent said that the teamwork of school staff at all levels made the awards possible, including the work of the Department of Curriculum Evaluation in preparing statistical evidence of the effectiveness of the four programs.

"[From BPS Report, Aug. 18, 1969]

"BUFFALO'S SPECIAL PROGRAMS PRAISED IN NEWS EDITORIAL

"Four Buffalo Public School programs, cited as 'exemplary' in a research study conducted for the U.S. Office of Education, have been acclaimed in a Buffalo Evening News' editorial appearing August 8. Referring to the award winners (Early Push, Plus, Afterschool Plus, and Expanded Language Arts), which had proved to be of outstanding benefit to inner-city children, the News' editorial noted 'the impressive results that the city's educators have achieved with several programs designed to help disadvantaged youngsters, both black and white.' The editorial concluded: 'The task confronting urban school systems in striving to help poverty-area pupils overcome their special hardships is an awesome one, for there are no easy formulas. But the local success stories should, in addition to assisting other communities, help promote the potential of individual students and broaden public confidence in the innovative efforts of Buffalo educators.'

"[From BPS Report, Sept. 22, 1969]

"BUFFALO'S CURRICULUM EVALUATION TEAM: QUALITY CONTROL EXPERTS IMPROVE THE EDUCATIONAL PRODUCT

"When the report first circulated that Buffalo Public Schools had been cited by a West Coast research laboratory as the originators of four programs which had proved to be of outstanding benefit to inner-city children, school officials were naturally pleased.

"Administrators of the four programs—together with members of the Board of Education and the Superintendent—called the citations the product of team effort, a cooperative venture that pooled the resources of many men and women in the Buffalo Public Schools.

"Not overlooked were three professional members in the Division of Curriculum Evaluation and Development who spent countless hours preparing statistical evidence of the effectiveness of the four programs.

"The American Institutes for Research (AIR) in the Behavioral Sciences, Palo Alto, California, the organization that had combed the country for "exemplary" programs for disadvantaged children, began with a field of "contestants" that numbered over 300. Constant analysis and in-depth investigation finally reduced the number of award-winners to 11. Buffalo school officials were quick to recognize that the thoroughness of the Curriculum Evaluation team was an important factor in AIR's decision.

"Despite the critical role the Curriculum Evaluation team plays in the operation of the Buffalo Public Schools, few people have any real knowledge of the nature of the work. They might be forgiven—discussion of 'Chi squares' and other statistical weaponry have a way of confusing the uninitiate.

"In the words of Buffalo's Director of Curriculum Evaluation, the work of the department is seen clearest when compared with its counterpart in industry—a quality control network that represents a built-in check on the uniformity of company products.

"The analogy is a proper one. Buffalo's Curriculum Evaluation team, particularly when called upon to review the effectiveness of myriad State- and federally-funded programs, acts as a watchdog, seeing to it that program guidelines are adhered to and that the taxpayer is getting his money's worth.

"The actual evaluation process can be broken down into three basic parts or phases: the planning phase, during which time program objectives are written and a way of charting progress is devised; an ongoing phase, when checks are made on a program in operation to maximize effectiveness; and a terminal phase, when the program is finally reviewed, statistical studies prepared, and recommendations for improving or modifying the program made.

"Evaluation of programs in education, it should be noted, is not something new. Educators have always sought ways to objectively measure the quality of any educational plan. But with the passage of the Elementary and Secondary Education Act in 1965, funds from government sources began to have dramatic effect on the operation of urban school systems. The onslaught of Federal programs thrust the curriculum evaluator into the limelight.

"Buffalo Public Schools were mindful of the fact that internal evaluation could have a positive effect on the educational environment. The well-conceived system for measuring the effectiveness of programs operated by the Buffalo Public Schools actually results in better education for Buffalo children. Because evaluation is objective and scientific, loose segments in certain programs are tightened, objectives are more closely defined, and modifications are made to make sure educational innovations are meeting the needs of children.

"Besides evaluating State, federal and local programs in cooperation with project administrators, the CE team is also responsible for administering all standardized tests to Buffalo school children. Last year, the department helped construct, reproduce, and distribute over 200,000 tests in various subject areas.

"Modern business equipment is helping the department increase its speed and efficiency. An IBM 1230 Scanner, and a Honeywell 200 computer installation operated by the Division of Finance and Research, are now both in use. The machines are used primarily to score achievement tests administered to city pupils and to devise programs for rapid printout.

"The work of the Curriculum Evaluation team received nation-wide attention in February 1969 when Dr. Manch presented to the Board of Education a study of the effectiveness of Buffalo's integration program. The basis of the report came from the administration of achievement tests to all pupils in grades 5–7 in Buffalo's sending and receiving schools. The study probed the effects of bussing 1200 Negro pupils to nearly all-white schools outside the city's core area during the 1967–68 school year.

"The report revealed that the Negro pupils bussed to schools on the periphery made greater gains in academic achievement than did pupils remaining in segregated schools. White pupils attending classes in receiving schools did not suffer losses in academic achievement as a result of integration. An attitude survey showed most principals, parents, teachers, and students favored the integration program.

"[From the Buffalo (N.Y.) Evening News, Aug. 8, 1969]

"CITY SUCCESS STORIES

"Like other large urban school systems, Buffalo's can sometimes seem to be overwhelmed by vexatious challenge, social tensions and ceaselessly carping criticism. All the more reason, then, to welcome the truly impressive results that the city's educators have achieved with several special programs designed to help disadvantaged youngsters, both black and white.

"Convincing evidence of these heartening gains is contained in a national study which cited 11 exemplary school programs as models for other systems to copy. Of the 11 finally selected from over 300 considered, four were devised and put into practice here.

"Buffalo was the only school system with more than one program selected and, more important, those chosen pertained not to frilly educational areas but to the academic heart of any productive curriculum—reading, math and English.

"The task confronting urban school systems in striving to help poverty-area pupils overcome their special hardships is an awesome one, for there are no easy formulas. But the local success stories should, in addition to assisting other communities, help promote the potential of individual students and broaden public confidence in the innovative efforts of Buffalo educators.

"[From the Buffalo (N.Y) Evening News, Aug. 6, 1969]

"BUFFALO SCHOOL PROGRAMS FOR THE DISADVANTAGED PRAISED IN FEDERAL STUDY

"A 175-page federally sponsored study of 'Exemplary Programs for the Education of Disadvantaged Children' is dominated by the Buffalo school system.

"Of 11 programs throughout the U.S. described in the publication, four are Buffalo efforts.

"No other school system is represented more than once in the study produced by the American Institutes for Research, Palo Alto, Calif., under a contract with the U.S. Office of Education.

"The publication's summary says the chief criterion for inclusion in the report is a showing that pupils made 'significantly' greater gains in academic achievement than they would have otherwise.

"Out of the nation's thousands of special programs, the California group originally selected 320 from which to pick the 11 to be described. Four Buffalo programs were among the 320 and all survived the test.

The four Buffalo programs—all financed under Title I of the U.S. Elementary & Secondary Education Act—are:

" 'Early Push'—A pre-kindergarten program begun in April 1966.

" 'Plush'—A Grade 1-through-8 remedial effort in reading and mathematics which provides small-group and individual instruction for more than 7000 youngsters.

"Afternoon Remedial and Enrichment Program—An after-school grade 3-through-8 program in reading and mathematics, begun in January 1966.

"Expanded Language Arts Program—A grade 7-through-12 effort designed to improve English language ability through smaller classes and better instructional material.

"Eventually, the study will be issued as 11 booklets—each one describing one of the selected programs. The booklets are designed to help educators planning special programs for the 'disadvantaged' by giving details on efforts proven to be successful.

"Schools Supt. Joseph Manch said the school system is 'highly gratified' by the study, which, he said, gives 'evidence that we have used Title I funds effectively.'

" 'I believe that this citation is a tribute to the awareness and creativity of our teachers, administrators and others, supported by the Board of Education.

" 'We are pleased that these programs may serve as models for communities throughout the United States. It proves what can be done when you have the money to do the job.' "

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Our experience leaves no doubt in my mind that inadequate funding is the greatest obstacle in the way of reaching the disadvantaged more effectively.

RESPONSE OF CLYDE M. GOTT, SUPERINTENDENT, PORT ARTHUR INDEPENDENT SCHOOL DISTRICT, PORT ARTHUR, TEX., JANUARY 26, 1970

How many children in your district are benefiting from education programs funded under Title I of ESEA?

Answer: 3,999.

What is the ADA in your school district grades K–12?

Answer: 15,213.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $382,245, 1969 $349,154, 1970 $314,239.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $30,000, 1971 $35,000.

In your judgment, do you believe that the Title I programs are need to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reach-

ing the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Earlier notification of all funds available would result in better planning; consequently, a more effective program would be realized.

RESPONSE OF DR. SAMUEL N. HENRIE, JR., COORDINATOR, RESEARCH AND DEVELOPMENT, EMERY UNIFIED SCHOOL DISTRICT, EMERYVILLE, CALIF., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 96.

What is the ADA in your school district grades K–12?

Answer: 650.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $16,000, 1969 $21,000, 1970 $28,501.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $15,000, 1971 $15,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Absolutely.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes, we have statistical evidence to show it helps.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: It is a matter of priorities—is it more important to educate our children or to make more weapons of war? I feel that people are "what it's all about." We could use more Title I funds and more of all types of federal aid.

RESPONSE OF MITCHELL J. CZOCH, SUPERVISING PRINCIPAL, WILKES-BARRE TOWNSHIP, WILKES-BARRE, PA.

How many children in your district are benefiting from education programs funded under Title I of ESEA?

Answer: 88.

What is the ADA in your school district grades K–12?

Answer 518.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $20,000, 1969 $23,000, 1970 $15,000.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 none. 1971 none.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, very much.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: No, we need more funds.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: More funds are needed for education! Very much more!

RESPONSE OF LOUIS J. GAWAT, GREATER NANTICOKE AREA SCHOOL DISTRICT, NANTICOKE, PA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 1,500. (Indirectly our entire student body benefits from these programs.)

What is the ADA in your school district grades K–12?

Answer, 3,800.78.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $151,490.91, 1969 $136,351.97, 1970, $113,112.74.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $40,000 (1968 funding figure), 1971 $40,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Emphatically yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Without question we are making more visible progress each year.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Inadequate funding is definitely interfering with the continuity of our program on a scale which would achieve more desirable results.

There isn't any question that funds are misdirected in some districts however, the benefits derived by students far offset these minor instances. I consider ESEA funds as the life line of the Educationally Disadvantaged students in our district. Their chances for a successful future lies in the hands of an understanding and far sighted U.S. Government which has the means of providing them the educational needs they so sorely need.

RESPONSE OF E. E. SIMONTON, ASSISTANT SUPERINTENDENT, PLEASANT COUNTY SCHOOLS, ST. MARYS, W. VA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I ESEA?

Answer: 281.

What is the ADA in your school district grades K–12?

Answer: 1,555.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $55,868.00, 1969 $51,677.00, 1970 $49,372.00.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $3,000.00, 1971 $10,000.00.

In your judgement, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Definitely, yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: They are effective as far as our limited funds will reach.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: The funds we receive are not being misdirected. We just do not have enough money to reach everyone that we should reach.

I am in sympathy with the President's desire to hold the line on inflation, but I am hopeful that it can be done without sacrificing education.

When you speak of misdirected funds, just take a glance at the programs of O.E.O. I have never seen such pure waste of funds. O.E.O. should get out of the field of Education and become purely Welfare and a billion dollars could be cut from their asking and not only would the people applaud the move but President Nixon will sign the HEW bill.

RESPONSE OF DONALD W. SCHULTZ, SUPERINTENDENT, PETERSBURG CITY SCHOOL DISTRICT, PETERSBURG, ALASKA, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 85.

What is the ADA in your school district grades K–12?

Answer: 645.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $15,769.78, 1969 $15,575.94, 1970 $16,201.00.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $3,000.00, 1971 $3,000.00.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: In many cases increased funding is necessary. Undoubtedly there is some misdirection of funds. There always is. State departments should be able to keep this to a minimum.

RESPONSE OF WILLIAM A. TELLER, ASSISTANT SUPERINTENDENT, EAST CHINA TOWNSHIP SCHOOLS, ST. CLAIRE, MICH., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 200.

What is the ADA in your school district grades K–12?

Answer: 4,558.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $71,411, 1969 $67,565, 1970 $62,331.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $42,000, 1971 $42,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, very much so.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Without Title I funds, most of the needs of educationally disadvantaged children cannot be met.

RESPONSE OF ROBERT W. RHOADS, TITLE I COORDINATOR, WHITTIER CITY, WHITTIER, CALIF., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 160—there are 120 more who need special attention and would qualify under the guidelines.

What is the ADA in your school district grades K–12?

Answer: 6,300.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $44,049, 1969 $40,885, 1970 $51,861.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $36,000, 1971 $36,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, there is no other source of funds for this purpose at the present time.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes, though the progress is slow, we feel it is an effective way to meet the problems.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title ESEA. Your brief comments on these contentions would be appreciated.

Comment: Of the $51,861 funded in fiscal year 1970, $48,550 budgeted is for teachers salaries. These teachers assignments are to teach the educationally disadvantaged. The balance is spent on supplies and services for the disadvantaged. Administrative costs, and special services such as attendance, accounting, psychological testing, health services and other community services are provided by the district at district cost.

RESPONSE OF DR. NORMAN F. HYATT, ED. D., GRANITE SCHOOL DISTRICT, SALT LAKE CITY, UTAH, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 1,238.

What is the ADA in your school district grades K–12?

Answer: 59,850.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $308,729, 1969 $289,858, 1970 $281,746.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $60,000 to $75,000, 1971 $60,000 to $75,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Summary and Conclusions: As was the case in the report of the evaluation for 1967–68, the data reported herein are in tabular form and without exhaustive narration. This is based on the assumption that the personnel of the Granite School District can examine each table if they wish and therefore can ferret additional implications of importance to them. Again, "a picture is really worth a thousand words."

A general summary statement, however, is in order. At least insofar as evidenced from the data acquired through the use of the above described testing procedures, the Title I program in the Granite School District is meeting its objectives. During the 1968–69 school year emphasis was placed on the reading program and significantly positive results were measured. It was also noted that the main focus of the reading program was on the primary grades, a secondary focus was on the intermediate grades and the special needs found therein. The results of the study clearly portray the effectiveness of this approach by showing more pronounced significant differences at the third grade level than at either the fourth or the fifth grade levels. This also suggests that continued followup efforts on the part of the reading teachers ought to strengthen the total program even more than at present. This is not to be considered as a reflection on the kind of results acquired through the efforts of the personnel presently in the schools, but that additional personnel in such activities has a chance of showing even greater improvement. In some instances the children for whom the program was primarily intended, the project children, showed evidence of greater gains than the others; in some instances the control groups showed greater gains.

Inasmuch as the impact or status of the language program was also considered as being worthy of analysis again this year, a few summary words here are also in order. At the third grade level significant positive benefits were identified. At the fourth grade level the control students appeared to benefit more than the project children but at the fifth grade level whatever benefit either group accrued did not show up as being statistically significant through the use of the measuring devices employed.

During the past three years the writer of this report has heard many times that very few Title I programs in the entire country have resulted in the measurement of positive benefits on the part of the children for whom the program is intended. The 1968–69 school year marks at least the third year wherein the Granite School District can be proud to say that there is evidence of positive benefits being derived from the efforts of its personnel in the programs of the District which derive partial support from Federal fund under Title I of the Elementary and Secondary Education Act of 1965. It is of further interest to note that some of these benefits carry over into the adjustment behavior patterns of children even though during the 1967–68 school year the improvements appear to have been greater than during the 1968–69 school year.

IV. GENERAL SUMMARY AND CONCLUSIONS

A. *Summary:* The 1968–69 school year marks the fourth year that the Granite School District has made use of Federal funds authorized under the Elementary Secondary Education Act of 1965, Title I. A rather extensive report of the use of the funds was submitted to the Board of Education at the end of the 1967–68 school year. For the present school year, 1968–69, it was decided that more limited evaluative procedures would suffice. Most of those undertaken and reported in previous portions of this report are parallel to the former year. In fact, data pertaining to student progress as measured by achievement tests and a behavior adjustment scale were built upon to make a more meaningful study of progress of children over a two year span.

As in 1967–68, the 1968–69 evaluative activities were planned and carried out under the general supervision of Mrs. Amy C. Nelson of the District and Dr. Norman F. Hyatt of the World-Wide Education and Research Institute of Salt Lake City.

The evaluative activities were of two kinds. As referred to above, measurements of student progress in reading and language were assessed by the use of the Metropolitan Achievement Test Battery, The Stanford Achievement Test and the Tests of General Ability. The Child Behavior Rating Scale was used to identify pupil behavior adjustments. Pre-test and post-tests were considered. Comparisons were made between different groups of children, project and control at the third, fourth and fifth grade levels. Also, comparisons were made between groups of students from the 1967–68 and 1968–69 evaluations.

The magnitude, direction and per cent of change were studied. Significance of difference between the respective groups in the study as well as between the levels of performance of the same group from the outset to the conclusion were ascertained and analyzed.

The other evaluative procedure engaged in this year was that of compiling the subjective self-evaluations from the project schools into short concise statements which can provide a profile of understanding of the merits of the program.

B. Conclusions: Several statements from the final report of the 1967–68 evaluation are worthy of repeating, as they also quite accurately portray the conclusions drawn from the data gathered in the study during 1968–69. On the basis of scores alone the conclusion is sound that the operation has been financially and educationally justifiable though statistically not greatly or significantly so in each and every instance.

The facts seem to suggest that the program per se is good, that it "might" profitably be used universally. In other words, it appears as though the Granite School District would err were decisions to be made to

discontinue or drastically cut back on the program modifications permitted through the use of Title I funds.

Of considerable value, in addition to the statistical tables, and accompanying explanations, is the subjective phase of the report.

A final conclusion is that the Granite School District can ill-afford not to continue to modify its instructional program in the future. Some indications of different directions to be taken can be gleaned from the data presented in this report. Different emphases as well as different target populations can be considered. In short, a constant vigil needs to be maintained on possible changes which might be of value to boys and girls of the District. At the same time, additional appraisals, parallel in nature to this one, ought to be included in future plans in order that an assessment of "goodness" of decisions can be made.

In addition to the above corroboration of previously drawn conclusions, based on "objective" data, the following general conclusions relate specifically to the study of the "subjective" data during the 1968–69 evaluation activities.

1. Responding personnel stated opinions quite candidly, even though the identity of the respondent could be traced. (Specific identity, however, was omitted from this report.)

2. Teachers and other personnel are dedicated to good programs for boys and girls and "get by" with the facilities as best they can.

3. Teachers ask for better ways and means of helping youth rather than for things that will make their working conditions better or the job easier.

4. What the District has done with the money available has been good. The problem is that more money is needed to do even better.

5. Responding personnel were very willing to identify problem areas as well as virtues of the program. Constructive and professionally based criticism appeared to be the order of the day."

6. Some of the specific items mentioned might be symptoms or clues to other items worthy of attention in any redesigning of the program which the District would undertake.

7. A more effective overall program would result from increased parental involvement. This was expressed in a number of ways.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: I would contend that money alone would not necessary effectively reach disadvantaged children. At the same time, I would contend that the Granite School District has not misdirected its funds and the additional funds designated above as being necessary would significantly enhance the title I ESEA program in this district.

RESPONSE OF ELI DOUGLAS, SUPERINTENDENT, GALVESTON INDEPENDENT SCHOOL DISTRICT, GALVESTON, TEX., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Directly: Public 1881, N.P. 480, Neglected 37, Total 2398.

Indirectly: Any pupil realizing benefits from equipment and materials, and/or service personnel, i.e., Nurses, Aides, Home-School Coordinators, lunch program, clothing and medical needs provided.

What is the ADA in your school district grades K–12?

Answer: 10,898.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $414,516, 1969 $360,714, 1970 $315,429.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $150,000, 1971 $200,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Because of insufficient funds our program is most inadequate in meeting special needs of our culturally deprived children.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Inadequacy of grant fundings, and the fact one semester of the school term expires before definite assurance of allocation is received, contributes to poorly developed plans and ineffective results. Our particular school suffers because the ethnic composition (W 43%, N 37% and other 20%) and percentage of high cultural deprivation create circumstance of need beyond the finances provided under this grant.

RESPONSE OF DR. HAROLD M. KAISER, SUPERINTENDENT OF SCHOOLS, DAVENPORT COMMUNITY SCHOOLS, DAVENPORT, IOWA, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 4,500.

What is the ADA in your school district grades K–12?

Answer: 21,947.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $300,000, 1969 $350,000, 1970 $330,357.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $150,000, 1971 $150,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment. We feel that funds allotted to us are reaching disadvantaged children.

RESPONSE OF BILL ANDREAS, SUPERINTENDENT, CHAFFEE COUNTY, SALIDA, COLO., CHAFFEE COUNTY, SALIDA, COLO., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I ESEA?

Answer: 100.

What is the ADA in your school district grades K–12?

Answer: 1,450.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $14,000, 1969 $16,000. 1970 $7,000.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $6,000, 1971 $6,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Answer: Yes.

Comment: I object to the trend which necessitates the funds being directed toward the "economically" deprived. We have many "educationally" deprived that are not necessarily "economically" deprived.

RESPONSE OF DR. HEBERT ARMSTRONG, SUPERINTENDENT, FOREST GROVE PUBLIC SCHOOLS, FOREST GROVE, OREG., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 200.

What is the ADA in your school district grades K–12?

Answer: 3,500.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $67,000 estimated, 1969 $69,517, 1970 $68,046.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $8,500, 1971 $17,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Funds presently allocated and with moderate increases can be used effectively by the local districts if projects stay

within areas of sound educational practices. Projects should supplement basic educational practices of the district for disadvantaged children. If this is done, dollars can be stretched as less funds will be siphoned off for purposes of administration, training of staff, equipment and supplies.

RESPONSE OF MR. EDWARD A. CONLEY, CAMBRIDGE, MASS., MIDDLESEX COUNTY; CAMBRIDGE SCHOOL DEPARTMENT, CAMBRIDGE, MASS., JANUARY 26, 1971

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer. 894 children.

What is the ADA in your school district grades K–12?

Answer: Ending June 30, 1969: elementary, 6,727.26; high school, 12,387.49; for a total of 19,114.75.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $462,085, 1969 $403,693, 1970 $356,886.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970, adequate; 1971, 10 percent additional to allow for increases in cost of operation.

In your judgement, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: In our particular circumstance and community, Title I has been most advantageous to disadvantaged children.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes, our recently devised objective criteria shows a decided growth in pupil achievement.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Year to year funding makes programming very difficult. If funding were for longer terms programming would be easier.

RESPONSE OF WILLIAM H. OHRENBERGER, SUPERINTENDENT, CITY OF BOSTON, BOSTON, MASS., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 19,927 (includes eligible private schools).

What is the ADA in your school district grades K–12?

Answer: 86,271.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $4,613,141, 1969 $4,244,090, 1970 $3,948,753.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $1,500,000, 1971 $6,000,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, they allow for the employment of parent-aides resulting in the development of a closer tie-in between the school and the family; provide opportunities to conduct experimental programs wherein special curricula are developed for these children, and many specialized services.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Experimental programs appear to be effective in meeting special needs. However, with a higher level of funding we could concentrate multiple services and varied curricular approaches on the target population.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Increased funding would make present services more comprehensive and allow additional *eligible children* to participate. Title I Programs in the City of Boston operate only in those school districts showing the highest concentration of eligible children, determined as a result of a survey conducted in cooperation with the welfare department.

RESPONSE OF MRS. ESTHER S. OWEN, AKRON CITY SCHOOL DISTRICT, AKRON, OHIO, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 3,681 (2,111 in 1969–1970 plus 1,570 in summer 1969).

What is the ADA in your school district grades K–12?

Answer: 52,118.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $1,073,340.59, 1969 $1,039,-115.10, 1970 $908,233.74 to date.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $500,000, 1971 $900,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, the programs meet a real need and it would be impossible to operate them since local funds are not available.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes. They have been designed for the particular needs and our evaluation indicates that it has made a difference for the children involved.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Our Title I funds have all been directed toward reaching the disadvantaged. Since the amount of our funds has decreased annually since 1966 and since salaries and costs of materials have increased since 1966, it has been necessary to curtail needed Title I programs in our schools. We could utilize additional funds to continue present programs and to add new ones designed to meet specific needs.

RESPONSE OF S. ARCH THOMPSON, SUPERINTENDENT, MCALESTER PUBLIC SCHOOLS, MCALESTER, OKLA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 1,700.

What is the ADA in your school district grades K–12?

Answer: 40 percent.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $185,464, 1969 $164,316, 1970 $148,564.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $100,000 (if some could be used to provide facilities), 1971 $50,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes, or fully funded impact aid.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Title I funds have helped. Lack of understanding on the part of Title I field supervisors have handicapped most effective use.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: In a district as poor as ours—with $450 per student expenditure when all available local, state, and Federal sources are fully used—we desperately need additional resources to provide an adequate educational program.

RESPONSE OF L. M. WATTS, DIVISION SUPERINTENDENT, FAIRFAX COUNTY PUBLIC SCHOOLS, FAIRFAX, VA., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 1,030 pupils at primary levels K–3; 100 Intermediate pupils, levels 7 and 8.

What is the ADA in your school district grades K–12?

Answer: 1969–70 estimated ADA is 122,774.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $413,803, 1969 $354,842, 1970 $306,038.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $353,902, 1971 estimates diminish for ½ year at rate of $105,500; 1971, $459,402.

Estimated needs, 1971:

Current Step-Up-Language Arts grades K–3	$306,038
Additional teachers, 18	174,060
Additional aides, 10	30,889
Supplies	4,200
Three Bailey's Components grades 1–6	155,253
Summer programs for intermediate and secondary	95,000
Total	765,440
Less current appropriation (1969–70)	306,030
Additional need	459,410

NOTE.—The increase requested would not provide service for pupils outside the target areas of the school division. Affluent school populations contain 1½ per cent educationally deprived pupils.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes. Evidence shows that pupils in Title I programs have achieved at a greater rate than similar pupils who did not receive the service in grades 1–3. Secondary school pupils, returning from a Title I summer program in English and social studies attained better marks than previously in similar subjects.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Title I service should be made available to all pupils with special educational needs from schools with an above average incidence of the educationally deprived.

In Fairfax Title I funds have been available for service to only a part of Title I eligibles.

Specific services were provided only to the educationally disadvantaged.

RESPONSE OF DR. ALBERT PARROTT, KERN COUNTY, BAKERSFIELD, CALIF., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 366 (12-district Cooperative, coordinated by Kern County Superintendent of Schools).

What is the ADA in your school district grades K–12?

Answer: 13,389.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968, not applicable; 1969, not applicable; 1970, $100,566.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970, approximately $15,000, including "in-kind" expenditures; 1971, not applicable (since the Cooperative has a "life" of one year).

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Present Title I programs are a start in the necessary direction, but they are far from adequate.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: If funding is adequate (increased substantially), districts will be willing to accept guidelines that will insure effective programs and provide appropriate evaluation. Many districts feel at present that too much direction is provided for too little funding. Some won't even bother because of the procedures necessary for obtaining $300 per child in compensatory education.

RESPONSE OF CURTIS BRADSHAW, SUPERINTENDENT, VERNON PARISH SCHOOLS, LEESVILLE, LA., JANUARY 26, 1970

How many children in your district are benefiting from education programs funded under Title I of ESEA?

Answer: 1,110.

What is the ADA in your school district grades K–12?

Answer: 7,660.2.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $302,833.21, 1968 $249,955.73, 1970 $205,778.

What additional funds, if any could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $50,000, 1971 $100,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Yes.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: None.

RESPONSE OF MILLARD Z. POND, SUPERINTENDENT, AND AUBREY C. TRIMBLE, COORDINATOR OF FEDERAL PROGRAMS, EUGENE SCHOOL DISTRICT NO. 4J, EUGENE, OREG., JANUARY 26, 1970

How many children in your district are benefiting from education programs funded under Title I of ESEA?

Answer: 432.

What is the ADA in your school district grades K–12?

Answer: 21,542.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $182,931, 1969 $170,333, 1970 $153,282.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $25,000, 1971 $150,000—if appropriated in time to adequately plan and staff the programs.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Yes. This is the only way in which we are financially able to meet these special needs.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Evaluations and research that we have conducted have proven to us that the programs are effective.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: In our district the money is reaching the disadvantaged as outlined in the Title I Guidelines. We can effectively utilize some extra funds this year even at this late date. We can effectively utilize much more next year if assured of funding in time to plan programs and secure staff before school opens in September.

RESPONSE OF CONRAD L. HOOPER, RALEIGH PUBLIC SCHOOLS, RALEIGH, N.C., JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 3,013.

What is the ADA in your school district grades K–12?

Answer: 24,461.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $447,812, 1969 $395,631.36, 1970 $353,839.10.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $50,000, 1971 $200,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Title I funds are not only needed but they are imperative for the special needs of educationally disadvantaged children.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Our Title I programs are effective; however, we do not have enough funds to give the in depth compensatory educational service that these youngsters require.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: As I have indicated, I believe we need more money not less for our disadvantaged youngsters. I cannot speak for other units; however, I know that in Raleigh the funds are being appropriately used.

RESPONSE OF SPARTOCO DIBIASIO, SUPERINTENDENT OF SCHOOLS, EUCLID, OHIO, JANUARY 26, 1970

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 324.

What is the ADA in your school district grades K–12?

Answer: 11,249.25.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $35,642.70, 1969 $35,633.54, 1970 $30,462.13.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $6,000; 1971 at least a total of $36,000.

In your judgment, do you believe that the Title I programs are needed to meet the

special needs of educationally disadvantaged children?

Answer: Definitely.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Definitely.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Euclid is a lower-middle income community of approximately 82,000. We have three elementary schools that qualify for Title I aid. Our program has always helped children from kindergarten through grade two. The results of this program are difficult to measure. I do know that in talking to parents, teachers and teacher aides who are actively involved with some aspects of Title I, they all feel that the children benefit from the extra attention Title I gives.

I have read the Opportunity Research Project Report and it seems to me that most of the fault lies with mis-administration of the funds either at the state or local level. There is generally very little provision for supervision of federal programs, mostly because the state educational aid agencies do not have the personnel to supervise the programs closely.

I notice in one instance that Title I was criticized because the community action agency had not participated in the program. If the community action agency does not have a program in that particular city, why should they actively plan a program. As it is, we have planned our own program to meet our own needs, taken this program to the CAA and they have made suggestions and approved the project. If Title I is cut, who is to help these children? Historically the cities and states have never had any projects for these children specifically. In Ohio we are quite concerned with keeping our classroom doors open. I feel very strongly that we need help from the federal government to maintain the kind of education we offer children now and to do some things entirely different that we have never done before, thus enabling us to help a greater percentage of the children and young adults in this country.

RESPONSE OF MAXINE KEMPF, READING CONSULTANT, NO. 47, CRYSTAL LAKE, ILL., JANUARY 26, 1970

Reckless charges are being made that Title I ESEA funds are being misdirected or wasted or are not effective in accomplishing the purposes for which they are provided. It would be appreciated if the following questions could be responded to as briefly and as quickly as possible to facilitate their current use and analysis.

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 50.

What is the ADA in your school district grades K–12?

Answer: 78, ours is a K–8 district.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1969 $10,218.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 and 1971 we have no provision in our budget; at the present time. Neither do the parochial schools.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Very specifically. Children with a disadvantage in socio-economic background often need and profit from help in reading.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: It is regarded by our community, school and state director as one of the most effective in his region.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more ffectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: I find the Title I program is one of the most carefully audited and soundly directed in our system.

RESPONSE OF DR. GEORGE E. MEMBRINO, SUPERINTENDENT OF SCHOOLS, CHICOPEE PUBLIC SCHOOLS, CHICOPEE, MASS., JANUARY 26, 1970

Reckless charges are being made that Title I ESEA funds are being misdirected or wasted or are not effective in accomplishing the purposes for which they are provided. It would be appreciated if the following questions could be responded to as briefly and as quickly as possible to facilitate their current use and analysis.

How many children in your district are benefitting from education programs funded under Title I of ESEA?

Answer: 1,864.

What is the ADA in your school district grades K–12?

Answer: 12,082.

What was the amount of your ESEA Title I grant in each of the following fiscal years?

Answer: 1968 $104,230, 1969 $105,407, 1970 $95,994.

What additional funds, if any, could you effectively apply to your Title I programs in fiscal year 1970 over and above the present level of funding? In fiscal year 1971?

Answer: 1970 $5,500, 1971 $10,000.

In your judgment, do you believe that the Title I programs are needed to meet the special needs of educationally disadvantaged children?

Answer: Local budgets are not ample enough to provide these needs.

Do you regard your present Title I programs as effective in meeting special education needs of educationally disadvantaged children?

Answer: Educationally disadvantaged children need a great deal of individualized instruction. Opportunities to innovate and be creative are resultant because of Title I funds.

Recent hearings in Washington disclosed that inadequate funding was the greatest obstacle in the path of more effectively reaching the disadvantaged. Others now contend that we cannot effectively utilize extra funds contained in the HEW Appropriation Bill because the funds are being misdirected and are not reaching the disadvantaged contemplated under Title I ESEA. Your brief comments on these contentions would be appreciated.

Comment: Title I has enabled this school district to initiate new programs that we have then in turn provided all students in the district.

WESTERN MICHIGAN UNIVERSITY,
Kalamazoo, Mich., January 22, 1970.

Hon. CARL PERKINS,
Chairman, House Committee on Education and Labor, House Office Building, Washington, D.C.

DEAR REPRESENTATIVE PERKINS: Since it appears at this time that President Nixon will veto the recently passed DHEW Appropriations Bill, we are writing to inform you how important and vital this bill is to the students at Western Michigan University.

We are particularly concerned about the appropriations for the College Work-Study and the National Defense Student Loan Programs. Although much of the harm resulting from the present funding of the latter at $155 million cannot now be undone, yet the higher funding contained in this bill will be extremely important to us at this university (and I am sure at most schools) in regard to the following:

1. Loans made for the Winter Term exceed our resources by $75,000.

2. Our institution is on a trimester system. As NDSL funding presently stands we will be unable to assist any applicants for aid for this period which begins April 26. Last year for the same period we made loans totaling over $106,000 to 362 students; if funds had been available we could have loaned over $150,000 to approximately 500 students. Our need is no less this year; in fact, it is greater since each year the number of students in grave financial need increases.

We urge you to do all in your power to persuade your colleagues in the House to override the President's action in the event he vetoes this bill.

Yours sincerely,
EDWARD W. HARKENRIDER, Ph. D.,
Director of Student Financial Aid.

WICHITA STATE UNIVERSITY,
Wichita, Kans., January 21, 1970.

Hon. CARL D. PERKINS,
Chairman, House Education and Labor Committee, House Office Building, Washington, D.C.

DEAR SIR: This is to request your support in behalf of H.R. 13111. It is my understanding that this bill is before President Nixon for his action now, and I certainly want to express concern regarding the passing of this legislation.

In Wichita, we have launched upon a spirited effort and committed ourselves to assist needy students so that they may continue as well as enter into higher education. The financial assistance available is not meeting the need as we have had to refuse aid to 600 students because of a lack of funds. Others have had to be placed into a position of living with less than desirable minimum aid.

Our plea is that you will listen to these problems as they relate to our young people. If an effort can be made to override a veto (which we hear is inevitable) because of the necessity to place a priority on education as against certain other programs, I would like to go on record in support of overriding the veto.

Not only do I speak of our own institution, but in behalf of the other institutions of higher education in Kansas. As President of the Kansas Association of Student Financial Aid Administrators, I have a broad knowledge and interest in these programs being funded for the benefit of students throughout our State.

Thank you for doing everything possible to carry our message.

Respectfully yours,
PAUL G. CHRISMAN,
Director, Financial Aids.

UNIVERSITY OF MISSOURI,
Columbia, Mo., January 22, 1970.

Mr. CARL D. PERKINS, *Chairman,*
House Committee on Education and Labor, Washington, D.C.

DEAR Mr. PERKINS: On behalf of the Student Financial Aid workers at the colleges and universities across the country, I want to express our appreciation for the consistant legislative support for education from you and your committee. Year after year the fiscal authorizations in the financial aid legislation sponsored by your committee have been set at a level to promote strong, consistant, and dependable programs. The fact that these authorizations have been very close to the amount suggested by the combined requests of the educational institutions is testimony to the wisdom of your decisions.

Insufficient and variable appropriations have resulted in much less effective educational aid than Congress had intended.

At my own institution, the University of Missouri—Columbia, the National Defense Student Loan funds thus far for 69–70 are $139,000 less than for the previous year.

Our enrollment increased by approximately 1,000 students.

Our fees increased 25 per cent.

Our banks have helped with guaranteed loans, but the total need has not been met.

Out of a student body of 21,000, we have helped over 4,000 but today we have over 400 additional worthy students in need of approximately $150,000 in student loans which we do not have available for the second semester.

We are still hoping for additional National Defense Loan funds.

We are making every effort to get all the support possible behind your efforts to get educational programs funded at the level of the Congressional authorization.

Sincerely,

ALLAN W. PURDY,
Committee on State and Federal Programs for the National Student Financial Aid Council.

MICHIGAN STATE UNIVERSITY,
East Lansing, Mich., January 22, 1970.

Hon. CARL D. PERKINS,
Chairman, Committee on Education and Labor, House of Representatives, Washington, D.C.

DEAR SIR: It has come to my attention there is a strong probability that the President will veto the Health, Education, and Welfare Department budget. As the Director of Financial Aid at Michigan State University, I appeal to you to do whatever is possible to override this veto.

It has been necessary to deny National Defense Student Loans to approximately 1,500 qualified, needy students. Normally, we would anticipate another 1,000 to 1,500 applications for aid covering the spring and summer quarters. We will, of course, not be able to meet this demand unless additional National Defense Student Loan money is forthcoming.

I would like to say that, as a financial aid officer, I very much appreciate the support that you have shown for student financial aid programs and the efforts on behalf of these programs that you have put forth.

Sincerely yours,

HENRY C. DYKEMA,
Director, Office of Financial Aids.

ANDERSON COLLEGE,
Anderson, Ind., January 23, 1970.

Hon. CARL D. PERKINS,
Chairman, House Committee for Education and Labor, House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE PERKINS: This letter is written in support of appropriations bill (HR 13111) which we understand has been approved by the House of Representatives but will likely to be vetoed by President Nixon. We who assist students with their financial planning for college know the extreme pressures now felt by some students because of inadequate financial aid funds. At a time when college costs are rising and enrollment is increasing, we are having considerable difficulty in meeting the needs of academically qualified and financially needy students. Semester II, 1969–70, which begins January 29 on our campus, will begin without several students who were eligible to return but could not find financial aid resources to meet the educational expenses. The consequences of this necessary interruption of the college experience will be extremely serious for some of these who drop out.

We hope that you and other members of the House of Representatives will give serious and favorable consideration to this legislation which affects the lives of several of our students.

Sincerely,

H. L. BAKER,
Director of Financial Aid and Secretary-Treasurer, Indiana Student Financial Aid Association.

WEST VIRGINIA UNIVERSITY,
Morgantown, W. Va., January 21, 1970.

Hon. CARL D. PERKINS,
Chairman, Committee on Education and Labor, House Office Building, Washington, D.C.

DEAR CONGRESSMAN PERKINS: I am writing to request your support in the anticipated vote to override the President's veto of HEW Appropriations Conference Report.

Specifically, we have 213 *qualified* National Defense Loan applicants for the second semester of this current year who were not offered loan funds. Our summer school loan program will be drastically reduced if additional funds are not provided for the current year.

Federally Insured Loans are not readily available in West Virginia. The program is in a transition from guarantee by the Federal Government to a state agency, and many bankers are withholding action on loans at this time.

Any support you can provide is needed and will be greatly appreciated.

Sincerely,

NEIL E. BOLYARD,
Director of Financial Aids.

UNIVERSITY OF WYOMING,
Laramie, Wyo., January 20, 1970.

Hon. CARL D. PERKINS,
Chairman, Committee on Education and Labor, House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE PERKINS: I have just learned that the Senate has approved the HEW appropriations bill for fiscal '70; and if I have been reading the news correctly, there is a strong possibility of a presidential veto. My purpose in writing is to acquaint you with our situation at the University of Wyoming and to enclose newspaper clippings describing the situation in the Rocky Mountain Region.

At the time of our application deadline last spring, we had on file applications from students with documented need of $2,443,104. Federal student financial aid grants from the several programs in which we participate plus the University's matching funds for the current fiscal year totaled $798,810, leaving an unmet need of $1,644,294. To state the situation in another way, our Federal grants and required institutional contributions provided assistance for only 33 per cent of documented need of on-time applicants. Since that time, we have received late applications from over 1,000 students. While a number of students whose needs we were unable to meet managed one way or another to enroll, they did so by borrowing at high interest rates and oftentimes in amounts in excess of the dictates of good judgment.

According to the attached clipping from the Denver Post, John O'Connor, Program Officer for Region VIII, estimates that nearly 30,000 students were kept out of school in the five-state area making up the Region.

I am sure that you are appreciative of the frustration and uncertainty that have prevailed among needy students seeking assistance during the current year. Our spring semester registration is scheduled for January 29 and 30. As of this writing, we are unable to make commitments to many students who have been hoping that an appropriation in excess of the President's budgetary request would provide funds for their expenses during the upcoming semester. In other words, we desperately need some firm basis on which to make decisions about the extent of aid which we will have available for the remainder of the current fiscal year.

Needless to say, as a financial aid officer and a University faculty member, I am deeply appreciative of the valiant efforts which you and your Committee have made to secure forward funding for student financial aid programs.

Cordially yours,

O. R. HENDRIX,
Director, Student Financial Aids.

INDIANA UNIVERSITY, OFFICE OF SCHOLARSHIPS AND FINANCIAL AIDS,
Bloomington, Ind., January 21, 1970.

Hon. CARL PERKINS,
Chairman, Committee on Education and Labor, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN PERKINS: The cutbacks and underfunding of the National Defense Student Loan Program and the Educational Opportunity Grant Program have had serious consequences for the students attending Indiana University. Last spring it was necessary for the University to raise its fees 67% with the result that the fact of increasing college costs and rising expectations on the part of young people, severe strains have been placed on the financial aid program of the University.

As you know, the National Defense Student Loan Program has been in existence now for over a decade and has proven its worth in providing assistance to deserving students. Also, the Educational Opportunity Grant Program, though relatively new, has shown its ability to provide for students from low income situations an opportunity to obtain a higher education. The National Defense and EOG Programs are vital parts of the total financial aid picture and without sufficient funding many students will not be able to attend college and many programs designed for the disadvantaged will be by the boards.

I urge you and your colleagues to provide sufficient funds for these programs.

Sincerely yours,

EDSON W. SAMPLE.

BISMARCK JUNIOR COLLEGE,
Bismarck, N. Dak., January 22, 1970.

Hon. CARL PERKINS,
Chairman, House Education and Labor Committee, House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE PERKINS: As Financial Aids Officer of Bismarck Junior College, Bismarck, North Dakota, I am deeply concerned about the possibility of a presidential veto of the current Health, Education and Welfare Appropriations Bill.

Since this appropriations bill will effect funding for the various Financial Aids Programs, I am very much opposed to a veto of this bill by the President and urge that you continue to exert the necessary influence to gain the final passage of this appropriation.

Sincerely yours,

H. R. SCHIMMELPFENNIG,
Assistant to President.

MANKATO STATE COLLEGE,
OFFICE OF STUDENT FINANCIAL AIDS,
Mankato, Minn., January 21, 1970.

Hon. CARL PERKINS,
Chairman, Education and Labor Committee, House of Representatives, Washington, D.C.

DEAR SIR: I am writing to you, both in my capacity of Director of Student Financial Aids at Mankato State College and as President of the Minnesota Association of Financial Aid Administrators, regarding the expected Presidential veto of the 1970 Health, Education and Welfare Appropriations Bill (HR 13111).

At Mankato State College and in the other colleges and universities in the State of Minnesota, we are experiencing a critical shortage of student financial aid funds. All institutions have large numbers of eligible students whom they have been unable to assist because of insufficient funding of the National Defense Student Loan Program.

A large number of these students have been referred to the Guaranteed Student Loan but, because of the current monetary problems, many institutions are not cooperating in this program, and these students face extreme financial difficulties if additional student financial aid appropriations are not passed.

I urge you to vote to override President Nixon's veto when this matter comes up for Congressional action. Despite the present financial problems confronting the nation, we cannot afford to cut back in the vital area of Education; nor can we afford to insufficiently fund the Health and Welfare areas.

I trust that you will see the seriousness of this issue and work to override the veto. Your assistance will be greatly appreciated by the needy students attending our institutions of higher education and by the institutions themselves.

Yours truly,

ROBERT J. MATUSKA,
Director.

NORTHWESTERN MICHIGAN COLLEGE,
Traverse City, Mich., January 22, 1970.

Hon. CARL PERKINS,
Chairman, Education and Labor Committee, House of Representatives, Washington, D.C.

DEAR SIR: Because the National Student Loan Program is the most vital part of our financial aid program, it is my hope that the House of Representatives will make every effort to see that it is fully funded.

If loan funds are curtailed, many qualified students will be unable to continue on in higher education.

Very truly yours,

WILLIAM SKINNER,
Director of Financial Aids.

INDIANA STATE UNIVERSITY,
Terre Haute, Ind., January 22, 1970.

Hon. CARL PERKINS,
Chairman, Committee for Education and Labor, House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE PERKINS: I am appealing to you as Chairman of the Education Committee on behalf of the Indiana Financial Aid Association, which consists of fifty-two college and university members who issue financial aid to students in Indiana, to support the current bill which will provide Federal funding for the following three Student Financial Aid Programs: the National Defense Student Loan Program, the Educational Opportunity Grant Program, and the College Work-Study Program.

As you know, these prorgams have been the chief financial source our institutions have had to supplement the student financial aid which is needed to support higher education. All of the educational institutions have worked in the past five years developing and identifying needy, worthy students so we can encourage them to continue on with their education. These programs need to be expanded each year as we are encouraging more participants from low income families to start their quest for higher education. If Congress does not support these programs, then we are defaulting not only on students who have not started but also on those currently enrolled.

We shall appreciate any assistance that you and your Committee can give to the continued support of the Student Financial Aid Programs administered by the Office of Student Financial Aids through the Department of Health, Education, and Welfare.

Very truly yours,

MARK H. WILLIAMS,
President, Indiana Students Financial Aid Association.

MARY COLLEGE,
Bismarck, N. Dak., January 22, 1970.

Hon. CARL PERKINS,
Chairman, House Education and Labor Committee, House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE PERKINS: We in North Dakota are vitally concerned that the Federal Aid to Education program be continued. Therefore, we are particularly concerned that the present Health, Education and Welfare appropriations bill will not receive the President's veto.

Unless we can rely on the federal aid programs, many of our young people will be denied a college education. Your support of the appropriations bill will be greatly appreciated.

Sister MIRIAM SCHMITT, O.S.B.,
Business Manager.

BLOOMINGTON, MINN.,
January 21, 1970.

Hon. CARL D. PERKINS,
Chairman, House Education and Labor Committee, House of Representatives, Washington, D.C.

DEAR MR. PERKINS: I urge you to do all you possibly can to insure passage of the health and education appropriations bill that President Nixon has threatened to veto as inflationary.

Actual allocations and appropriations for the federally funded programs have been less than requested in the past. It now appears that a veto by the President would result in even less money for many of these extreme worth while programs. I am particularly concerned about the College Work-Study Program, National Defense Student Loans and Educational Opportunity Grants. My interest is that of a student financial aids officer at Normandale State Junior College. My colleagues in other junior colleges in this area share a similar concern.

Thank you for your efforts on behalf of the needs of many worthy students.

Yours very truly,

GARY P. NESS.

JAMESTOWN COLLEGE,
Jamestown, N. Dak., January 23, 1970.

Hon. CARL D. PERKINS,
Chairman, House Education and Labor Committee, House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE PERKINS: As a student financial aid officer of a private college in North Dakota, I am seriously concerned about the impending presidential veto of the Health, Education, and Welfare appropriations bill. In my considered opinion, it would be clearly a case of misplaced priorities should the bill be vetoed on inflation grounds alone.

The Health, Education, and Welfare bill provides an excellent opportunity for the United States to evaluate its position and redirect its course in domestic issues. I believe that the provisions of the Health, Education and Welfare bill give us an excellent opportunity to satisfy the public outcry to clean up our own back yard.

Therefore, should the President exercise his prerogative and veto the HEW bill, I urge you to do everything within your power to see that the veto is overridden and is passed by the Congress as surely as it was initially.

Sincerely,

CLARK J. WOLD,
Student Aid Officer.

SACRED HEART COLLEGE,
Wichita, Kans., January 21, 1970.

Hon. CARL D. PERKINS,
Chairman, House Education and Labor Committee, Washington, D.C.

MY DEAR MR. PERKINS: The Kansas Association of Student Financial Aid Administrators is composed of representatives from some fifty States, Municipal and Private Colleges, Public Community Junior Colleges and Two Year Colleges in the State of Kansas.

We, as individual administrators for our own institutions and collectively as an organization, are vitally concerned with the outcome of the appropriations bill H.R. No. 13111.

In the past we have had to refuse financial assistance to qualified student applicants due to limited funds. We have made commitments to current students in need of continued assistance as well as new applicants for the 1970–1971 academic year.

Should this bill be vetoed we appeal to you to exert every possible effort to override the veto.

We feel confident you too are concerned with the continued higher education of our youth and will support this issue.

Sincerely yours,

KANSAS ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS,
Mrs. BETTY HUNT, *Secretary.*

UNIVERSITY OF NEBRASKA,
Omaha, Nebr., January 22, 1970.

Hon. CARL PERKINS,
Chairman, Committee on Education and Labor, House Office Building, Washington, D.C.

DEAR MR. PERKINS: To insure adequate funding of undergraduate student financial aid programs for students who demonstrate need at the University of Nebraska at Omaha, it is our belief that there is an urgent need for the $19.7 billion compromise bill worked out by the House-Senate to be passed and signed by President Nixon. I believe we can safely assume that all institutions of higher learning in the state of Nebraska will experience a lack of funds for their students who demonstrate financial need if this bill is not passed; therefore, many qualified students will be deprived of continuing their higher education. Presently, we are just beginning to make some noticeable progress with the economically and culturally deprived individual in our state. To have funds held at the same level or possibly decreased would impair a state-wide program that has actually just begun to function and show signs of profit in the future.

We sincerely urge you and your colleagues to take a close look at this bill. We hope your conclusion will be to pass the bill no matter what the road blocks may be so our youngsters of today will have a better tomorrow through higher education. This can only become a reality through your wisdom and appreciation of education.

Thank you for your undivided consideration of this subject.

Cordially yours,

DON RODDY,
Assistant Director of Financial Aid and President Elect of the Nebraska Associaiton of Student Financial Aid Administrators.

UNIVERSITY OF MINNESOTA,
Minneapolis, Minn., January 22, 1970.

Hon. CARL PERKINS,
Chairman, House Education and Labor Committee, Rayburn House Office Building, Washington, D.C.

DEAR REPRESENTATIVE PERKINS: We are sending this letter to you to indicate that we strongly believe that the appropriations bill for the Department of Health, Education, and Welfare currently being considered by President Nixon should be passed.

We understand that President Nixon is considering vetoing the bill. From our point of view this would be very detrimental here at the University of Minnesota. We find that we are very much in need of the additional National Defense Student Loan appropriation that would be made available as one part of the bill. Since our National Defense Student Loan appropriation was reduced by approximately 30 percent over the previous year's award, we have not been able to fund as many students as we did last year. In fact, 800 fewer students are receiving National Defense Loans this year than did last year. In order to make up this deficit, the Regents of the University of Minnesota had to allocate special funds for student loans out of their emergency reserves. We will need the money not only to reimburse the Regents' Emergency Reserve but also to fund students who will be attending our summer quarter. If we do not receive this additional appropriation, we fear that we will not be able to make loans to any summer quarter students.

In brief, we have a great need for the additional funds and would definitely back all efforts to insure passage of the bill.

Sincerely yours,

SAMUEL R. LEWIS,
Assistant Director.

MARSHALL UNIVERSITY,
Huntington, W. Va., January 21, 1970.

Hon. CARL PERKINS,
Chairman, Committee on Education and Labor, House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE PERKINS: It has come to my attention that the House of Representatives will soon be considering an aid to higher education bill which will include money to operate student aid programs for the second semester of the present school year. Since my students come from the same geographic region which you represent in Congress, I am sure that you are aware of the tremendous financial need of our Appalachian youth.

This year I received a substantial cut in all my federal programs, and concurrently, I had a record number of students applying for student financial assistance. The National Defense Student Loan Program, the cornerstone of student financial aid, has received a particularly disturbing reduction in funds. I have even had to go so far as to loan my administrative expense money for the present year in order to attempt to keep some of our students in college.

Anything that you could do to help us in getting an increase in funds in the National Defense Student Loan Program and the other federal programs would be greatly appreciated by me and by the many thousands of students who depend upon federal funds in order to go to the college of their choice.

Sincerely yours,

FRANK H. JULIAN,
Director of Student Financial Assistance.

CASE WESTERN RESERVE UNIVERSITY,
Cleveland, Ohio, January 22, 1970.

Hon. CARL PERKINS,
Chairman, Education and Labor Committee, House Office Building, Washington, D.C.

DEAR MR. PERKINS: Case Western Reserve University is in need of the funds which would be made available for higher education in the Health, Education and Welfare appropriations bill just passed by the Senate. I urge that all efforts be exerted to override the President's veto, should it be imposed.

Additional funds are needed in the National Defense Student Loan program in order to meet the needs of students who have no other source of borrowing. In addition, without more funds from NDSL we will be forced to dip into University loan funds reserved for next year, thus reducing our ability to assist students in the future. The direct effect of reductions in the NDSL program is to reduce enrollments in private institutions of higher education.

Moreover, we have been forced to reduce loans to economically disadvantaged students, without offering alternative funds. At the urging of the federal government, this institution has increased the enrollment of economically disadvantaged students only to find the sources of funds for maintaining the college program of those students threatened by federal funding cut backs.

Your support is needed.

Sincerely yours,

NYLES C. AYERS,
Director of Financial Aid.

MOORHEAD STATE COLLEGE,
FINANCIAL AID OFFICE,
Moorhead, Minn., January 23, 1970.

Hon. CARL PERKINS,
Chairman, Education and Labor Committee, Washington, D.C.

SIR: We are very concerned that additional National Defense Student Loan funds are made available as provided by the appropriation passed by the House and Senate for the Department of Health, Education, and Welfare for fiscal 1970. This appropriation awaits the signature of President Nixon. He has given some indications that he will veto the measure.

In the event President Nixon vetos the fiscal 1970 HEW appropriation approved by the Congress, I, on behalf of the needy students at Moorhead State College, urgently request that you enlist the support of your congressional colleagues to override that veto.

At least 150 students at Moorhead State College will be critically short of necessary spring quarter 1970 financing if additional Defense Loan money is not made available as has been provided by the fiscal 1970 HEW appropriation passed by the Congress.

Your attention to this important matter is sincerely appreciated.

Sincerely,

DAVID H. ANDERSON,
Financial Aid Officer.

EXCERPTS FROM STATE TITLE I EVALUATION REPORTS

CONNECTICUT

More than half of the Title I program evaluations reporting standardized test results indicated exceptional gains for children in the programs.

Reading achievement

1. Standardized reading test results for 5,219 children who received Title I services showed a *reading rate of gain per year of 1.1 years* based on national normative data.

2. Standardized readiness test results for 650 children of preschool and other readiness programs indicate normal or better than normal progress in 10 of 11 Title I programs for which test results were reported.

Attendance

During school year 1968–69 the attendance of Title I children (N=approximately 27,000) has increased over the previous year from 87.75% to 89.75% while comparison group attendance (N=approximately 300,000) has decreased over the same period from 91.41% in 1967–68 to 90.58% in 1968–69. The attendance rate for all Connecticut public school youth from 1961 to 1968 has ranged between 93.30% and 92.80%.

Grade promotion

Grade promotion rates for Title I children (N=23,600 in 1968–69) spans over a four year period. It changed yearly starting in 1965–66 from 92.53% to 92.82% to 98.80% to 93.67%. Comparison group data (N=345,000 in 1968–69) are available for only the last two years . . . 96.45% in 1967–68, and 96.77% in 1968–69. The promotion rate for all Connecticut public school youth in 1966–67 was 96.28%.

Dropout rates

School dropout rates of Title I youth in grades 7 through 12 (N=4,410) increased from 3.56% in 1967–68 to 4.40% in 1968–69. The increase was proportionate to an increase in dropout rate for the comparison group (N=80,774) which was 2.84% in 1967–68 and 3.71% in 1968–69.

Cost effectiveness

The per pupil expenditure for Title I programs must be a minimum of $300.

When program result are ranked according to the mean reading rate of gain per year, the better reading gains were made by children in higher per pupil cost programs. The upper 50% of the program results averaged $298 expenditure per pupil. Children making lesser reading gains (the lower 50% of the program results) were in Title I programs averaging $230 expenditure per pupil.

A more discriminating ranking is the ranking of program results according to the per pupil expenditure for Title I programs. Children from the higher cost Title I programs made the better mean reading rate of gain per year . . . 1.0 years. Children from the lower cost Title I programs made a mean reading rate of gain per year of 0.9 years.

Hence, these data support the statement that there is a positive correlation between effective Title I programs and the per pupil cost of programs. However, the correlation seems low.

MARYLAND

Behavioral changes

Baltimore, Calvert, Carroll, Dorchester, and Howard Counties provided specific quantitative data on behavioral changes. They noted exactly how many children improved, the degree to which they improved, and the areas where positive changes took place. The combined results of the inventories used by these local educational agencies indicate that of the 3,456 students administered the behavioral inventories, 1,067 or 31 percent experienced marked improvement in their attitude toward school and toward reading; and 1,639 or 48 percent of the students showed some improvement in their attitude toward self, teachers, peers, and parents, besides improving their attitude toward school and reading. However, 17 percent of the students exhibited a negative attitude toward school and reading.

Academic achievement

Objective Statewide evidence of the impact of Title I on reading achievement is best reflected by the score gains on selected standardized test data. Nineteen of the LEA's presented pre and postest results for children in grades 1 to 6 which showed positive growth in raw scores and/or grade equivalence scores for reading skills. Because test results were reported on raw scores and grade equivalence, no attempt was made to combine these to get Statewide results. However, a statistical examination of the pre and posttest variances seems to indicate that these results were statistically significant.

Reading skills

Baltimore City

During the Elementary Basic Skills Program, 338 fifth grade students were given the Stanford Reading Achievement test in September 1968 and again in June 1969. Statistical results were compiled for two of the subtests: paragraph meaning and word meaning.

From the summary of the results of these two subtests, the fifth grade group made an average gain in achievement of one year in the area of paragraph meaning and an average gain of eight months in word meaning. When the scores are reviewed individually, many students gained 11 to 14 months on the total score for paragraph meaning and word meaning together.

Caroline and Harford Counties

Caroline and Harford Counties reported that statistical tests of significance performed between pre and posttest results reflected statistically significant gains in reading for children in both grades 2 and 3. In Caroline County, the average gain for children in grade 2 was 9.0 raw score units; in Harford County, 10.6 raw score units. In Caroline County, the average gain for children in grade 3 was 13.5 raw score units; in Harford County, 6.1 raw score units. The total number of children tested in grade 2 for both counties was 159, and in grade 3, 118 students.

Baltimore, Calvert, and Kent Counties

Baltimore, Calvert, and Kent Counties had preschool programs which provided pre and posttest results. These results showed extensive positive reading readiness gains for preschool Title I children.

Mathematics skills

Calvert, Caroline, Harford, Washington, and Wicomico Counties administered standardized tests to Title I children in order to assess their growth in the area of arithmetic problem solving skills. Pre and posttest results from these instruments showed that mean score gains were made by children from all five local units in grades 2, 3, and 4.

Percentile ranges for each separate grade revealed that on the pretest 18 percent of the children in grade 2 fell below the 10th percentile and 46 percent scored above the 50th percentile for arithmetic skills. However, on the posttest, only 11 percent fell below the 10th percentile and 49 percent scored above the 50th percentile.

For grade 3, 17 percent of the children were achieving below the 10th percentile and 40 percent above the 50th of the pretest. At the posttest only 11 percent fell below the 10th percentile band and 38 percent were scoring above the 50th. Similarly, for grade 4, 21 percent of the children scored below the 10th percentile and 34 percent were achieving above the 50th on the pretest. At the posttesting, 17 percent were still below the 10th percentile but 36 percent were now above the 50th percentile. The total number of children for which test results were summarized was approximately 500 students in each of the three grade levels.

Thus it may be seen that a substantially smaller proportion of the children in grades 2, 3 and 4 were achieving in the lowest percentile band and that a larger proportion of the students in grades 2 and 4 were scoring above the 50th percentile at the conclusion of the Title I programs.

Cost effectiveness

Although cost effectiveness of Title I programs could not be reliably determined, it has been established that in most cases where per pupil expenditure exceeded substantially the average expenditure, the results of these pre and posttests showed significant gain among Title I children in achievement in language arts and arithmetic computation skills.

INDIANA

Reading achievement

On the basis of this sampling of statewide evidence we find the reading achievement levels of educationally deprived pupils has been one of improvement. In comparing Pre-test and Post-test scores all grades show improvement except 6th grade.

Pre-test figures indicate heavier numbers in Q1 (Q=quartile) as compared with Q2, Q3, and Q4. However, Post-test figures place fewer pupils in Q1, and an increased number in Q2, Q3, and Q4. On the basis of this batched data it is clear that improvement in reading skill was a product of Title I, ESEA programs state-wide.

	Pretest				Posttest			
Grade	Q-1	Q-2	Q-3	Q-4	Q-1	Q-2	Q-3	Q-4
K	74	105	95	62	22	62	147	105
1	240	172	169	202	170	208	177	228
2	516	376	201	148	293	377	241	330
3	399	418	91	55	301	462	131	69
4	1,033	603	289	99	849	654	326	195
5	916	510	285	213	870	507	306	241
6	898	503	193	178	912	454	255	151
7	93	37	17	11	83	40	19	16
8	57	12	5	1	54	10	10	1
9	907	341	74	12	737	464	111	22
10	32	8	----------		23	17	----------	
11	19	16	----------		13	20	2	------
12	17	15	6	8	9	15	9	13

Cost effectiveness

When expenses are higher as a result of comprehensive services joined with concentrated effort, a most positive program exists. Costs, elaborate in-service and structured programs seem to make operations more effective.

A great amount of correlation seems to exist when expenditures are provided for supportive services such as: health, dental, and medical care.

Costs increased for summer schools also are proving succesful. In summer schools great strides are not expected because of the time involved. However, strides are not lost by these pupils as a carry over from what was learned during the regular school year as indicated previously during the summer months.

Specific success stories

Kim, Grade III, advanced 3 months in Mathematics in 5 weeks. Jimmy, Grade V, advanced 1 year, 3 months in Mathematics in 5 weeks.

UTAH

Educational achievement

Table 1 presents the mean achievement scores earned by students in Title I and Non-Title I schools. Scores reported are derived from a standardized distribution, with a mean score of 50 and a standard deviation of 10. Two tests are reported, the average length of time between administrations was 24 months.

TABLE 1.—MEAN ACHIEVEMENT TEST SCORES

	Title I schools	Nontitle I schools
Test 1:		
Total score	52.08	51.50
Language	49.15	49.12
Math	50.47	50.39
Science	49.79	49.81
Social studies	49.56	49.40
Reading	49.97	49.87
Test 2:		
Total score	52.49	51.59
Language	51.17	50.95
Math	52.45	51.84
Science	48.97	49.11
Social studies	49.16	49.12
Reading	51.59	50.87
Average number of students tested	559.33	58.16

The data above indicate no significant differences between mean achievement scores for each group of students, although the students in Title I schools tended to earn average scores somewhat higher (+.27 score units) than students in Non-Title I schools with the exception of the Science score, where the students in Non-Title I schools earned a slightly higher mean score.

HAWAII

Comparison of Pretest Means, 1967–68 and 1968–69

The obtained ratios suggest that the mean performance of the 1968–69 Title I pupils was superior to that of the 1967–68 Title I sample on all of the subtests from kindergarten through grade 5, with the execption of a vocabulary subtest in grade 2 and the comprehension subtest in grades 4 and 5. Pre-test means for 1968–69 also were significantly higher than those for 1967–68 for all subtests in grades 8 through 12, with the exception of the vocabulary and comprehension tests in grade 8 and the vocabularly and "number correct" or accuracy subtests in grade 9. The differences between the pre-test means for 1967–68 and 1968–69 in grades 5–7 were not statistically significant.

These results may be interpreted in different ways depending upon assumptions one is willing to make. If the 1968–69 Title I pupils were, in many cases, the same pupils who participated in the 1967–68 Title I program then it might be said that significant gains had been made and maintained from one year to the next; that gains achieved in 1967–68 were maintained even after the summer vacation. (The data which might permit the assumption of similar composition of the 1967–68, and 1968–69 samples were not available for determination of the amount of overlap. Of course, in the necessary absence of control groups, it cannot be known if such gains as were shown were due to the Title I program or if they might have been achieved by similar pupils under the regular instructional programs.)

If one may make the assumption that the 1968–69 pupils were, to a major degree, different pupils than those who participated in the 1967–68 Title I activities (but this seems very unlikely), then the results may indicate that the 1968–69 Title I students were superior to their 1967–68 counterparts.

It seems most probable that the pupils would not be predominantly the same, nor that they would be an entirely new sample. Hence the correct interpretation may lie between the two interpretations just presented, probably somewhat closer to the first.

Analysis of gains over period of instruction by grade level kindergarten

In comparison with the national norm, the post-test mean score (end of year performance) of the Title I kindergarten sample in the State of Hawaii corresponds to the 35th percentile—which represents a "readiness" status of "C" or "average," described in the test Manual as "likely to succeed in first grade work. Careful study should be made of the specific strengths and weaknesses of pupils in this group and their instruction planned accordingly." (Manual, Metropolitan Readiness Test, 1966, p. 8) It appears therefore that there was a substantial gain made from pre-test to post-test at this level.

Grade I

At grade level 1 the mean difference (gain) between the pre-test and post-test total score was significant beyond the .001 level. In terms of the national norms, the mean raw score change represents an increase from the 45th percentile to the 69th percentile. The gains made on the seven subtests were all significant beyond the .001 level, with the exception of the gain on the listening subtest which was significant at the .05 level. The

greatest gains were made on the alphabet and the numbers subtests and the smallest gains were on the listening subtest. (No information is given in the *Manual* to interpret gains in terms of grade level.)

Grade II

At the second grade level, the pupils' gain scores on the Gates-MacGinitie Reading Test were all significant. However, compared to the gains of the national norm sample, the Title I second grade pupils advanced only .1 grade in vocabulary and .2 grade in comprehension during the five to six month period of instruction.

Grade III

Gains made by the Title I third grade pupils in both vocabulary and comprehension subtests were significant beyond the .001 level. In terms of grade equivalents, the pupils advanced .6 grade in vocabulary and .3 grade in comprehension. It should be recalled that the testing interval from pre-test to post-test was six months.

Grade IV

The pupils in grade 4 also made significant gains in both vocabulary and comprehension. In comparison with the national sample, however, the Title I pupils progressed only .4 grade in vocabulary and .5 grade in comprehension during the five to six month interval between pre-test and post-test.

Grade V

At the fifth grade level, the gains made by the Title I pupils in both vocabulary and comprehension were significant. In terms of grade equivalents, the progress made was only .3 grade in vocabulary and .5 grade in comprehension.

Grade VI

The grade 6 Title I pupils made significant gains in both vocabulary and comprehension. The gain score in vocabulary is equivalent to .3 grade and the gain score in comprehension is equivalent to .6 grade according to national norm standard.

Grade VII

The seventh grade Title I students made significant gains on three of the four subtests of the Gates-MacGinitie Reading Test. Significant gains were made on the number attempted (speed), number right (accuracy), and comprehension subtests. The gain on the vocabulary subtest failed to attain statistical significance. In terms of grade equivalents, the progress made in comprehension was .2 grade, in vocabulary .2 grade, in number right, .5 grade, and in number attempted .7 grade.

Grade VIII

Gains made by eighth grade students on three of the four subtests of the Gates-MacGinitie Reading Test were significant beyond the .01 level. The mean difference score on the vocabulary subtest was negatively significant at the .03 level—i.e., post-test performance in vocabulary was not as high as pre-test performance. The gain score on the number attempted subtest is equivalent to a progress of 1.2 grade; the gain score on the number right subtest is equivalent to a progress of .7 grade; the mean difference score on the vocabulary subtest is equivalent to a decrease of .2 grade.

Grade IX

Ninth grade students made significant gains on the number attempted (speed) and number right (accuracy) subtests but failed to make progress of statistical significance on the vocabulary and comprehension subtests. Gain on the number attempted subtest is equivalent to .9 grade and that on the number right subtest, to .7 grade.

Grade X

The tenth grade students also made significant progress only on the number attempted (speed) and number right (accuracy) subtests. They did not make any significant progress in vocabulary and comprehension as measured by the Gates-MacGinitie Reading Test. The gain score on the number attempted subtest is equivalent to an increase of 2.3 grades, whereas that on the number right subtest is equivalent to progress of 1.2 grades. This is impressive considering that the testing interval is only six months. But the failure to show reliable gains in vocabulary and comprehension should be given serious consideration.

Grade XI

At the eleventh grade level, the gain scores on the number attempted, number right and vocabulary subtests were significant beyond the .01 level. However, the mean difference score on the comprehension subtest was negatively significant at the .01 level, representing a decrease equivalent to .5 grade. On the number attempted subtest (speed) the gain score is equivalent to a progress of 2.3 grades; on the number right subtest (accuracy), the gain score is equivalent to an increase of 1.2 grades, and on the vocabulary subtest, the gain score is equivalent to an increase of only .4 grade.

Grade XII

Grade 12 students also failed to make progress in comprehension. In fact, they regressed .3 grade in the course of six months, i.e., they have .3 grade below their pre-test grade level. They did make significant gains on the number attempted (speed) subtest (0.1 level) and on the vocabulary subtest (0.5 level). They failed to make any significant gain on the number right (accuracy) subtest. The gain on the number attempted subtest is equivalent to a progress of 1.6 grades, but that on the vocabulary subtest is equivalent to progress of only .3 grade.

Summary

In general lower grade Title I pupils made significant progress in the interval of five to six months. Gains made in some areas of performance were substantially greater than in others. The magnitude of the gains also varied from grade to grade. Among the lower grades (K–6) the greatest gains were made by the kindergarten and first grade pupils. In the upper grades (7–12), the students made the greatest gains on the speed and accuracy subtests of the Gates-MacGinitie Reading Test. There were noteworthy regressions in performance on some subtests in the upper grades (which may be due to the testing situation in some cases). The decreases in upper grade performance from pre-test to post-test were frequently in reading comprehension and vocabulary—important skills for most kinds of future activity the students may engage in. In general, there were more significant gains than nonsignificant gains or regressions when the total program is considered. But as a whole, the Title I students did not progress as fast as the pupils whose scores contributed to the national norms. This may be understandable considering the possible deprived cultural and educational status of Title I students. However, there were cases of individual pupils whose gains made in six months exceeded those of the national norm.

NORTH CAROLINA

Reading achievement

The mean scores from two of the three most widely used reading tests in the State indicate improvement in reading achievement in Title I schools in a majority of grades reported, as illustrated in attached tables I through III.

TABLE I.—CALIFORNIA ACHIEVEMENT TEST, TOTAL READING, ADMINISTERED SPRING, 1969

[Mean scores in grade equivalent units]

Number LEA's	Number schools	Grade	N	Mean	Mean fiscal year 1968	Difference	Number in percentile ranges				
							1 to 10	11 to 25	26 to 50	51 to 75	76 to 99
9	59	1	3,143	1.51	1.54	−.03	1,066	499	614	419	545
23	124	2	5,273	2.34	2.46	−.12	1,218	864	1,151	908	1,132
21	107	3	3,915	3.39	3.61	−.22	732	813	838	702	830
25	162	4	5,109	4.12	4.81	−.69	896	1,106	1,379	916	812
26	143	5	4,389	4.87	5.46	−.59	1,077	994	1,099	595	624
26	152	6	5,288	5.51	5.74	−.23	1,630	1,112	1,219	658	669
19	98	7	3,474	6.55	7.46	−1.14	651	799	845	567	612
15	52	8	1,480	7.38	8.19	−.81	484	294	301	197	204
15	30	9	2,097	8.51	9.02	−.51	394	418	546	396	343
8	19	10	880	9.61	9.47	+.14	137	183	244	197	119
5	25	11	1,089	9.96	10.65	−.69	169	244	285	199	192
4	7	12	101	10.31	10.30	+.01	40	20	19	12	10
Total			36,238				8,494	7,346	8,540	5,766	6,092
Percent							23.4	20.3	23.6	15.9	16.8

TABLE II.—METROPOLITAN ACHIEVEMENT TEST, READING, ADMINISTERED SPRING, 1969

[Mean scores in grade equivalent units]

Number LEA's	Number schools	Grade	N	Mean	Mean fiscal year 1968	Difference	Number in percentile ranges: 1 to 10	11 to 25	26 to 50	51 to 75	76 to 99
21	117	1	6,046	1.84	1.89	−0.05	646	1,050	1,502	1,188	1,660
24	163	2	6,668	2.71	2.85	−.14	886	1,173	1,849	1,198	1,562
23	119	3	4,995	3.55	3.37	+.18	652	992	1,485	1,070	796
20	120	4	3,469	4.04	4.03	+.01	788	815	922	566	378
16	88	5	3,052	5.04	4.92	+.12	611	705	876	490	370
19	104	6	3,833	5.70	5.43	+.39	1,013	826	868	633	493
13	64	7	2,159	6.14	5.80	+.34	632	437	563	274	253
17	81	8	3,121	6.75	6.65	+.10	1,002	593	674	423	429
2	6	9	472	[1] 36.8	[1] 34.8	[1] +2.0	176	143	105	37	11
1	3	10	224	[1] 33.0	[1] 38.6	[1] −5.6	102	64	38	15	5
2	7	11	435	[1] 44.3	[1] 39.8	[1] −4.5	202	117	81	31	4
1	3	12	166	[1] 40.0	[1] 42.1	[1] −2.1	76	46	31	10	3
Total			34,640				6,786	6,961	8,994	5,935	5,964
Percent							19.6	20.1	26.0	17.1	17.2

[1] Standard score.

TABLE III.—STANFORD ACHIEVEMENT TEST, PARAGRAPH MEANING READING, ADMINISTERED SPRING, 1969

[Mean scores in grade equivalent units]

Number LEA's	Number schools	Grade	N	Mean	Mean fiscal year 1968	Difference	Number of students in percentile ranges: 1 to 10	11 to 25	26 to 50	51 to 75	76 to 99
11	49	1	1,565	1.88	1.72	+.16	363	344	289	116	453
18	89	2	2,472	2.34	2.38	−.04	572	628	529	364	379
20	104	3	3,675	3.00	2.95	+.05	1,281	858	820	415	301
20	110	4	3,412	3.85	3.80	+.05	992	746	974	407	293
24	123	5	5,336	4.75	4.70	+.05	1,372	1,278	1,402	749	535
21	120	6	4,653	5.60	5.35	+.25	1,208	1,082	1,143	702	518
19	79	7	4,655	6.07	5.98	+.09	1,331	1,351	1,119	479	375
13	48	8	2,068	6.96	6.85	+.11	678	541	461	200	188
1	1	9	112	6.23	6.02	+.21	58	27	19	3	5
Total			27,948				7,855	6,855	6,756	3,435	3,047
Percent							28.1	24.5	24.2	12.3	10.9

TABLE IV.—CALIFORNIA ACHIEVEMENT TEST, TOTAL READING, PRETEST AND POST TEST, FALL AND SPRING, 1968-69

[Mean score in grade equivalent units]

Number LEA's	Number schools	Grade	N	Pre-mean	Post-mean	Difference	Pretest—Percent of students in percentile ranges: 1 to 10	11 to 25	26 to 50	51 to 75	76 to 99	Post test—Percent of students in percentile ranges: 1 to 10	11 to 25	26 to 50	51 to 75	76 to 99
13	56	2	1,767	1.55	2.43	.88	42.9	21.3	19.8	8.3	7.7	18.3	19.0	25.5	17.3	19.9
12	66	3	1,864	2.63	3.37	.74	28.3	27.0	22.8	11.4	10.5	16.7	18.5	22.4	22.1	20.3
11	72	4	1,770	3.38	3.92	.54	27.1	29.1	22.5	8.7	12.6	20.2	23.6	28.4	14.1	13.7
16	87	5	2,208	4.05	4.85	.80	29.9	24.5	23.4	10.0	12.2	23.0	24.1	23.4	13.3	16.2
15	76	6	1,825	5.06	5.72	.66	30.5	20.0	20.5	9.3	19.6	26.8	21.5	26.4	11.6	14.2
11	60	7	1,896	5.83	6.38	.55	24.1	27.4	21.4	9.8	18.6	22.9	26.8	23.1	12.3	14.9
8	28	8	621	6.41	7.07	.66	39.6	20.5	20.0	10.4	9.5	37.4	19.3	18.0	13.8	11.5
9	22	9	1,044	7.43	8.53	1.10	30.2	24.5	23.2	12.8	9.3	22.1	24.6	26.5	15.9	10.9
10	12	10	560	9.77	10.33	.56	17.3	22.1	25.4	18.6	16.6	8.1	18.4	28.4	25.2	19.9
11	16	11	277	8.05	9.56	1.51	33.2	36.1	25.6	2.2	2.9	18.2	44.0	28.7	4.7	4.4
3	6	12	66	10.29	11.05	.76	24.2	25.8	27.3	12.1	10.6	18.2	22.7	27.3	16.7	15.1
Total			13,898													

Note: Mean gain per grade for the 14,000 students on the California reading test—Reading (table IV) ranges from 0.54 to 1.10 in grade equivalent units, or an average per grade of .73. The percentage of students in the 1st decile decreased at each grade level in the post test distribution as compared with the pretest disbribution by from 1.2 to 24.6 percentages.

TABLE V.—METROPOLITAN ACHIEVEMENT TEST, TOTAL READING, 1968-69. PRE- AND POST TESTS, SEPTEMBER, OCTOBER-APRIL, MAY

[Mean scores in grade equivalent units]

Number LEA's	Number schools	Grade	N	Pre-mean	Post-mean	Difference	Pretest—Percent of students in percentile ranges: 1 to 10	11 to 25	26 to 50	51 to 75	76 to 99	Post test—Percent of students in percentile ranges: 1 to 10	11 to 25	26 to 50	51 to 75	76 to 99
1	11	1	1,049	1.30	1.80	.50	55.2	26.8	9.3	8.0	0.7	15.6	22.6	26.7	21.3	13.8
6	48	2	2,422	1.92	2.45	.53	12.9	23.0	26.2	22.7	15.2	21.4	21.7	29.6	16.3	11.0
6	26	3	436	2.48	3.06	.58	19.7	31.0	44.3	4.6	.4	20.0	32.8	34.6	9.6	3.0
7	41	4	1,338	3.09	3.54	.45	33.7	35.5	20.6	6.4	3.8	34.7	29.3	22.7	10.3	3.0
4	23	5	439	3.67	4.28	.61	31.7	42.1	20.1	5.9	.2	33.7	32.8	26.3	6.1	1.1
3	20	6	344	4.24	4.74	.50	52.3	24.7	18.0	4.1	.9	39.0	34.2	19.1	6.1	1.6
4	18	7	359	4.45	5.13	.68	51.3	32.0	15.3	1.4	----------	41.6	31.3	21.5	5.6	----------
5	21	8	1,132	5.43	6.04	.61	46.4	24.0	15.5	7.1	7.0	38.7	27.5	20.0	9.3	4.5
2	6	9	187	5.20	5.74	.54	57.8	29.4	10.1	1.1	1.6	61.2	22.4	10.9	4.3	1.2
1	8	10	45	6.00	6.30	.30	42.2	31.1	17.8	6.7	2.2	52.4	19.0	11.9	11.9	4.8
1	6	11	25	6.70	7.10	.40	12.0	36.0	28.0	12.0	12.0	15.4	30.8	7.7	38.4	7.7
1	6	12	32	6.00	6.50	.50	50.0	18.7	9.4	18.8	3.1	44.5	14.8	14.8	14.8	11.1
Total				7,808												

Note: Mean gain per grade for the 7,800 students on the metropolitan achievement test—total reading (table V) ranges from .30 to .68 in grade equivalent units, or an average per grade of .52. A shifting of a few students out of the 1st decile occurs in the posttest at grade levels 6 through 8.

TABLE VI.—GATES-MACGINITIE READING TESTS, TOTAL SCORES, 1968-69, PRE- AND POST TESTS, SEPTEMBER, OCTOBER-MAY

[Mean scores in grade equivalent units]

Number LEA's	Number schools	Grade	N	Pre-mean	Post-mean	Difference	Pretest—Percent of students in percentile ranges: 1 to 10	11 to 25	26 to 50	51 to 75	76 to 99	Post test—Percent of students in percentile ranges: 1 to 10	11 to 25	26 to 50	51 to 75	76 to 99
2	19	2	451	1.53	2.48	.95	18.0	24.4	32.1	14.0	11.5	31.8	24.7	19.4	10.5	13.6
3	20	3	598	2.09	3.13	1.04	30.7	33.5	23.4	9.2	3.2	24.9	28.1	16.9	17.1	13.0
5	37	4	1,274	2.96	4.03	1.07	25.2	26.3	26.4	13.7	8.4	22.3	19.2	29.8	16.6	12.1
3	14	5	289	3.08	3.19	.11	35.6	29.8	28.0	4.5	2.1	19.6	30.9	37.5	10.3	1.7
3	14	6	258	3.73	5.10	1.37	31.0	27.5	31.8	9.7	----------	22.4	40.2	25.0	11.6	.8
3	18	7	1,169	5.58	6.43	.85	17.5	21.6	28.7	19.5	12.7	13.7	19.3	28.3	20.3	18.4
2	4	8	230	6.07	6.90	.83	27.0	33.5	27.4	8.6	3.5	17.6	28.1	36.7	14.9	2.7
Total			4,268													

Note.—The mean gain per grade on the Gates-MacGinitie Reading tests (Table VI) for the 4,200 students tested in FY 1969 ranges from .11 to 1.07 in grade equivalent units, or an average gain of .89 per grade. This is a very creditable gain, on the average, and equal to or better than the publisher's norm (in terms of gain) for 6 of the 7 grades reported.)

TABLE VII.—STANFORD ACHIEVEMENT TEST, PARAGRAPH MEANING READING 1968-69, PRE- AND POST TESTS SEPTEMBER, OCTOBER-APRIL, MAY

[Mean scores in grade equivalent units]

Number LEA's	Number schools	Grade	N	Pre-mean	Post-mean	Difference	Pretest—Percent of students in percentile ranges: 1 to 10	11 to 25	26 to 50	51 to 75	76 to 99	Post test—Percent of students in percentile ranges: 1 to 10	11 to 25	26 to 50	51 to 75	76 to 99
8	50	2	1,268	1.60	2.23	0.63	50.3	14.9	26.3	3.6	4.9	21.6	27.0	20.4	9.8	21.2
10	60	3	1,994	2.34	3.00	.66	47.3	25.5	17.0	7.4	2.8	36.4	24.9	21.8	10.9	6.0
5	34	4	607	3.06	4.00	.96	34.4	39.5	17.5	5.3	3.3	29.9	23.4	29.2	10.6	6.9
7	39	5	1,449	3.78	4.62	.84	38.7	25.9	21.7	9.9	3.8	32.4	26.6	24.1	10.9	6.5
5	29	6	573	4.70	5.62	.92	41.9	24.4	19.7	7.9	6.1	30.4	26.7	23.6	9.8	9.0
7	27	7	1,329	5.88	6.16	.28	30.5	34.6	18.3	8.7	7.9	32.4	25.8	22.9	9.5	9.4
5	14	8	480	6.13	7.15	1.02	34.0	34.4	16.7	9.2	5.7	27.7	25.2	26.7	11.9	8.5
1	5	10	225	[1] 42	[1] 46	[1] 4	34.2	20.9	29.3	9.4	6.2	24.3	16.5	30.9	14.4	13.9
Total			7,925													

[1] Standard score. The mean gain per grade on the Stanford achievement test—Paragraph meaning (table VI), grades 2 to 8, ranges from .28 to .96 in grade equivalent units, or an average of .76 per grade. This represents normal progress, based on the time interval between pre- and post-test. A gain of 4 standard score points is noted for grade 10. There is a significant shift of students out of the 1st decile (except for grade 6) on the post test. A total of 7,925 students is reflected in this table.

A sampling of statements documented by test data are cited as typical of some of the better results:

Morganton City—The Metropolitan Reading Test, administered in September and May showed an average grade equivalent gain of 8 months in Title I schools, compared with an average improvement of 3.5 months the year before.

Avery County—Pre and post tests (Stanford) indicate that in the area of reading, the status of all grades, 2–12, increased over the status of these grades the previous year—an average of 8 months per grade in grades 2 through 8, and 3–5 standard score points in grades 10–12.

Brunswick County—Pre and post reading tests (SRA) administered to grades 2, 4, 6, 8 showed all grades in 6 schools made from 1.0 to 1.1 years progress in a period of 7 months.

Concord City—Results from reading tests three years ago at the end of the term compared with results of similar tests administered this May to 270 pupils of remedial reading classes in grades 3, 4, 5, and 6 show: whereas formerly the mean scores for children in grade 3 were one year and two months below test norm, they now have reached norm; the mean score for grade 4 was one year and six months below norm, they now are four months below norm; formerly grade 5 was one year and six months below norm, they are now at the norm; the pupils in grade 6 were two years and one month below norm, they are now seven months below norm. Concentration on a small number of pupils has made it possible to give all ESEA services to each pupil in the program. The cost per pupil was $294.00.

Clay County—Reading Tests administered to 5th and 6th graders in the program showed the following: the 5th grade group showed an average gain of 7.4 months, whereas the same children one year prior in the absence of special instruction showed a gain of only 3.2 months. The 6th grade group showed 9.7 months gain as opposed to 4.3 months.

Reading achievement (nonpublic)

The actual results in the reading levels of these children were gratifying. As they began the program, tests showed that those in the fourth grade were reading at the second grade level, and those in the sixth grade were reading at the third grade level. At the end of the program test results showed that the fourth graders were reading at the 3.2 level and the sixth graders were reading at the 4.2 level.

CALIFORNIA

Progress ratings based on primary activities

The results show that 56 percent of the projects, representing 64 percent of the students, received a substantial or moderate progress rating, reflecting an average student growth of at least one year for a year of instruction. In 16 percent of the projects, serving 14.1 percent of the students, the average growth was more than 1.5 years per year of instruction. About one-third of the projects, serving about one-fourth of the students, resulted in little or no improvement in student growth, and 12.1 percent of the projects could not be rated because of inadequate evaluation reports.

The criteria for the ratings took into consideration past findings that the achievement rate of children from low socio-economic backgrounds tended to be about .7 years of growth per year of instruction. The ratings, which were based on the average growth of students in the project, were:

Substantial Improvement—Growth was equal to or greater than 1.5 years for the school year or 1.5 months per month of instruction.

Moderate Improvement—Growth was equal to or greater than one year for the school year or one month per month of instruction.

Little or No Improvement—Growth was less than one year during the school year or one month per month of instruction.

TABLE 6.—RATINGS OF TITLE I PROJECTS FOR 1967-68 AND 1968-69 PRIMARY ACTIVITIES ONLY

	Number of projects		Percent of percents		Number of students in project		Percent of students in project	
	1967-68	1968-69	1967-68	1968-69	1967-68	1968-69	1967-68	1968-69
Substantial improvement	89	118	9.5	16.0	23,600	27,500	9.6	14.1
Moderate improvement	353	296	37.8	40.2	88,200	97,500	35.8	50.1
Little or no improvement	319	233	34.2	31.7	105,300	51,500	42.8	26.5
Irregular data	173	89	18.5	12.1	29,000	18,200	11.8	9.3

Language development

Although the average grade placement of Title I students was below national norms, their average achievement rate of one month's growth per month of instruction was a significant improvement over their previous growth rate.

Several individual reports showed the following results:

The percent of pupils scoring below the 25th percentile from pre to posttest was reduced at grade two from 90 to 71 and at grade three from 82 to 75. Although other grade levels evidenced decreases, they were not as great as in grades two and three.

On sub-tests of reading and word knowledge skills, 35 percent of the students achieved at least a year's growth or more with approximately 8 percent achieving two or more years of growth. On the same subtests, 52 percent of the students achieved between one month and nine months, while 13 percent made no gains from pre to posttest.

Reading improvement

One district reported that 90 percent of the participants in a reading specialists program showed improvement in reading levels. In another district, more than 81 percent of the pupils exceeded their expected growth rate based on previous performance, while 13 percent maintained their previous rate of growth, and five percent failed to progress at the expected rate. It was also found that more than 55 percent of the pupils progressed at least one year in reading, which they have been unable to attain previously, and 11 percent progressed at least two years in reading. In the third district, 68 percent of the participants achieved a gain of at least one year.

NEW MEXICO

Reading achievement

On an appropriate random sample (10%) of Title I reading programs in the State of New Mexico, and comparing compatible pre- and post-test data, the following changes were noted:

1. There was an approximate 14% decrease of students scoring in the lower 10 percentile according to national norms.
2. There was an increase in the number of students scoring in the 91 percentile and above range.
3. The greatest pupil gain was from 10.3% to 16.7% in the 21–30 percentile range.
4. Generally speaking, the greatest gain in reading achievement was in the 2nd, 3rd and 4th grades.
5. On pre-tests, 89.5% of the students scored below the 50 percentile. On post-tests, 81.4% scored below the 50 percentile.

OHIO

Communication skills

In Ohio during the regular school term of FY 1969, . . . 63% of all children in communications skills projects exhibited either marked improvement or improvement.

From Ohio's evaluation data collection instrument, the SEA gathered information relative to the degree of change that students exhibited in their reading skills. Each school district was asked to classify each child into one of three degrees of change, "marked improvement," "improvement," or "no significant change." The criteria for each of these degrees of change measured by standardized instruments were:

"Marked Improvement"—1.5 or more years gained for every year that a child was in a Title I program.

"Improvement"—Between 1.0 and 1.4 years gained per year that the child was enrolled in a Title I program.

"No Significant Change"—All those students whose gain was 11 months or less for every year that a child was in a Title I program.

TABLE 3.—SUMMARY OF REGULAR AND SUMMER TITLE I PARTICIPANTS IN COMMUNICATION SKILL ACTIVITIES INDICATING THE TOTAL NUMBER AND PERCENTAGE IN AREA IMPROVEMENT AS MEASURED BY STANDARDIZED TESTS AND SUBJECTIVE TECHNIQUES

Degrees of change	Standardized tests: Number of children	Standardized tests: Percentage of improvement	Subjective techniques: Number of children	Subjective techniques: Percentage of improvement
Regular school:				
Marked improvement	28,417	34	17,216	32
Improvement	24,376	29	23,947	42
No significant change	31,732	37	15,122	26
Total	84,525	100	56,285	100
Summer term:				
Marked improvement	11,658	32	10,747	13
Improvement	11,139	30	56,333	71
No significant change	14,047	38	12,897	16
Total	36,844	100	79,977	100

SOUTH DAKOTA

Reading achievement

Enough comparable information was provided on the SRA, Iowa, and Metropolitan tests to permit some descriptive comparison of changes in reading achievement by Title I participants. Tables IV, V, and VI will reflect achievement in reading for grades one through nine.

TABLE IV

SRA achievement test: Grade level		Number of students	School term, regular: Gain (+) or loss (−) by grade equivalent average	Percent of students testing in each quartile, according to national norms: 25th percentile and below	26th to 50th percentile	51st to 75th percentile	76th percentile and above
1 to 3	Pre	126	+0.9	50	39	11	0
	Post			35	38	26	1
4 to 6	Pre	208	+1.0	54	35	10	1
	Post			23	43	28	6
7 to 9	Pre	80	+1.2	36	49	15	0
	Post			21	38	38	3

TABLE V

Iowa achievement test: Grade leve.		Number of students	School term: Regular: Gain (+) or loss (−) by grade equivalent average	Percent of students testing in each quartile, according to national norms: 25th percentile and below	26th to 50th percentile	51st to 75th percentile	76th percentile and above
1 to 3	Pre	101	+0.8	36	38	17	9
	Post			13	41	31	15
4 to 6	Pre	551	+.8	35	38	20	7
	Post			25	41	25	9
7 to 9	Pre	410	+.7	34	36	20	10
	Post			27	34	27	12

TABLE VI

Metropolitan achievement test: Grade level		Number of students	Gain (+) or loss (−) by grade equivalent average	School term; Regular: Percent of students testing in each quartile, according to national norms: 25th percentile and below	26th to 50th percentile	51st to 75th percentile	76th percentile and above
1 to 3	Pre	115	+0.8	25	43	17	15
	Post			11	44	30	15
4 to 6	Pre	15	+.6	51	49	0	0
	Post			40	29	31	0
7 to 9	Pre	35	+.9	53	26	21	0
	Post			6	40	27	27

WEST VIRGINIA

Reading achievement

In *Attachment No. 2* appearing in the Appendix of this report, are comparisons of results on pre and post tests in reading administered to determine the effectiveness of remediation in reading during school year 1968–69 (F.Y. 1969). While the number of cases involved in the report is limited, the results are typical for the Title I projects in West Virginia having reading as a program element.

Attachment No. 2—Effect of Title I program on educational achievement in reading

To determine the gains made in reading achievement of children participating in Title I program in fiscal year 1969, a West Virginia county (district) administered Form I and Form II of the *Gates-MacGinitie Reading Test* in September and May of school year 1968–69. The results of these tests are provided in Tables following:

TABLE I.—RESULTS OF PRE- AND POSTTESTS OF REMEDIAL READING PUPILS, 1968-69

Grade level	Mean IQ	Number tested	Pretest mean	Number tested	Posttest mean	Mean gain	Grade level	Mean IQ	Number tested	Pretest mean	Number tested	Posttest mean	Mean gain
2	84	121	1.4	120	2.4	1.0	8	81	100	4.6	87	5.7	1.1
3	85	139	1.8	133	3.6	1.8	9	90	17	4.9	18	6.9	2.0
4	87	128	2.4	108	3.8	1.4	10	79	7	4.7	5	5.7	1.0
5	89	141	3.0	137	4.0	1.0	11	81	5	6.1	2	6.1	0
6	85	119	3.7	113	4.7	1.0	12	74	2	0	2	3.9	3.9
7	86	109	4.3	99	5.0	.7							

Based upon the mean IQ's given for each group in the table above, it can be observed that most of the remedial reading pupils have been drawn from a population of essentially slow learning pupils. Gains of one year would not ordinarily be expected from large numbers of this group. From Table I it is clear that most of the grade level groups represented have made significant reading progress. The lack of a significant gain in the eleventh grade reveals that the pupils involved are already reading about as well as could be expected in relation to their mental capacity. The progress of two twelfth graders from a non reading level to a 3.9 level constitutes a commendable achievement. Because of its special interest a brief description of this accomplishment is explained below.

Two senior boys, ages 19, with I.Q.'s of 81 and 66, enrolled in special reading, at their request without credit, during the second semester of 1969. Both were reading at a preprimer level. The reading teacher, who formerly used the Open Court reading program in an elementary school, stressed sounds and their application. The competition between the boys promoted a keen desire to learn to read. Every minute of their spare time was spent in the reading room.

The boy with the I.Q. of 66 wanted to pass his driver's test. Driver's manuals were obtained and used for instruction and motivation. His mother promised him $50 if he could pass the test. At the end of the school year when he did pass the test he insisted upon giving the teahcer $10 because she had taught him to read. The teacher took the $10 and started the boy a savings account. Now each week he adds to his account.

The boys did not score on the *Gates-MacGinitie Reading Test* in January. The results in May are reported below.

	Vocabulary	Comprehension	Total
Boy, IQ 81	5.2	6.5	5.8
Boy, IQ 66	2.4	3.8	3.1

Remedial project, summer 1969

Methods and procedures of evaluation and major findings. To determine the level of reading performance before remedial reading instruction the *Metropolitan Reading Achievement Test* was administered to all pupils admitted. Another form of the same test was administered at the end of the instructional period to ascertain the gains made. The results of these two tests are summarized in the table below:

TABLE V

Grade level	Mean IQ	Number tested	Pretest mean	Number tested	Posttest mean	Mean gain	Grade level	Mean IQ	Number tested	Pretest mean	Number tested	Posttest mean	Mean gain
2	88	27	1.8		2.1	0.3	5	92	40	4.1		4.7	0.6
3	91	37	2.4		2.5	.1	6	98	13	4.4		5.0	.6
4	92	40	3.1		3.1	0	7	94	6	3.7		4.2	.5

From the table it can be observed that the mean gain made ranges from no gain for the fourth grade to six-tenths of a year for all pupils in grades five and six. In terms of the selection process employed the gains made by the pupils selected is commendable especially in grades five and six.

Another remedial project

Summary of Date Presented in Tables 1-2-3-4: Two hundred parochial school children were evaluated on a pre and post testing basis by the California Reading Test. After completing eight months of remedial reading instruction, post test results indicated that the majority of children gained measurably in reading achievement. On the basis of grade level achievement, all grade levels evaluated gained in mean score and those were significant at the .05 percent level of confidence.

Pre-test mean results indicated that students enrolled in remedial reading classes were functioning two or more grade levels below anticipated achievement level. Posttest results of the Reading Vocabulary Tests showed significant mean gain beyond anticipated achievement levels in grades 3-4-5. The Reading Comprehensive Tests showed gain beyond anticipated achievement level in grades 2 and 4.

REMEDIAL READING TABLE I.—READING VOCABULARY TEST, CALIFORNIA ACHIEVEMENT TEST

Test	Form	Grade level	Mean IQ	Anticipated achievement level	N.	Mean	Significant difference of mean	Derived t.	Minimum significant t. 0.05	Significant difference
Grade 2:										
Pre	W	2.2	103	2.4	44	1.796	0.3000	8.21	2.02	Yes.
Post	X	2.8		3.0	42	2.864	.4189			
Grade 3:										
Pre	W	3.2	908	3.3	30	3.251	.3459	4.42	2.04	Yes.
Post	X	3.8		3.9	32	3.923	.3923			
Grade 4:										
Pre	W	4.2	100	4.3	27	4.154	.5668	4.55	2.02	Yes.
Post	X	4.8		4.9	29	5.174	.8501			
Grade 5:										
Pre	W	5.2	102	5.4	42	4.763	.93867	6.51	2.02	Yes.
Post	X	5.8		5.9	43	6.080	.84480			
Grade 6:										
Pre	W	6.2	100	6.3	50	5.858	.6434	4.84	2.02	Yes.
Post	X	6.8		6.9	51	6.653	.7131			

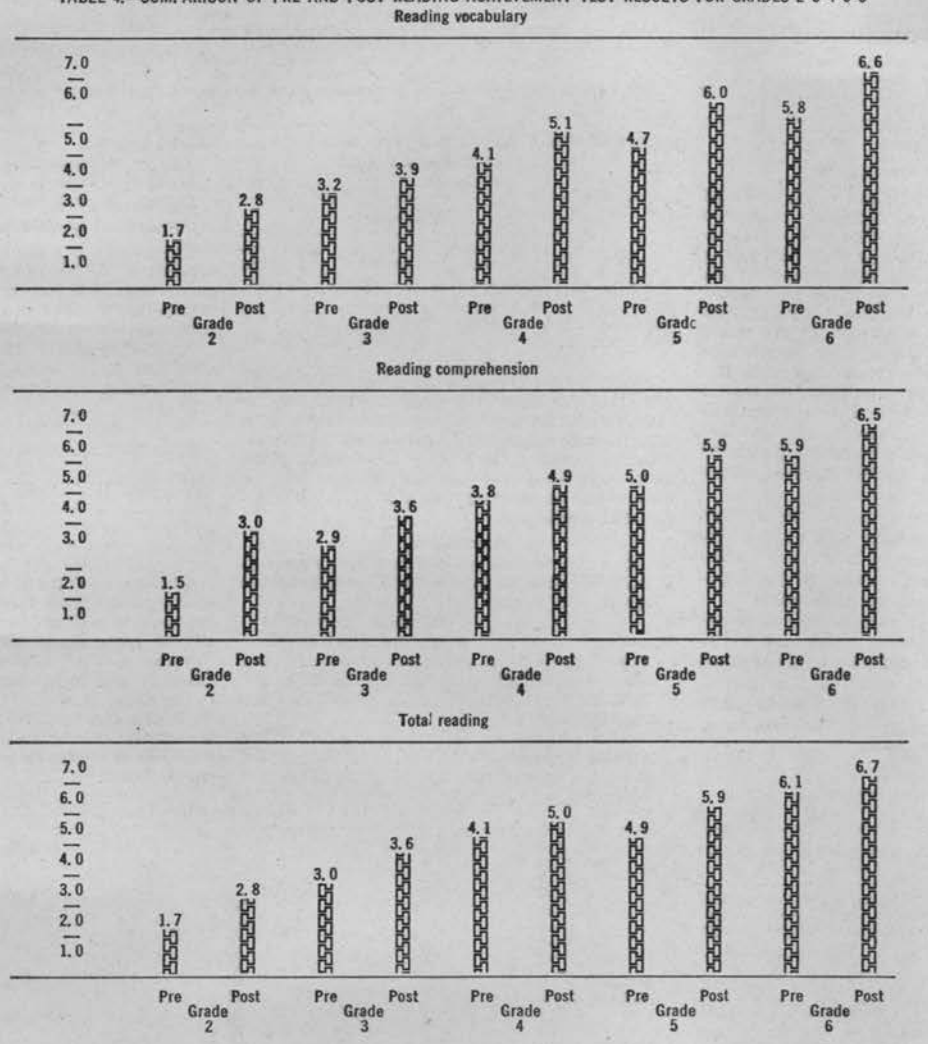
TABLE 2.—READING COMPREHENSION TEST, CALIFORNIA ACHIEVEMENT TEST

Test	Form	Grade level	Mean IQ	Anticipated achievement level	N.	Mean	Significant difference of mean	Derived t.	Minimum, significant t. 0.05	Significant difference
Grade 2:										
Pre	W	2.2	103	2.4	41	1.574	0.2877	9.65	2.02	Yes.
Post	X	2.9		3.0	47	3.002	.7016			
Grade 3:										
Pre	W	3.2	98	3.3	29	2.984	.2598	5.21	2.04	Yes.
Post	X	3.9		3.9	30	3.620	.1723			
Grade 4:										
Pre	W	4.2	100	4.3	27	3.854	.8485	3.99	2.05	Yes.
Post	X	4.9		4.9	29	4.916	1.036			
Grade 5:										
Pre	W	5.2	102	5.5	43	5.096	.8297	4.02	2.02	Yes.
Post	X	5.9		6.1	45	5.900	.9486			
Grade 6:										
Pre	W	6.2	100	6.3	51	5.951	.9009	3.58	2.02	Yes.
Post	X	6.9		6.9	51	6.593	.7880			

TABLE 3.—TOTAL READING CALIFORNIA ACHIEVEMENT TEST

Test	Form	Grade level	Mean IQ	Anticipated achievement level	N.	Mean	Significant difference of mean	Derived t.	Minimum significant t. 0.05	Significant difference
Grade 2:										
Pre	W	2.2	103	2.4	44	1.748	0.2782	8.70	2.02	Yes.
Post	X	2.9		3.0	44	2.879	.4771			
Grade 3:										
Pre	W	3.2	98	3.2	28	3.050	.8949	2.25	2.04	Yes.
Post	X	3.9		3.8	31	3.692	.7648			
Grade 4:										
Pre	W	4.2	100	4.3	24	4.100	.7035	3.88	2.05	Yes.
Post	X	4.9		4.9	29	5.051	.9153			
Grade 5:										
Pre	W	5.2	102	5.4	43	4.907	.7954	5.04	2.02	Yes.
Post	X	5.9		6.0	44	5.900	.9045			
Grade 6:										
Pre	W	6.2	100	6.3	45	6.119	.5001	3.62	2.02	Yes.
Post	X	6.9		6.9	41	6.725	.7391			

TABLE 4.—COMPARISON OF PRE AND POST READING ACHIEVEMENT TEST RESULTS FOR GRADES 2-3-4-5-6



This chart shows the gain in grade level achievement for students enrolled in the Remedial Reading Program. Also, it shows the percentage of students below expected grade level at the beginning of the program in comparison with the percentage that progressed to and above expected grade level performance.

TABLE 5.—PERCENTAGE CHART INDICATING GAIN IN GRADE LEVEL ACHIEVEMENT AFTER PARTICIPATING IN REMEDIAL READING. (ACTUAL SCHOOL MONTHS BETWEEN PRE- AND POST-TESTING WAS 8 MONTHS)

Grade and range showing gain in school months and grade level advancement	California reading test: Reading vocabulary	Reading comprehension	Total reading
Grade 2:			
2 yrs. and above	0	26	0
1 yr. to 1 yr. 9 mos	67	36	31
5 to 9 mos	19	26	21
0 to 4 mos	14	12	7

Grade and range showing gain in school months and grade level advancement	California reading test: Reading vocabulary	Reading comprehension	Total reading
Percentage of grade 2 remedial reading group functioning below anticipated grade level of 2.2 on pretest	90	99	92
Percentage of grade 2 remedial reading group functioning at or above expected grade level of 2.8 on posttest	65	63	62

TABLE 5.— PERCENTAGE CHART INDICATING GAIN IN GRADE LEVEL ACHIEVEMENT AFTER PARTICIPATING IN REMEDIAL READING (ACTUAL SCHOOL MONTHS BETWEEN PRE- AND POST-TESTING WAS 8 MONTHS)—Continued

Grade and range showing gain in school months and grade level advancement	California reading test		
	Reading vocabulary	Reading comprehension	Total reading
Grade 3:			
2 yrs. and above	0	0	0
1 yr. to 1 yr. 9 mos	20	12	0
5 to 9 mos	44	69	85
0 to 4 mos	36	19	15
Percentage of grade 3 remedial reading group functioning below anticipated grade level of 3.2 on pretest	35	76	53
Percentage of grade 3 remedial reading group functioning at or above expected grade level of 3.8 on posttest	65	34	58
Grade 4:			
2 yrs. and above	7	17	7
1 yr. to 1 yr. 9 mos	60	26	47
5 to 9 mos	22	32	32
0 to 4 mos	11	25	14
Percentage of grade 4 remedial reading group functioning below anticipated grade level of 4.2 on pretest	37	51	45
Percentage of grade 4 remedial reading group functioning at or above expected grade level of 4.8 on posttest	77	48	70
Grade 5:			
2 yrs. and above	29	5	2
1 yr. to 1 yr. 9 mos	34	37	52
5 to 9 mos	25	35	30
0 to 4 mos	12	23	16
Percentage of grade 5 remedial reading group functioning below anticipated grade level of 5.2 on pretest	60	41	46
Percentage of grade 5 remedial reading group functioning at or above expected grade level of 5.8 on posttest	67	67	78
Grade 6:			
2 yrs. and above	2	2	0
1 yr. to 1 yr. 9 mos	37	28	32
5 to 9 mos	32	31	42
0 to 4 mos	29	39	26
Percentage of grade 6 remedial reading group functioning below anticipated grade level of 6.2 on pretest	64	56	48
Percentage of grade 6 remedial reading group functioning at or above expected grade level of 6.8 on posttest	53	43	53

VIRGINIA

Reading achievement

The educationally deprived child enrolled in Title I instruction has definitely improved his educational position. His rate of learning has been accelerated and he is closing the gap between himself and others in his grade. This conclusion is reached as a result of extensive use of standardized tests and an analysis of all data submitted to the state office by local educational agencies. About 90% of all Local Educational Agencies use standardized tests to pre and post test pupils enrolled in Title I classes. The same pupils take the pre and post tests. Pre-tests are usually given in September and post-tests in April or May. The LEA's decide which achievement test will be used.

The results of standardized tests used during the summer session will not be analyzed until a later date; however, a substantial number of test results for the regular session are included in Appendix C.

An analysis of test results for approximately 8,000 Title I pupils (grades 2–12) taking the California Reading and Stanford Achievement Test indicates that the pupils enrolled in remedial reading classes have shown considerable progress. The results of these tests are shown below:

CHANGE IN PERCENTILE RATING

Test	Percent of students compared with national norm				
	1 to 10 percentile	11 to 25 percentile	26 to 50 percentile	51 to 75 percentile	76 to 99 percentile
California achievement:					
Pretest	36.9	28.9	23.7	6.1	4.4
Posttest	30.4	22.4	25.7	12.5	9.0
Change	−6.5	−6.5	+2.0	+6.4	+4.6
Stanford achievement:					
Pretest	42.6	32.2	14.6	6.2	4.4
Posttest	32.2	32.5	17.3	11.7	6.3
Change	−10.4	+.3	+2.7	+5.5	+1.9

LOCAL EDUCATIONAL AGENCIES SAY THEY WERE SUCCESSFUL TO THE FOLLOWING EXTENT

[In percent]

	All activities		
	Substantial success	Some success	Little or no success
1969	59.2	37.9	2.9
1968	55.3	39.6	5.1
1967	47.7	47.7	4.6

Much subjective data are available to support the success of the program both in the cognitive and effective domains. These data will be assembled and submitted as Evaluation Summary Data at a later date. Hard data regarding the summer session will be submitted as summary data as soon as processed and analyzed.

COLORADO

Academic programs ranged in order of magnitude of change in pre- and post-achievement test data

	Average increase in standard score means—
Reading:	
Top 5 projects	4.4
Middle 5 projects	2.6
Bottom 5 projects	−1.3
Language arts:	
Top 3 projects	2.4
Middle 3 projects	3.0
Bottom 3 projects	−2.4
Mathematics:	
Top 5 projects	4.4
Middle 5 projects	1.9
Bottom 5 projects	−3.1

Program effectiveness related to cost

The evidence presented by ranking projects according to academic achievements indicates that a P.P.E. of more than $200 correlates with successful programs in reading, language arts, and methematics.

A Comparison of Dropout Rates of Title I and Non-Title I High Schools (X–XII) in Selected Districts and State rates (X–XII):

	Title I	Nontitle I	State
1965 to 1966	12.1	6.1	7.4
1968 to 1969	11.6	6.4	8.3

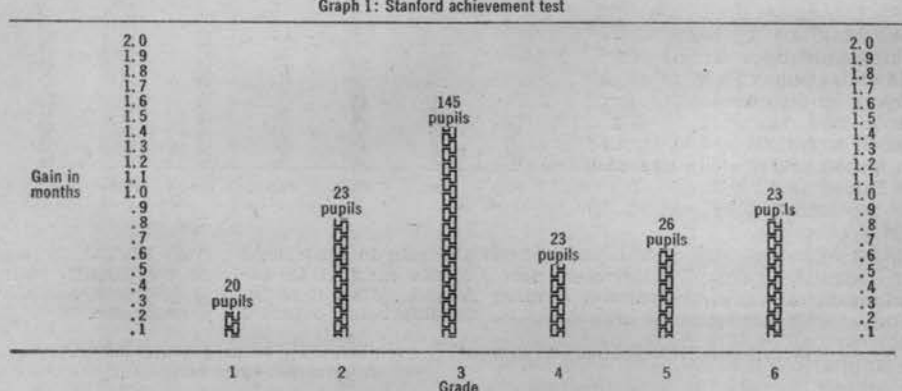
WYOMING

Educational achievement

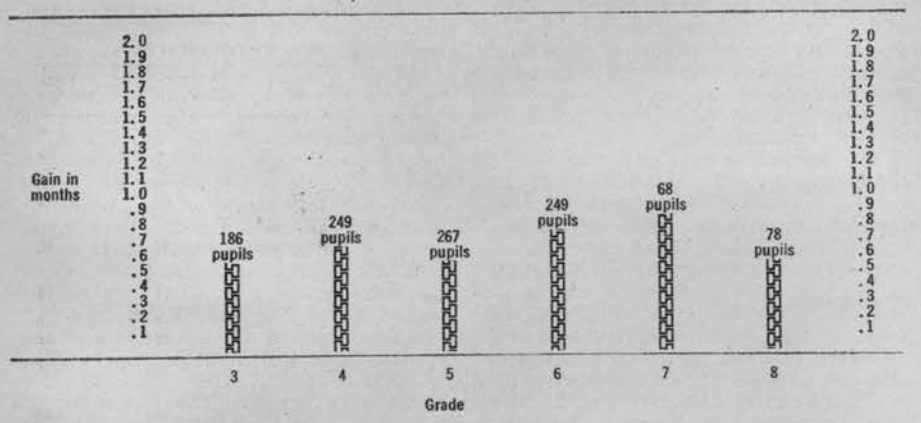
Objective Data: Standardized Achievement Test results comparing the achievement of Title I students to that of all pupils of the same grade level are not available in Wyoming. The following information pertains to participating Title I pupils:

Graphs 1, 2 and 3 indicate mean score gain over pre and post results during a period of 9 months, using national norms and grade equivalent scores from Standardized Achievement Tests.

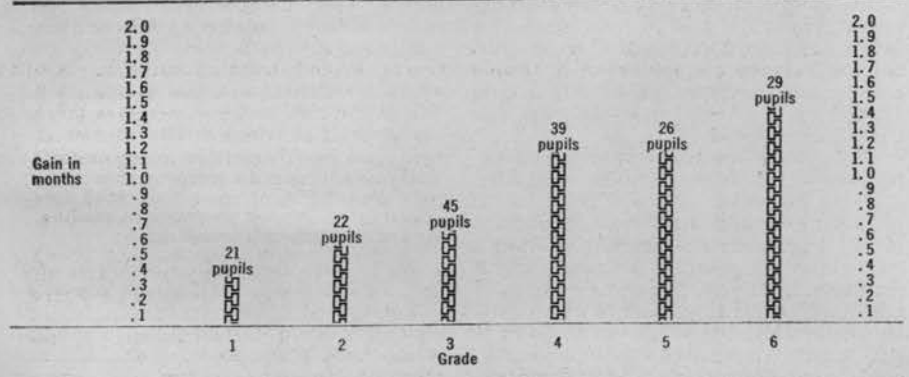
Graph 1: Stanford achievement test



Graph 2: Iowa test of basic skills



Graph 3: Gates MacGinitie



AMENDMENT OF RULE XLIV

The SPEAKER pro tempore (Mr. GRAY). Under a previous order of the House the gentleman from Illinois (Mr. PRICE) is recognized for 5 minutes.

Mr. PRICE of Illinois. Mr. Speaker, I have introduced today a resolution which would add certain provisions to House rule XLIV, the financial disclosure rule of the House. The proposed additions have the support of the Committee on Standards of Official Conduct, of which I have the honor to be chairman.

At the same time, the committee is publishing an advisory opinion establishing guidelines on the responsibilities and obligations of a Member and his employees in communicating with departments and agencies in the executive branch on constituent matters. The opinion issued under authority contained in the House rules requires no House action; the resolution does require House approval, of course.

Most Members will recall that when our committee presented its recommendations for the present Code of Official Conduct and the related requirement for disclosure of certain financial interests, we emphasized that both probably would be subject to revision with the test of time.

We have had only a single year's experience in the operation of the financial disclosure rule, but that experience has convinced the committee that the changes recommended will make that rule more effective in treating potential conflicts of interest. It is conceivable that further experience may demonstrate the need for additional revision.

In brief, the resolution which I offer would require: First, disclosure of the sources of honoraria of $300 or more and second the listing of each creditor to whom the person reporting was indebted, without the pledge of specific security, for $10,000 or more for 90 days or longer in the preceding calendar year. These provisions would apply only to calendar years beginning on or after January 1, 1971.

Mr. Speaker, there are two distinct theories on financial disclosure. One is that the public has a right to know every trivial detail of the fiscal affairs of persons in public office. The other holds that only those personal financial involvements of a public official that might appear to make his judgments less than objective are proper subjects for disclosure. Mr. Speaker, our committee is firmly committed to this second concept and has framed its entire approach to its task on this principle. The resolution I offer likewise conforms to this view.

Mr. Speaker, I include the texts of the resolution and advisory opinion at this point in the RECORD:

Resolved, That (a) paragraph 3 of part A of Rule XLIV of the Rules of the House of Representatives is amended by adding at the end thereof the following:

"(b) Honorariums from a single source aggregating $300 or more.".

(b) Part A of such Rule XLIV is further amended by inserting immediately after paragraph 3 the following new paragraph:

"4. List each creditor to whom the person reporting was indebted for a period of 90 consecutive days or more during the preceding calendar year in an aggregate amount in excess of $10,000, excluding any indebtedness specifically secured by the pledge of assets of the person reporting of appropriate value.".

SEC. 2. (a) Paragraph 2 of part B of such Rule XLIV is amended by striking out the period at the end of such paragraph and inserting in lieu thereof a comma and the following: "and the amount of indebtedness owed to each creditor listed under paragraph 4 of part A.".

(b) The second paragraph following paragraph 2 of such part B is amended by striking out "shall file a report so stating" and inserting in lieu thereof "shall file a report, under part A only of this rule, so stating".

SEC. 3. The amendments made by the foregoing provisions of this resolution shall apply only with respect to calendar years beginning on and after January 1, 1971.

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, HOUSE OF REPRESENTATIVES

ADVISORY OPINION NO. 1—ON THE ROLE OF A MEMBER OF THE HOUSE OF REPRESENTATIVES IN COMMUNICATING WITH EXECUTIVE AND INDEPENDENT FEDERAL AGENCIES

REASON FOR ISSUANCE

A number of requests have come to the Committee for its advice in connection with actions a Member of Congress may properly take in discharging his representative function with respect to communications on constituent matters. This advisory opinion is written to provide some guidelines in his area in the hope they will be of assistance to Members.

BACKGROUND

The first Article in our Bill of Rights provides that "Congress shall make no law . . . abridging the . . . right of the people . . . to petition the Government for a redress of grievances." The exercise of this Right involves not only petition by groups of citizens with common objectives, but increasingly by individuals with problems or complaints involving their personal relationships with the Federal Government. As the population has grown and as the Government has enlarged in scope and complexity, an increasing number of citizens find it more difficult to obtain redress by direct communication with administrative agencies. As a result, the individual turns increasingly to his most proximate connection with his Government, his representative in the Congress, as evidenced by the fact that congressional offices devote more time to constituent requests than to any other single duty.

The reasons individuals sometimes fail to find satisfaction from their petitions are varied. At the extremes, some grievances are simply imaginary rather than real, and some with merit are denied for lack of thorough administrative consideration.

Sheer numbers impose requirements to standardize responses. Even if mechanical systems function properly and timely, the stereotyped responses they produce suggest indifference. At best, responses to grievances in form letters or by other automated means leave much to be desired.

Another factor which may lead to petitioner dissatisfaction is the occasional failure of legislative language, or the administrative interpretation of it, to cover adequately all the merits the legislation intended. Specific cases arising under these conditions test the legislation and provide a valuable oversight disclosure to the Congress.

Further, because of the complexity of our vast federal structure, often a citizen simply does not know the appropriate office to petition.

For these, or similar reasons, it is logical and proper that the petitioner seek the assistance of his Congressman for an early and equitable resolution of his problem.

REPRESENTATIONS

This Committee is of the opinion that a Member of the House of Representatives, either on his own initiative or at the request of a petitioner, may properly communicate with an Executive or Independent Agency on any matter to:

Request information or a status report;

Urge prompt consideration;

Arrange for interviews or appointments;

Express judgment;

Call for reconsideration of an administrative response which he believes is not supported by established law, Federal Regulation or legislative intent;

Perform any other service of a similar nature in this area compatible with the criteria hereinafter expressed in this Advisory Opinion.

PRINCIPLES TO BE OBSERVED

The overall public interest, naturally, is primary to any individual matter and should be so considered. There are also other self-evident standards of official conduct which Members should uphold with regard to these communications. The Committee believes the following to be basic:

1. A Member's responsibility in this area is to all his constituents equally and should be pursued with diligence irrespective of political or other considerations.

2. Direct or implied suggestion of either favoritism or reprisal in advance of, or subsequent to, action taken by the agency contacted is unwarranted abuse of the representative role.

3. A Member should make every effort to assure that representations made in his name by any staff employee conform to his instruction.

CLEAR LIMITATIONS

Attention is invited to United States Code, Title 18, Sec. 203(a) which states in part: "Whoever . . . directly or indirectly receives or agrees to receive, or asks, demands, solicits, or seeks, any compensation for any services rendered or to be rendered either by himself or another—

(1) at a time when he is a Member of Congress . . .; or

(2) at a time when he is an officer or employee of the United States in the . . . legislative . . . branch of the government . . . in relation to any proceedings, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct and substantial interest, before any department, agency, court-martial, officer, or any civil, military, or naval commission . . .

Shall be fined not more than $10,000 or imprisoned for not more than two years, or both; and shall be incapable of holding any office of honor, trust, or profit under the United States."

The Committee emphasizes that it is not herein interpreting this statute but notes that the law does refer to *any compensation, directly or indirectly, for services by himself or another*. In this connection, the Committee suggests the need for caution to prevent the accrual to a Member of any compensation for any such services which may be performed by a law firm in which the Member retains a residual interest.

It should be noted that the above statute applies to officers and employees of the House of Representatives as well as to Members.

THE SPECIAL IMPACT PROGRAM

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Wisconsin (Mr. STEIGER) is recognized for 15 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, the Department of Labor has been under attack from a number of quarters recently for its administration of the special impact program. I think now is the time to set the record straight as to the Department's past and present role and—more importantly—to assess objectively what steps are being taken to remedy the situation.

The special impact program, set up under title 1–D of the 1967 amendments to the Economic Opportunity Act, was designed to have an appreciable impact on the lives of the poor in target poverty areas. The primary purpose of most manpower programs is training and placement. The special impact program, however, sought to chart a new course by fostering business development and expansion in poverty areas which would be large enough to significantly affect disadvantaged residents. Businesses which agreed to locate new establishments in or near poverty areas were allowed financial and other incentives under the title. Twenty-two projects involving private employers with sizable potential employment opportunities were funded by the Department in 1968 and early January 1969.

All of these contracts were signed before the Nixon administration took over.

Under the contracts, the Department of Labor required that a specified number of hard-core disadvantaged from a particular community be permanently employed by the participating companies within the contract period of 24 months. Unfortunately, few of the companies at this juncture have been able to meet their contractual obligations. The 22 firms taking part in the program were to hire a total of 6,720 from the hard-core disadvantaged at a cost to the Federal Government of approximately $16.8 million.

As of September 30, 1969, only 1,010 new hires were on board, and about three-quarters of this total were concentrated in only four companies. Approximately $11.6 million, however, had already been paid out to the contracting firms. The contractors, then, had received about 68 percent of the total money obligated to the program but had only hired some 15 percent of the total hires they are committed to make during the life of the contract.

There are a number of factors which contributed to the slow progress of the program in achieving its aims. First, the level of funding indirectly limited the number of companies able to participate, and thus reduced the number of new employment opportunities which could be generated. Second, most of the companies have not been able to meet their contractual obligations. Third, some firms in the Los Angeles area either were permitted initially to locate at plant-sites not fully accessible by transportation to the target area or have been unable to resolve disputes on possession and use of sites already contracted for.

Fourth, the participating companies themselves were not really in an optimum position to carry out their contracts. Most were new or small firms—marginal firms—trying both to develop new businesses and to hire hard-core unemployed. The general inexperience of these firms in handling the disadvantaged and the highly competitive nature of the market for their particular products further complicated an already difficult task. Finally, the job opportunities were not always attractive to the disadvantaged. Many were jobs which required only minimal skills, thus holding little promise of acting as stepping stones to jobs requiring a higher degree of skill.

The administration of the special impact program also was faulty in many respects, particularly in the early stages, and this further weakened the prospects for success. The administrative staff assigned by the Johnson administration to run the program was inadequate in size, consisting of one full-time project officer assisted by several others on a part-time basis. Moreover, both the original design of the contracts and the procedures for negotiating them were weak. For example, few precontract checks were made on the suitability of the companies and sites involved, and the early contracts lacked termination for default clauses. Furthermore, the companies involved did not receive adequate technical assistance, despite the fact that a firm had been awarded a technical assistance contract to fulfill that very purpose. Finally, a distinct lack of program monitoring by the project officer was evident.

When the new administration took over in January 1969, it therefore faced a number of taxing problems. No new contracts were signed after President Nixon took office, but he and his new team had to look for ways to remedy the defects of the contracts already signed by the previous administration.

A significant and positive step toward improving the program was taken on July 1, 1969, when the administrative responsibility for special impact program contracts was transferred from the national office to regional manpower administrators in the four cities—administrators already responsible for other Department of Labor projects in these areas. I think it should be emphasized that the Department itself recognized the inherent weaknesses of the previous setup and moved to correct them long before a public hue and cry arose.

Local project monitors, who have an appreciation of the community involved and who are able to coordinate special impact projects with other manpower programs, now work closely with the contractors. The Department thus has had a closer check on the contract performance of each of the participating companies. The monitors have also made needed technical assistance available to the companies to help them to perform more effectively.

On that same date—July 1, 1969—the Department of Labor also ended its authority to enter into special impact program contracts, and all funds were transferred to the Office of Economic Opportunity. Initially, title 1–D funds had been split between OEO and the Labor Department, with OEO-funded programs aimed at community development.

Because the Department is committed—as it clearly should be—to full and complete performance from all par-

ticipating companies, it has stated it will enforce the terms and conditions of the contracts. The Department has notified the companies that it expects full and complete performance of all contractual obligations.

The contracts signed in early January 1969 do contain a termination for default clause, which will permit the regional manpower administrators to end the contractual relations between the Department of Labor and an individual contractor in the event of unsatisfactory performance. The Department has already terminated the contract of one company for default, Tintair of New York, and Monarch Electric of Los Angeles is shortly to suffer the same fate. The contract held by Cherry Valley of New York is to be terminated by mutual agreement, but the good faith of that company was demonstrated by its return to the Department of a check for $50,000.

Prime reliance for enforcement, however, is being placed on the liquidated damages provision, which all of the contracts contain and which comes into force when the contract expires. Under this provision, the Government will have returned to it a specified sum of money for every employment opportunity not filled by a permanent employee.

In some cases, a solution may be found short of such drastic steps. One possibility is renegotiation of some of the contracts. The Department recognizes that the performance level required of certain companies was unrealistic, and renegotiation may be an answer for those contractors who are making a genuine effort to meet their deadlines.

I am deeply concerned that a private brokerage firm collected significant commissions amounting to approximately $338,000 for negotiating 12 of the 22 contracts. Despite the fact that the firm earned such a large fee, it was not required to file statements with the Department of Labor either on contingent fees or on its receipt of commissions from the companies. The extent of the services actually rendered by the firm, Dempsey-Tegler of Los Angeles, is in question, and it is therefore particularly important to examine the whole issue of private companies asking fat fees for acting as a go-between with the Government.

I have sent a letter to Secretary Shultz asking for a complete review of the role which Dempsey-Tegler played. In particular, I have asked the Secretary to investigate whether payment of fees to the firm was legal under the provisions governing the special impact program and whether the Department of Labor is considering legislation which would prevent abuses of this sort from recurring. I have sent also a letter to the General Accounting Office, asking for an investigation of the legality of the contingent fees paid to Dempsey-Tegler.

I think what should be stressed at this point are the positive steps taken under the Nixon administration to correct the flaws. The effort of the Department to insure compliance with contract goals is proper, even if somewhat harsh penalties must eventually come into play. It is clear, however, that the Department's efforts also are directed at helping the companies in every way possible to meet the specified targets. Certainly the monitoring of the regional manpower administrators is directed at this positive end. Moreover, the Department's willingness to consider renegotiation in selected cases is another example of the flexible stance it is taking.

Above all, the Department continues to be concerned with the communities involved and with the disadvantaged individuals, who have been given a chance to work through this program. Should enforcement of any of the penalty clauses result in job losses for those hired, the Department plans to give first priority to placing them in other positions.

In the Los Angeles area, where 10 of the 22 companies are located, two major actions to intensify job training and placement efforts for the unemployed and underemployed have been announced. One is a new contract of approximately $5 million with the economic and youth opportunities employment program. The other earmarks $10 million for the JOBS—job opportunities in the business sector—program. The money set aside for JOBS should help immeasurably in offsetting the substandard performance of the special impact program in the Los Angeles area.

In sum, Mr. Speaker, the Manpower Administration is moving with firmness to correct the obvious defects of the program but with full recognition of the human element. The Department of Labor is to be commended for its diligent efforts to correct the mistakes of the past and to improve the special impact program's prospects for success.

DAVID O. McKAY

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Utah (Mr. BURTON) is recognized for 5 minutes.

Mr. BURTON of Utah. Mr. Speaker, David O. McKay, the late president of the Church of Jesus Christ of Latter-day Saints, was the friend of Presidents and statesmen—and champion of the most common man. He was beloved by those of his faith, and admired and respected by those who were not. He had the humility of Job, but the will and strength of Moses. His physical appearance was both commanding and handsome—yet no one felt uneasy in his presence.

Christendom has lost one of its greatest spiritual leaders. Utah parts with one of her great and beloved sons. The Nation suffers at the loss of a true and noble patriot.

My family joins me in extending to Sister McKay and members of a distinguished family, our own profound sense of loss and sorrow.

Mr. Speaker, I submit the following resolution, for myself, Mr. DEL CLAWSON, Mr. HANNA, Mr. HANSEN of Idaho, Mr. LLOYD, Mr. MOSS, and Mr. UDALL:

H. RES. 795

Resolved, That the House of Representatives has learned with great sorrow and regret of the death of David O. McKay, late president of the Church of Jesus Christ of Latter-day Saints.

Resolved, That as a token of its respect and admiration for his long and dedicated service as a humanitarian, missionary, church leader and president of the church, the House of Representatives hereby expresses its sincere sympathy and sorrow at his passing to his beloved wife and family and to those people around the world for whom he was a great spiritual leader.

Resolved, That as a further mark of respect to the memory of President McKay, the Clerk of the House of Representatives is directed to transmit a copy of this resolution to the family and to church headquarters in Salt Lake City.

TAKE PRIDE IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

Mr. MILLER of Ohio. Mr. Speaker, in 1968, 3,885,000 Americans traveled to overseas countries.

Mr. Speaker, in 1967, the United States produced 1,789,000 short tons of cotton; this is 15.8 percent of the world total.

FEDERAL EXECUTIVE MANAGEMENT AND THE SUPERGRADE SYSTEM

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Indiana (Mr. HAMILTON) is recognized for 15 minutes.

Mr. HAMILTON. Mr. Speaker, one of the major innovative approaches taken by the Federal Executive Management Act, H.R. 14679, to improve the effectiveness and efficiency of Federal administrative and program management is that bill's provision for the placement of the supergrade executive assignment system in the proposed Office of Executive Management.

Federal management study commissions and committees, as well as experts in the area of public administration, have recommended that the administration of the supergrade program be placed in the Executive Office of the President. Their recommendation has been based upon the principle that these positions and their incumbents are vitally and necessarily involved in the formulation, as well as the execution, of Presidential policies and programs. The administration of the personnel program for these positions and their incumbents should, therefore, be located at an organizational level in the executive branch which would assure that assignment of such positions to Federal agencies and programs would directly reflect the priorities established by the President and the Congress rather than the career aspirations and collective needs of the civil service bureaucracy. Unfortunately, their recommendation has never borne fruit because of, first, career civil service resistance, and second, the absence in the Executive Office of the President of an effective Federal manpower and organizational analysis function.

Past civil service resistance has been valid to the extent past recommendations would have made the administration of the supergrade program a responsibility

of the White House rather than the responsibility of an independent Office of Executive Management. The very nature of such an organizational arrangement would have overemphasized partisan political considerations to the detriment of adherence to merit principles and qualifications standards for the selection and training of persons for supergrade positions.

The Federal Executive Management Act, recently introduced by Mr. BAYH and myself, would assure continued selection of supergrade personnel based upon merit. The act would also provide, for the first time, the proper organizational and functional setting—the Executive Office of the President—for the supergrade executive assignment program. Federal supergrade employees would continue to enjoy their present rights and privileges with regard to compensaiton, leave, health and life insurance, training, awards, grievances and appeals, and so forth. The only change the Federal Executive Management Act would make in the administration of the supergrade executive assignment program would involve placing the program in an organizational setting which would be more conducive to assuring the assignment of these scarce and critical positions, and their highly skilled incumbents, to those program areas and policy activities of greatest Presidential need and priority. Application of the most basic principles for effective management and administration of Government dictate the placement of the supergrade executive assignment system in the proposed Office of Executive Management because of that Office's responsibility for reviewing and evaluating the Federal Government's overall manpower and organization programs, policies, and requirements.

Though the present supergrade program is monitored by the Civil Service Commission, with assistance from the Bureau of the Budget, neither has had, nor now have, sufficient information, resources, or procedural processes necessary to maintain an awareness of individual agency internal policy, program or organizational changes. These changes not only affect the actual number of supergrade positions required by individual agencies—which could decrease as well as increase—but they also influence grade level requirements and job relationships of agency supergrade positions. Too often in the past, the Bureau and the Commission have been totally dependent upon individual agencies for organizational and job responsibility information simply because they have lacked adequate, reliable, and independent sources of information to evaluate the validity of agency position descriptions and justification statements.

Among Federal agency position classifiers and employment specialists, the importance of making a convincing case to the Civil Service Commission as to the theoretical importance of a particular job and its imagined value to the agency program, without regard to actual classification merit or an established need for the position, has led to labeling supergrade position description and justification statement writing as "science fiction writing."

Besides the deception so common in the writing of supergrade position descriptions and justifications, frequent situations have arisen where agency functions have been abolished or substantially changed through internal reorganizations or realinements of policies, programs and/or offices. However, supergrade positions assigned to abolished functions have continued to be designated, encumbered, and often refilled against abolished functions for long periods of time with the incumbent being assigned to other duties of an indeterminable grade level or of an undetermined priority. In cases where reorganizations or realinements did not result in the abolishment of positions but did substantially alter them in a manner considered by the agency as adverse to the grade level of the position, it has been a common practice among agencies to neglect to report such changes to the Civil Service Commission. These practices are justified internally by the agencies on the basis of retaining these "surplus" positions and grade allocations against some future need.

Although the Civil Service Commission has established a reporting system for keeping abreast of positions which are vacated, neither the Commission nor the Bureau has adequate resources or procedural processes to maintain an awareness of internally controlled changes in agency operations which have an adverse impact upon an agency's supergrade positions. Consequently, the congressional dictum that supergrade positions should be assigned on the basis of Presidential program needs and priorities has frequently been frustrated by, and sacrificed to, individual executive agency deception and greed.

By specific design, the Federal Executive Management Act provides the resources and processes which will enable the proposed Office of Executive Management to maintain not only a continuing awareness of Federal agency internally controlled organizational changes, but also an alertness to their overall manpower needs—and to feed this information to that segment of the Office which would administer the supergrade executive assignment system.

The Congress recently authorized 222 additional supergrade positions for executive branch agencies, the General Accounting Office, and the Library of Congress. During the past year, an additional 100 nonquota positions were created by the individual agencies and the Civil Service Commission. According to the Washington Post's "Federal Diary" column of January 7, 1970, the Federal supergrade and equivalent position count now exceeds 9,800 positions—an increase of 500 supergrade positions over the Commissions' supergrade count of February 16, 1968.

The House Post Offie and Civil Service Committee, in its report accompanying the new supergrade authorization bill, noted "an alarming increase in the number of nonquota or unlimited numbers of supergrades for professional engineering, research and development positions, and for positions in the physical and natural sciences and medicine." In fact, nearly 1,900 of these positions have been allocated during the 7-year period since the elimination of numerical and grade-level limitations on such positions.

While there may be questions as to the validity of classifying 1,900 Federal positions in this nonquota category, it should be pointed out that these are not 1,900 new positions. Rather, the majority of these positions were converted from positions previously classified under the limited-quota category. When the authorization for an unlimited number of nonquota positions was enacted in 1962, there was a great rush by the agencies to convert many quota positions to the nonquota category in order to free the scarce quota positions for nonengineering and nonscientific programs and for administrative management personnel. While the overwhelming majority of the conversions were legitimate, there have been a number of highly questionable conversions or allocations in the nonquota category. The natural opportunity inherent for deception in the general operation of the system was increased by the tremendous workload resulting from the large volume of agency requests to the Civil Service Commission for conversions and new allocations. The absence of adequate, objective information on agency internal operations, then as now, placed the Commission in the position of having to rely almost solely upon agency presentations. Considering the opportunities for agency deception, the extensive workload, the tight deadlines, and the shortage of trained classification manpower, it seems commendable that the Commission has maintained a high degree of classification integrity for these nonquota positions.

The foregoing examples offer ample evidence of the need for the executive branch to get its house in order by bringing reason and rationality to bear in the control and administration of supergrade positions. New supergrade positions and grade levels must be allocated, in fact as well as in theory, on the basis of Presidential program needs and priorities rather than randomly distributed on the basis of "sharing the pie" in a manner designed to keep the agencies and the career civil service bureaucracy from being too unhappy. Current allocations must be reviewed and hard decisions must be made to reallocate surplus and nonpriority positions to those areas of greatest need as established by the President and the Congress.

The House Post Office and Civil Service Committee has given ample notice of its concern by "insisting that the Civil Service Commission be most careful to allocate them—the recently authorized additional quota supergrade positions—to the departments and agencies that have the greatest need in view of the total number now being made available." Furthermore, the committee admonished the Commission, the Bureau, and agency managers to work toward reducing the "inflationary trends in pay grade levels." The committee also indicated that current coadministration of the system by the Congress and the executive branch has not served to control escalation of supergrade positions even though "the present system is as

realistic and feasible a procedure as we have been able to develop."

Granting the validity of this last contention, effective management of the supergrade executive assignment program can never be achieved through procedural processes alone; more reliance must be placed upon substantive efforts. Federal management cannot tolerate a personnel program whose main administrative characteristics were noted by the 1968 House Post Office and Civil Service Committee's minority report on proposed supergrade authorizations as being "reminiscent of the Stephen Leacock character who flung himself from the room, flung himself upon his horse, and rode off in all directions."

The Federal Executive Management Act provides a means by which the supergrade control system can be headed in one direction—the direction of effective, efficient, and economic management of Federal manpower resources, policies, and programs. It establishes the type of substantive process required to improve the supergrade executive assignment system by placing the program in an organizational setting conducive to assuring access to the necessary manpower and organizational information for allocating positions on the basis of established Presidential needs and priorities. In short, the act provides the more "realistic and feasible procedure" for which the Congress has been searching.

Mr. BAYH ably stated the case in introducing the bill in the other body last April by noting:

> If we are ever to treat the causes rather than the symptoms of (Federal) administrative organization and management problems, then the Executive branch must be given adequate tools and resources to get at these problems . . . . Executive organization and management problems are immediate and bureaucratic in nature. Through the establishment of an appropriate and responsible office within the bureaucracy, it would be possible for the Executive branch to institute the necessary organizational and management reforms.

My colleagues who share my concern over the management of the Federal supergrade executive assignment system, as well as the general administrative management of the executive branch, are invited to reintroduce the Federal Executive Management Act. Your action will demonstrate to the Bureau of the Budget the degree of congressional interest in favorably responding to the request of the chairman of the House Government Operations Committee for their views concerning enactment of the proposed act. Likewise, your action will demonstrate to the President's Advisory Council on Executive Organization the desirability of recommending to the President that he propose and support enactment.

THE MOLLY MAGUIRES WORLD PREMIERE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 15 minutes.

Mr. FLOOD. Mr. Speaker, tomorrow will be a most significant day in the history of the anthracite coalfields in northeastern Pennsylvania, when the Paramount Pictures production, "The Molly Maguires" will have its world premiere in the cities of Wilkes-Barre and Hazleton, which I have been privileged to represent over the past quarter century, as well as in neighboring Scranton.

"The "Mollies" is the story of the conflict between oppressed immigrant Irish coal miners, earning their pittance in the lethal chambers beneath the terrain of the anthracite region, and the company police, hired to protect the barons and their holdings from the newly formed secret society which was bent on "an eye for an eye" against coal company injustice.

But beyond the cold facts of labor strife and violence, which, a century later, still plagues our society, are some of the basic elements of our American history—courage in the face of exploitation, pain, deceit, and injustice.

Vividly traced in the Paramount screening is prelabor union America, what it was really like before men joined in the first determined fight for organizing to secure rights and improved working conditions.

The abuses which preceded the great social and civil rights legislation of this century—child labor, "scabbing," economic servitude by coal operators and their company stores, are vividly portrayed. The inner conflict of human beings faced with monetary gain for playing the role of company spy, deceit, and fear-ridden life in a small coal town are just some of the post-Civil War poverty conditions that Paramount Pictures has captured in its production, "The Molly Maguires."

Nearly 70 percent of this cinema masterpiece, Mr. Speaker, was filmed in the anthracite coalfields which I am proud to represent, with location filming also in nearby Schuylkill County.

Convinced that the true spirit of "The Molly Maguires" era could be captured by going back to the hard coal regions, Director Martin Ritt and coproducer Walter Bernstein, after 2 years of intensive research, decided that the home of "black gold," as hard coal has been called for more than a century, could best serve as the filming site for their film. Thus unfolded plans for a movie which will ultimately contribute to the economic and cultural aspects of northeastern Pennsylvania for years to come.

The producers leased the tiny village of Eckley in Luzerne County, near Hazleton, Pa., which is the only coal patchtown entirely owned by one man which still exists in America.

Out of consideration to the residents of the village, Paramount paid the rent of the 62 families which occupy the 40 homes of the town. In addition, residents who served as extras were paid a wage each day, and hundreds of local residents, many whose ancestors were original Molly Maguires took part in the filming. Modern-day facilities such as powerlines and television antennas were removed to create an original late 19th century motif, which many old timers who have seen the film say is a brilliant recreation.

In Mauch Chunk—now renamed Jim Thorpe after the late great Indian athlete—the main street was reconverted to resemble the town as it existed in the era. Storefronts were rebuilt to conform to old designs and false fronts designed to hide parking lots. At Bloomsburg, which is in Columbia County, an aging railroad station, still standing, provided a set for a departure to the "city." Other locations used were Weatherly, Ashland, Drums, and Llewelyn.

When the "Molly Maguires" company returned to Hollywood, after nearly 6 months on location, they left behind, in addition to fond memories and economic gain, a spirit of cooperation among the fine people of that area which will not soon be forgotten.

Along with a brilliant recreation of the life and times of the coal fields, "The Molly Maguires" is a film which shows some of the finest acting I have ever seen.

Richard Harris, who plays detective James McParlan, is a native Irishman—Limmerick—who so realistically captures the role of informer that it would not be too difficult to imagine that he once took part in an uprising between North and South Ireland.

Sean Connery, a native Scotsman, whose ancestors, when he was a boy told him tales of mining terrors in Europe, is cast in the role of "Molly Maguire" leader, Black Jack Kehoe.

Samantha Eggar brings all her British sophistication and stage and television starring experience to a peak performance in this film as Mary Reeves, the daughter of an ailing coal miner, who wins the admiration of Black Jack Kehoe, and the hearts of other "Mollies" and legions of admirers who will see this show.

Along with its initial contribution to the economy of northeastern Pennsylvania, Paramount Pictures has most generously taken steps which will perpetuate the tradition of good will created by the filming of "The Molly Maguires," and help tourism in my State for years to come.

The village of Eckley has been acquired by a group of far-sighted Hazleton businessmen, centered around the chamber of commerce, and have undertaken a project, with the assistance of Paramount Pictures, which will make Eckley a permanent "anthracite museum" for our children to see in the years ahead. Paramount left the original set intact, and has contributed a large financial offering toward the acquisition cost.

It will be a great day, and a cheerful one tomorrow when the first ceremonies for "premiere day" are held at Eckley, when the Governor of the Commonwealth accepts the deed to this village as it becomes a permanent site to be governed by the Pennsylvania Historical Commission. Indeed, as their Congressman, and as an old actor, I will be most proud to take part to congratulate all those who worked as a team to make northeastern Pennsylvania the permanent home of "The Molly Maguires."

Mr. Speaker, the legitimate stage was my career and occupation for several years as a young man, and I hope I would recognize a good show when I see

one—not just the film itself, but the tremendous good that came from it.

Mr. Speaker, I salute Paramount Pictures and its board chairman, Charles B. Bluhdorn, for their deep interest in contributing to the culture and renewed prosperity in tourism in our area, and I also salute the dynamic efforts of those individuals who are making Eckley what it will be. I pay tribute to the people who took part in the film, and I compliment all who in any way have helped to make this history of the coal miner and the tradition of the coal fields one of the hallmarks of my district.

PEOPLE TO PEOPLE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Georgia (Mr. BRINKLEY) is recognized for 30 minutes.

Mr. BRINKLEY. Mr. Speaker, the concept of a democracy is built upon the basis of equal applicability of laws. Under uniform administration of law, the theory is, bad law will be like bad shoes and pinch the foot, bringing about sufficient popular support to require of representatives in government a change in the law.

But there are two standards of law existing in this country today relating to the field of education.

One affects only the South. The other standard applies to the remainder of the Nation.

Thus, if the law affecting the South is bad law and pinches the foot, what is to be our remedy? Our number in Congress is insufficient to change the law and people outside the South are unaware of the inequity.

As a matter of fact, some Representatives from other sections, believing that an anti-South sentiment is popular among their constituents, actually contribute to erroneous propaganda concerning conditions within our region.

Believing as I do, that Americans have a deep and basic sense of fair play, I am proposing a "people to people" campaign to correct what I believe to be bad law and an unjust, discriminatory second reconstruction effort aimed at the South.

Simply put, the courts have ruled that schools in the South are to be classified as de jure systems because of a former system of dual schools provided by law for the separation of black and white students. This separate but equal doctrine was the law of the land until the *Brown* decision in 1954 overruled *Plessy against Ferguson*.

Thereafter, the South has operated on a freedom of choice system and in urban communities the neighborhood school concept is generally acceptable.

Many courts have indicated that this is not enough. They have "legislated" and "mandated" through decrees that only racial balance will satisfy the law when applied to a de jure institution. This would entail busing of students to achieve the specified racial quotas.

Quality education, they say, will thus best be served in the long run.

Humbug! A thousand humbugs!!

Do they not know that a chain is no stronger than its weakest link? Do they not know that each generation of people is a link in the chain of this country and that one defective link jeopardizes the entire future of the Republic?

Abraham Lincoln once most accurately said that you do not make short men tall by cutting off the legs of tall men!

The other standard applied to non-Southern schools does not require quotas or balances, or busing to achieve those purposes. This is because of an artificial distinction permitted by the courts in distinguishing those systems from Southern systems.

Namely, while the facts have been substantially identical, separate schools for black and white—in the North by housing patterns; in the South by law—the neighborhood all-white and all-black systems of the North have been labeled as de facto segregated systems because of the historical absence of statutory requirements for separate schools for the black and white races. But the *fact* is that many are all white and all black!

The Court hangs its hat on this peg, or at least accepts this "peg" as constitutional, and will generally permit all-black and all-white schools *if they are located in any State outside the South* under the rationale that the housing pattern lends itself to that result!

Since there is unequal application of the law, on the facts, how may the people from our region—the black and white—obtain justice? How may we prevent forced busing and uprooting of children across towns, and from town to town?

There is only one avenue which remains. The shoe prescribed by the courts doesn't pinch in California and New York; their Congressmen, whether rightly or wrongly, believe their constituents feel that the South must be "dealt with." Therefore, we must tell the *people* in California the truth. We must tell the people in New York of the situation as it *actually exists*.

Three questions should be asked and answered:

First. Who will tell them?

Second. Will credibility be established?

Third. What will be accomplished?

First. Each and every citizen should write each and every friend and relative he has outside the South, asking assistance in seeking uniform application of the law nationwide *on the facts* unencumbered by the deceptive, technical distinction between *de jure* and *de facto*. This must be a missionary zeal, revival effort. No less effort has any chance at all for success.

Second. Credibility is already established with friends and relatives. We will be believed.

Third. The people will do the rest. Their Congressman will listen to them! My bill, my constitutional amendment, or any other Congressman's bill or amendment in this field, would then be fairly and favorably considered. Until that time, such legislation has two chances—slim and none.

This is the political approach and is illustrated by the congressional system presently employed in generating support for legislation. If a congressional committee chairman seeks to muster broad support, if a bill is in trouble, he does not call me. He does not have his own constituents write to me. What he does do is to pass the word to interested and affected parties within my own district, because he knows that when they communicate, I will listen! Congressmen from other States are no different. They wish to represent *their* own people and be responsive to them—in an honest effort to represent their country.

All things are possible. This will work, but only if every person in the South is willing to say, "I have had a bellyfull and enough, and am willing to roll up my shirt sleeves and write Cousin Bill in California and my old Army buddy Joe in New York!"

If we believe in it, we should have an organizational meeting in every school district in the South, and begin. The important thing is to begin.

FOREIGN BANK SECRECY

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, it is becoming more and more apparent that the cloak of secrecy provided by the banking laws of some countries is being used by American citizens to evade the payment of taxes, by members of organized crime to hide their ill-gotten gains and infiltrate legitimate businesses, by stock manipulators and by black marketeers. Ther is no question that these illicit activities have a very detrimental effect upon our economy and society. Secret bank accounts not only allow and encourage these people to violate our laws, but also enable them to accumulate huge fortunes at the expense of the honest taxpayer.

Hearings held by the House Banking and Currency Committee last December revealed that legislation is needed in this area to stop these unlawful activities. Recent news articles have reiterated this need. I have introduced such legislation. Hearings will resume February 10. The Honorable Bob Morgantheau will be the witness that day.

I insert for the RECORD two excellent articles that recently appeared in the New York Times which describe how these secret bank accounts are being used by people who violate our laws and avoid detection:

[From the New York Times, Nov. 30, 1969]

SWISS ACCOUNTS TEMPT SOME AMERICANS TO CHEAT

(By Neil Sheehan)

WASHINGTON.—More and more affluent Americans are discovering that the silence of a Swiss bank vault can be golden.

Under the certified secrecy of a Swiss account, many are cheating the tax collector and committing other felonies, such as illegal trading in stocks and bonds through Swiss banks.

The crimes are those of the rich. They are beyond the reach of the average citizen, even if he were tempted. The stock manipulations require large sums of money and the tax evasion schemes are impossible for a man whose incomes taxes are taken out of his pay check every week.

"The use of secret foreign bank accounts has become a national scandal," Representative Wright Patman, chairman of the House

Banking and Currency Committee, says. Mr. Patman, a harrier of domestic and international bankers, intends to begin a full-scale committee investigation on Dec. 4.

The framework for the hearings will be a bill Mr. Patman, a Texas Democrat, is submitting that seeks to curb Swiss bank crime. The bill would, among other provisions, make it illegal for an American citizen or corporation to have a secret foreign bank account unless all transactions were reported annually to the Treasury. Violators would incur serious criminal and civil penalties.

The scope of the use of the secrecy provided by Swiss bank accounts for Americans wishing to make illegal financial gains has been disclosed in a two-month investigation by The New York Times among Federal law enforcement agencies, economists familiar with the operations, knowledgeable Swiss sources, and the records of many court cases.

NO COUNTERPART LAWS

Swiss legal authorities need not cooperate with the United States in apprehending violators of American tax and stock and bond trading laws because there are no counterpart statutes in Swiss penal codes. Tax frauds here are not considered crimes in Switzerland. Securities trading laws do not exist there, so no crime has occurred as far as the Swiss are concerned.

Most American Federal mail frauds, another source of American prosecutions in this area, are also nonexistent in Switzerland. A Swiss banker who helps an American client break these American laws thus breaches none of his own.

The Swiss banks generally have an outstanding reputation in the international financial community for stability and ethical standards. There is no evidence of widespread wrongdoing involved in the vast bulk of the business these banks do in the United States.

Prosperity, sophistication, the ease of travel in the jet age; the revolution in intercontinental telephone and teletype communications, and the growing size and complexity of the American economy and Wall Street finance—all are encouraging the special form of affluent criminality by way of Swiss banks.

The Mafia were among the first Americans to take up the Swiss device to bleach so-called "black money" from numbers, bookmaking and narcotics rackets, and undeclared profits "skimmed" off Las Vegas casinos, into "white money" for reinvestment in pseudolegitimate business.

The mobsters are still having their laundry done in Switzerland, but they are now a minority of American clients of Swiss banks. Hardly a week passes without some mention of a Swiss bank in the news columns—in a corporate merger fight, a bankruptcy proceeding where the bankrupt is apparently not as penniless as he claims, or a divorce case in which one of the partners accuses the other of sheltering money under the Matterhorn.

SECURITY IN ALPS

Some Americans not ordinarily thought to be affluent, Army sergeants, have also discovered the security of Alpine vaults. Army Sergeant Major William O. Wooldridge allegedly funneled $362,000 derived from military service club corruption into a Swiss account code named "Fish Head."

And a Federal prosecution in Washington this fall showed that Swiss banks were offering their services for crimes far more serious than slot-machine rakeoffs by Army sergeants or even widespread tax and securities violations.

With the active participation of two Swiss banks, one of them the Union Bank, the largest in Switzerland, two Americans committed the biggest theft from the public treasury since Billy Sol Estes bilked the Department of Agriculture out of millions around the turn of the decade with a mirage of liquid fertilizer tanks.

The two defrauded the Navy of $4.6-million on contracts to manufacture rocket launchers. Union Bank helped them smuggle another $500,000 worth of munitions to Europe, Latin America and possibly the Middle East. Then there were the garden variety offenses like opening accounts for Mafia bosses, evading taxes on other millions and wholesale disregard of securities laws.

BOTH PLEADED GUILTY

The details have not been made public because both men pleaded guilty to fraud charges last October, averting the publicity of a trial and thereby hoping to gain a light sentence.

They are Francis N. Rosenbaum, a wealthy Washington lawyer with solid social and political connections, and his partner, Andrew L. Stone, a multimillionaire St. Louis furniture and munitions maker.

The Navy was defrauded of the $4.6-million with fictitious bills that both men obtained from the banks for imaginary raw materials and electrical components on the stationery of dummy companies.

Revealed in the evidence amassed by an assistant United States attorney, Seymour Glanzer, and his aides, Robert Ogren and John Risher, was a machinery of subterfuge that Swiss bankers have invented over the years to mask corporate thievery by their clients.

There were the sham Lichtenstein and Swiss corporations whose assets are a desk drawer filled with letterheads and invoices: bankers, lawyers and accountants who will pose as anyone and sign anything for a commission; high speed automatic printers to shift dollars from one paper corporation to another; legal fictions to salve the conscience, and an attitude that anything goes as long as it looks legitimate on paper and reaps money.

The two Swiss banks fought the investigation doggedly.

Mr. Glanzer and other investigators found the banks unconcerned about what laws their clients were breaking, anxious only to protect bank secrecy. When the fraud was initially discovered, one bank even provided Messrs. Rosenbaum and Stone with spurious letters and other documents to attempt to deceive the Justice Department and the Federal Bureau of Investigation. The other bank kept silence at the instruction of its clients.

Fictitious invoices, Mr. Glanzer learned, are a standard service that Swiss banks, for a commission, offer clients. Rosenbaum was discovered to have arranged similar siphoning operations with the banks for other businessmen, including the senior vice president of one of the 25 largest corporations in the United States.

The evidence revealed that Rosenbaum was an intermediary for corruption that went considerably beyond himself and Stone. Federal investigators are now in the process of following trails that were uncovered.

SECRECY IS BROKEN

Swiss bank secrecy was officially broken for the first time in this case.

Although the banks exert great political influence in Switzerland, many Swiss federal and cantonal legal authorities do not share the see-no-evil, hear-no-evil attitude of their bankers toward crimes like forgery and outright fraud. The Federal Government and cantonal prosecutors intervened and brought court action that forced the banks to surrender the records to the Justice Department. In return, the United States promised not to use the documents for tax and related prosecutions.

And Swiss bankers have no intention of telling or of halting the use of their banks. Bank secrecy is embedded in Swiss laws that make it a criminal offense for any officer or employee of a bank to disclose information or even for outsiders to seek it. This certified silence and Swiss political stability and neutrality in the midst of a troubled world have made the handling of other people's money the Swiss national industry.

FINANCIAL CAPITAL

They have tranformed a small, landlocked country, with almost no natural resources and a gross national product one-fiftieth that of the United States, into a financial capital that ranks just below New York and London. Swiss bankers, for example, control about 25 per cent of the $30-billion Euro-Dollar Pool.

A single case prosecuted in New York last summer illustrates the volume of money that flows through Swiss bank crime. Coggeshall & Hicks, a small but old-line New York brokerage firm, illegally traded $20-million in stocks and bonds over a five-year period through one Swiss institution, the Arzi Bank of Zurich. Two other brokerage houses were discovered doing an equally brisk business with the same bank.

The brokerage firms and the bank were violating a United States securities trading law known as the margin requirement. This law makes it a felony for a stock exchange broker and prior intermediaries to extend credit for the purchase of stock beyond a specified percentage of the market value. This credit limit is set at various levels by the Federal Reserve Board but usually is kept in the neighborhood of 20 per cent of value. The law was passed in 1934 to prevent the kind of panic selling in a falling market that helped bring on the 1929 crash.

BIG CREDIT GIVEN

In this instance the Swiss bank, with the connivance of the brokerage firms and favored customers, was giving customers an average of 80 per cent and sometimes 90 per cent credit. A customer with $10,000 could thus purchase $100,000 worth of stock, instead of the legal $12,500.

The brokerage firms had arranged for these customers to open accounts with the bank that were carried on the trading records in New York as numbered subaccounts under the general account of the bank. When he wanted to buy or sell stock, the customer simply telephoned his broker and gave his order through a system of code words.

The buy or sell orders would then be placed for the numbered subaccounts of the Swiss bank and the customer's name would never appear on any of the transactions. The system also enabled customers to evade capital gains taxes on their profits.

The bank profited handsomely by charging interest rates of 10 to 12 per cent on the credit extended. Since it retained ultimate control, the bank protected itself against any loss by selling out the customer if the stock began to fall in value.

EMPLOYEES TRADED

Some of the partners and employees of the brokerage firms were also utilizing the scheme to trade secretly for themselves and their families under the same easy credit terms.

There are a number of other American security laws, all designed to protect the ordinary stockholder against manipulation of the market by professionals with special knowledge and power, that businessmen are finding it convenient and lucrative to violate through Swiss banks.

One is a prohibition against "insider trading." This occurs when an officer or other control figure in a corporation buys or sells stock in the company for himself without making a public declaration to the Securities and Exchange Commission of intent and of the firm's current assets and liabilities. Those controlling the company may not want stockholders to know these facts.

So the "insider" buys and sells the securities under the anonymity of a Swiss bank.

Max Orovitz, a Miami and New York multimillionaire "insider," was convicted last year of such violations. He first advantageously acquired $500,000 worth of securities in the General Development Corporation, a real es-

tate concern of which he was the treasurer and a director, and then sold $250,000 of them for a profit in the $100,000 range.

ENVELOPE BROKE OPEN

A principal officer in four companies, a director of the Florida Light and Power Company and two banks and chairman of the executive committee of the University of Miami, Mr. Orovitz also operated through the biggest Swiss bank, the Union Bank of Switzerland. At his trial he professed ignorance of who owned the securities and recited a complicated explanation—which the judge did not believe—of another mysterious transaction—an airmail envelope from the bank with $50,000 in cash that embarrassingly broke open in the Miami post office.

A third violation of securities laws, for which Swiss bank secrecy is an ideal cloak, goes by the innocuous term of "trading in new issues." A broker who controls an attractive new stock issue secretly buys a large block for himself at a bargain basement price before public trading begins. He sells high after the stock goes on the market and the price climbs.

Then there is outright manipulation of the market with the Swiss secrecy device—driving the price of a stock up or down, whichever is desired, by placing buy and sell orders through Swiss accounts. Complicated variations on this theme have been used in several instances in recent years to bilk other investors out of tens of millions of dollars.

JUST AN OUTCROPPING

Evidence garnered from instances of tax and securities violations that have been prosecuted indicates they represent the mere outcropping of a large reef at high tide.

Nearly 30 Swiss banks, two American bank branches in Switzerland and 24 reputable brokerage houses in this country have been involved in one case or another, either through the simple use of their facilities, through one of their officers or employees, or because the firm itself was deliberately breaking the law.

Because Swiss bank cases, if prosecutable at all, are always complex; time-consuming research is required to obtain an indictment. The number of prosecutions therefore has by no means kept pace with the trails found.

The chairman of an American corporation that does $1.5-billion of business annually and whose products are a household word was recently discovered surreptitiously trading stock through a Swiss account.

One of the oldest and largest Wall Street brokerage firms was found this fall to be handling 127 numbered subaccounts for Swiss banks, a good indication that some, at least, are covers for illegal trading by Americans.

The bill that Representative Patman has drawn up would give American authorities stronger weapons in combating some of these practices. The measure would:

Require all banks, brokerage houses and similar institutions to microfilm checks and to see that any person transacting business through their facilities with a foreign bank properly identified himself and the persons for whom he was acting. The provision could end the common practice of signing false names and addresses on forms for cash transfers to Switzerland of hundreds of thousands of dollars at a time through American banks.

Direct any person carrying more than $5,000 in cash out of the United States at any one time, or $10,000 in a calendar year, to report these transfers to the Treasury.

Make it illegal for an American citizen or corporation to have a secret foreign bank account unless all transactions were reported annually to the Treasury.

Empower the Secretary of the Treasury to seek court injunctions against any individual or corporation who was violating, or appeared about to violate, the laws in this area.

Give United States attorneys the power to force a witness to testify by obtaining a court order that would grant the witness immunity from personal incrimination. The witness would thus not be able to invoke his Fifth Amendment right because he would not be incriminating himself by his testimony.

The bill would also create stiff criminal and civil penalties for infractions of its provisions. A simple violation could bring a fine of not more than twice the amount of money or a year in jail or both, violations exceeding $100,000 in any 12-month period could result in a fine of $500,000 or five years' imprisonment or both.

Civil penalties would entail forfeiture of the entire transaction.

Except for the exhaustive investigation conducted by Mr. Glanzer in Washington in which Swiss Bank secrecy was ruptured for the first time, the only law enforcement agency to make a sustained effort to combat this new form of affluent crime has been the New York City office of Robert M. Morgenthau, United States Attorney for the Southern District of New York.

He and his assistants have originated virtually all the prosecutions thus far. The information they obtained has led to the forthcoming House Banking and Currency Committee investigation.

Mr. Morgenthau considers the penchant for Swiss bank crime by supposedly reputable citizens and ominous erosion of tax and securities laws.

His efforts, he says, have been hampered by lack of funds and manpower. He can spare only three assistant attorneys and four investigators for the work.

"I think we've slowed Swiss bank crime up somewhat," he said in an interview, "but we're only touching a small part of it."

Dr. Franz Pick, a bespectacled economist of Austro-Hungarian ancestry who publishes information on international financial operations from his New York financial district office, disagrees with Mr. Morgenthau. He thinks there has not even been a slowdown in the scurrying for a Swiss shelter. On the contrary, he believes that inflation, high taxes and regulation of stock and bond trading are persuading more and more Americans to adopt the Swiss device.

He is convinced that not only businessmen but also others who acquire cash, such as doctors, lawyers, dentists, politicians or simply wealthy families seeking to safeguard an inheritance are turning to the Swiss haven.

As long ago as 1958, the New York regional office of the intelligence division of the Internal Revenue Service made a confidential investigation of the Swiss bank problem after $30-million in suspicious money transfers were made to Swiss accounts in one year through two New York banks.

The investigation unearthed enough evidence of large-scale tax and securities frauds and associated rackets like diamond smuggling to conclude that Swiss bank secrecy offered "a and wide-open field" for such crime and posed "a serious threat to our tax system." The report recommended a grand jury or Congressional investigation and a tightening of American laws.

Neither recommendation was ever translated into action. Both before and since the investigation, the revenue service has usually shunned the prosecution of tax frauds involving Swiss banks because of time-consuming complications and the difficulty that Swiss secrecy poses in obtaining a conviction.

Since the 1958 investigation there have been only two indictments for tax fraud involving Swiss banks, both handed down by the grand jury in Mr. Morgenthau's district. The most recent, last December, accused two New York businessmen of swindling the Government out of $1.5-million in corporate and personal income taxes in three years.

Irving Braverman, vice president of Leeds Travelwear, and Sidney Rosenstein, his partner in two other companies that specialize in selling items to military post exchanges overseas, allegedly sent $3-million in sales commissions on an underground journey to the Bank Leu of Zurich, the fifth largest in Switzerland, under the cover of the Continental Trade Establishment, of Vaduz, Lichtenstein.

This trading house turned out to be a dummy Lichtenstein corporation administered by Dr. Herbert Batliner and Dr. Alfred Bucher, who are among a number of lawyers who bustle between Switzerland and this tiny Swiss protectorate on the border with Austria.

About 20 other tax fraud cases have recommended for prosecution by investigators in the New York–New Jersey area, but none have yet been approved by the Justice department and I.R.S. headquarters in Washington for submission to a grand jury.

HOW AMERICANS CAN OPEN SWISS BANK ACCOUNT HERE

WASHINGTON.—Anyone fortunate enough to be able to afford a Swiss bank account can open one by going to the branch or office of a number of Swiss banks in lower Manhattan.

Five major Swiss banks have branches or representative offices there and a number of smaller banks also have representatives in New York.

The three biggest banks are the Union Bank of Switzerland, the Swiss Bank Corporation and the Swiss Credit Bank. The latter two also have offices in Los Angeles and San Francisco. If you live elsewhere, the whole procedure can be accomplished by mail.

A clerk working behind a desk on the street level of the Swiss Bank Corporation branch in the Equitable Building at 15 Nassau Street directs a visitor asking about opening an account to the fifth floor. There a polite young Swiss executive explains that regular time deposits, the quivalent of an however, you can obtain 10⅞ per cent interest in amounts above $12,500. On a minimum time deposit of $25,000 at six months, however, you can obtain 10⅞ per cent interest because the bank will lend out the money for its own account on the Euro-Dollar market in London, where demand is high because of the credit pinch here.

(Most Americans probably would not want just a plain old-fashioned account in a Swiss bank. Swiss interest rates, at 3¾ per cent on deposits below $12,500 are not designed to attract modest savings.)

BANK BUYS AND SELLS STOCKS

The executive explains that for a fee, equivalent to that of an American broker, the bank will buy and sell stocks and bonds for you in the United States or elsewhere.

"I would like the account to be a numbered one," you say.

"You would have to go to Switzerland to do that," he says. "And we don't handle numbered accounts except for very large amounts of money."

"What is the minimum?" you ask. "$150,000," he says.

The numbered account (sometimes code words are used instead) is no different from a named one, as far as the protection of Swiss bank secrecy laws are concerned. It is, however, a super-discretionary device whereby the depositor's name is known only to the top three or four officers of the bank, and the client can transact business by signing the number or code word in longhand on correspondence. This however, creates more administrative work for the bank and so, the executive notes, sums smaller than $150,000 are not accepted.

The smaller Swiss banks are said to be more ready to open numbered accounts for

Americans in the United States and to be willing to handle those below $150,000.

"Will the American authorities be able to find out that I have an account with you?" you ask.

"If you open the account here they will be able to," he says. "Our records here are subject to American law."

However, the fact of the account's existence can be denied to American authorities by mailing the forms to open it directly to Switzerland instead of returning them to a New York branch. Even if the existence of the account is learned, American law enforcement officials cannot obtain any information on subsequent deposits and other transactions from the bank if certain elementary precautions are taken.

IN CASH THROUGH AMERICAN BANKS

One usual method is to make the deposits in Switzerland by mail. Another is to make them in cash through any correspondent American bank and to sign a false name and address on the Treasury currency report that is supposed to be filled out for cash transfers above $2,500 in bills of $100 denomination or above $10,000 in bills of any denomination.

The Treasury regulation governing the reports is more or less voluntary and a bank incurs no more than a scolding for a lapse.

After you have made the transfer, you enclose a copy of the deposit slip in an airmail envelope to Switzerland along with a letter to your banker identifying the cash as your money and asking him to credit your account. He will do so.

There is nothing illegal about an American having a Swiss account, receiving interest on it or using it to buy stocks or perform any other transaction, provided securities laws are not violated and proper declarations are made on taxable income.

In a visit to the office of another institution, the Union Bank of Switzerland, another executive explains that the bank deducts just two taxes—a 30 per cent Swiss tax on interest payments and an equalization tax for Americans who buy Swiss or other foreign securities. This second tax does not apply to American stocks and bonds. Switzerland also has no capital gains tax on the profits from securities trading and no inheritance taxes for foreigners.

[From the New York Times, Dec. 1, 1969]

CROOKED DEALS IN SWISS ACCOUNTS AIDED BY BANKS' INACTION HERE—BROKERS DECLINE TO QUERY CLIENTS—SECRECY FOILS ATTEMPTS TO STUDY TAX EVASION, STOCK FRAUD AND CRIME LOOT

(By Neil Sheehan)

WASHINGTON, November 30.—Last spring the senior partner in a New York brokerage house was told by the vice president of a Swiss bank with whom he regularly did business: "A fellow will come to your office in the next few days with $100,000 in cash. Take it. The money's for us."

Several days later a man appeared with $100,000 in cash in an envelope. The broker accepted it without demur and put the money in a safe. Other men came and went on the same errand a number of times in the next few weeks until the broker had accumulated $840,000 in cash.

The Swiss bank official flew to New York on one of his frequent trips to the United States to solicit business and to pick up this and other deposits.

Both he and the broker were summoned to the Manhattan office of Robert M. Morgenthau, United States Attorney for the Southern District of New York.

Do you know what you've been doing?" they were asked. "No," the men replied in puzzlement.

"You've been taking payoffs for heroin."

The eyes of banker and broker rounded in shocked surprise. "We didn't know that," they said.

"DIDN'T THINK ABOUT IT"

"What did you think you were doing?" an assistant United States attorney asked.

"I didn't really think about it," the broker said.

"I thought is was something a bit illegal, maybe diamond smuggling," said the Swiss banker, a stock, well-scrubbed, neatly tailored man. "But I didn't know it was narcotics. If I had, I would never have accepted the money."

Mr. Morgenthau and other law enforcement authorities have found this close-your-eyes-and-pass-the-money attitude to be common to much of the Swiss and American banking and brokerage community.

Coupled with Swiss bank secrecy, the attitude has repeatedly frustrated the lawmen's efforts to restrict the use of Swiss banks, not only for massive tax evasion and securities frauds by supposedly respectable Americans, but also as the principal haven for illicit money from organized crime.

The late Louis Schrager, a principal figure in the Meyer Lansky organized crime syndicate who ran the numbers racket on Manhattan's West Side and in the garment district and part of Brooklyn until his death in 1967, negotiated one of many profitable arrangements for himself through a Swiss bank and an old line New York private bank and brokerage firm, Laidlaw & Company.

BONDS WERE COLLATERAL

In April of 1964, Schrager wanted to transform about $400,000 worth of 3 to 4 per cent interest, municipal bearer bonds, a negotiable type that does not carry the purchaser's name, into a better investment. He had the bonds turned over to the Nassau, Bahamas, subsidiary of a Geneva bank. Bahamian civil law protects bank secrecy there.

Using the bonds as collateral, a vice president of the Swiss bank negotiated a $375,000 loan from Laidlaw to the Bahamas subsidiary. The $375,000 became a time deposit for Schrager at the Bahamas subsidiary and paid 5 per cent interest. Laidlaw charged 5 per cent interest for the loan and the Swiss bank in turn got $375,000 to lend elsewhere at higher interest rates.

To prove it could negotiate the bonds, the Swiss bank gave Laidlaw the original of a letter of transmittal from the purported owner. The letter was signed, "I.S.I.S. Ltd., Gene Bernard." No address was given. Laidlaw's attorneys looked over the documents and approved the transaction as legally sound. No one asked what I.S.I.S. did or who Gene Bernard was.

Gene Bernard is an alias of a corrupt Miami accountant and I.S.I.S. Ltd., was a dummy corporation administered by him and a crooked lawyer-accountant team in Cleveland.

LETTER TRANSFERRED

In the summer of 1965, Schrager and his financial managers discovered that the Swiss bank had given Laidlaw the I.S.I.S. letter. They had assumed the Swiss bank would say it owned the bonds itself, and demanded that the bank retrieve the letter so that no link to themselves would exist in Laidlaw's files, where it could be subpoenaed.

The Swiss bank explained to Laidlaw in a series of complicated negotiations that its client, I.S.I.S. Ltd., did not want its name appearing in the loan file. Laidlaw protected itself financially by having the parent Swiss bank guarantee the loan to the subsidiary and returned the original I.S.I.S. letter. Again, Laidlaw did not inquire into I.S.I.S. and Gene Bernard. It did, however, keep a copy of the letter, which was subsequently subpoenaed by a New York grand jury.

The two-and-a-half-year loan was finally terminated in October of 1966. By that time, Laidlaw's interest charge had risen to 6¾ per cent.

American brokerage firms likewise restrain their inquisitiveness when buying or selling stock for a Swiss bank, although brokers readily concede their awareness that the Swiss are probably trading for a third party.

ONLY A SERVICE

When questioned about this attitude by law enforcement officials, bankers and brokers usually say they are merely performing a professional service and that questions about the real participants would be inappropriate.

Swiss bankers elaborate this opinion more carefully. In a speech to a shareholders' meeting in 1967, F. W. Schulthess, chairman of the Swiss Credit Bank, one of the three largest, denounced scurrilous publicity alleging that Swiss bankers "were covering up crooks, that we were guarding the fortunes of corrupt dictators and international gangsters."

The question is: what is criminal? The answer seems to be, depending on which legal system you favor, that crime in the United States is legitimate profit in Switzerland.

Mr. Schulthess's bank was one of the six that allegedly helped Alfred M. Lerner, president of the First Hanover Corp., an ostensibly respectable Wall Street brokerage firm, reap $400,000 to $500,000 from stock frauds last year. The Swiss credit bank handles accounts for men who would be considered "crooks" in most Western societies—members of the Lansky syndicate, like Edward Levinson of Las Vegas casino renown, Bernard Bercuson and other purported hoteliers.

NO COOPERATION

"In the two major areas where Americans are breaking the law, tax and securities violations, the Swiss will not cooperate with us," Mr. Morgenthau says.

Swiss bank secrecy can be broken and a banker forced to give information on order from a Swiss court. Swiss courts will issue such orders, however, only for offenses recognized as crimes in Switzerland, and tax and securities violations are not considered criminal there.

Millions of dollars of Mafia "black money" flows into Swiss accounts each year and is, so the joke goes, "washed clean in the snows of the Alps."

MINIMUM BALANCE

Schrager ran a good deal of his numbers racket winnings through a Geneva account labeled "Winn's Trust." He kept a minimum balance of $400,000.

Schrager used the Mafia device of false mortgages and loans to launder the dollars into "white money" to purchase motels and other real estate in Florida. His heirs are now living comfortably from the income of these properties as well as from at least $400,000 still secure in Switzerland.

In this manner Swiss bank secrecy is fostering the growth of a phenomenon that law enforcement officials consider highly corrosive to the social fabric—partnerships between supposedly legitimate businessmen and organized criminals for mutual gain. The line between entrepreneur and crook blurs in this gray world.

One bank in Switzerland, owned by a cluster of American businessmen and organized criminals, functioned principally as just such a laundry shop for "black money" from illicit operations.

It was called the Exchange and Investment Bank and had well appointed Geneva offices. The major owners were Garson Reiner and Benjamin Wheeler, two New York brassiere manufacturers who helped start the peek-a-boo trend in women's fashion when their company, Exquisite Form Industries, Inc., introduced the see-through bra in 1964.

Other owners included Levinson, the Las

Vegas casino operator for the Lansky syndicate; Benjamin Siegelbaum, a Lansky associate with like duties, and Lou Poller, a friend of the imprisoned teamster union leader, James R. Hoffa, and former president of the Miami National Bank.

From 1963 through 1967, millions of dollars in shady money flowed in and out of this Geneva bank each year through the Miami National Bank and various Bahamian and New York banks.

Samuel Cohen, a New York and Miami Beach multimillionaire who owns a share in the Flamingo Hotel in Las Vegas, allegedly "cleansed" in the neighborhood of $2-million in "skim," untaxed gambling profits, and earnings from other enterprises through the Exchange and Investment Bank and another Geneva bank in the mid-1960's. He controls the Miami National Bank.

Besides its Las Vegas interests, Mr. Cohen's family firm owns a major share of the Eden Roc, Deauville and four other posh Miami Beach hotels and about 70 apartment buildings in New York City.

He repatriated the money from Switzerland as purported loans from the banks to meet his mortgage payments and deducted the interest on the loans in his tax returns.

OFFERED $15 MILLION

An estimate of how profitable the Exchange and Investment Bank's laundering work was can be ascertained from a proposal that Mr. Wheeler, who served as its vice president, is said to have made in 1964 to the Geneva representative of a leading Wall Street brokerage house. He offered the broker $15-million with which to trade stocks in the bank's name on New York exchanges.

In early 1967, one group of hoodlums attempted to defraud the Chase Manhattan Bank of nearly $12-million through this Geneva bank. The fraud was detected before the money could be transferred with a forged bank order and the Exchange and Investment Bank was named a co-conspirator in the New York Federal grand jury indictment.

This abortive theft, and an intensive investigation by Mr. Morgenthau's office, comprised the Geneva bank's usefulness to the underworld. Messrs. Reiner, Wheeler and the other owners sold the bank's Swiss license to a French bank last March.

The bank records were reportedly destroyed before the sale.

OWN MONEY MANAGER

The Lansky organization keeps its own resident money manager in Switzerland. He is John Pullman, an old bootlegging compatroit of Lansky. Russian born, naturalized as an American citizen, then denaturalized in 1954 and renaturalized as a Canadian, Pullman lists his occupation as "retired." He lives in Laussane when he is not busy in Geneva, Zurich, London or Toronto conferring with members of the Lansky apparatus, making investments for a commission and picking up cash deposits for the Swiss Credit Bank and other institutions.

When American officials argue that the Swiss should help them prosecute organized criminals for tax, securities or mail fraud, the Swiss answer that the United States should convict these men of some internationally recognized crime such as kidnaping or murder. But this is a difficult prospect, with the strict rules of court evidence and stringent limitations on wiretapping in the United States.

In their determination to carry on discreet business with American clients, the Swiss banks have also found powerful allies within the United States financial community.

The major American banks have been acting in concert to fight off any intrusion in the Swiss area. They, in turn, have rallied support at times from the State Department and the Treasury.

SEEK GOOD RELATIONS

The Treasury wants Swiss cooperation in maintaining the international balance of payments and monetary stability. The State Department is intent on preserving good relations because the Swiss have been helpful in American intelligence gathering activities, while the banks, and their allies, the brokerage houses, have a financial stake in unhampered commerce with the Swiss. They covet the commissions and interest charges on the enormous Swiss business.

Last year, for example, Swiss banks bought and sold $11.3-billion worth of American stocks and bonds, by far the largest foreign traders.

Many big American banks are, in fact, seeking legal precedents that would allow their Swiss branches the same immunity from American courts and authorities that Swiss banks have. If they are successful, an American grand jury or court will be unable to subpoena as evidence of crime the records of an American bank branch in Switzerland.

CERTIFICATE SUBPOENAED

Last summer the Federal grand jury for the Southern District of New York subpoenaed a $200,000 certificate of deposit from the First National City Bank as evidence in a stock fraud. The certificate was purchased from First National City's Geneva branch for an American broker.

In a counter-motion in court First National City attorneys argued that the certificate was in the physical possession of their Geneva branch and therefore could not be surrendered because this action would violate Swiss bank secrecy.

The Justice Department then halted Federal court litigation to pry loose the document and took the diplomatic route of attempting to obtain a surrender order from a Swiss court, a procedure that has rarely yielded results in a securities case.

Mr. Morgenthau and his aides say that First National City and Chase Manhattan also are not microfilming checks and other records to the extent they once did. Experienced Internal Revenue Service agents likewise say that in recent years they have encountered noticeably less cooperation and far quicker destruction of such bank records as deposit slips and teller cash sheets.

Mr. Morgenthau says this change gives the upper-class criminal another measure of protection by depriving law enforcement agencies of vital evidence.

The successful prosecution of the brokerage firm of Coggeshall & Hicks last August for violating the credit limitations on stock trading for five years through the Arzi Bank of Zurich originated with the discovery of microfilmed copies of canceled checks to the Swiss bank from American customers of the brokerage house.

"VIRTUALLY ALL" FILMED

A spokesman for First National City said the bank still microfilmed "virtually all checks" except for "a relatively small number" that clear through its central office. Those checks not microfilmed are also confined to accounts "on which there has never been any investigation or inquiry," he said.

A Chase Manhattan official said the bank had not altered its check microfiling procedures in 10 years. The bank does not microfilm all checks that originate and clear within New York, but does keep a record of others.

When the affluent are convicted of Swiss bank crimes, the punishment is often relatively lenient in comparison to sentences imposed on poor people for common crimes. The difference apparently stems from the general attitude of judges and the penalties prescribed by law.

The penalties for most stock and bond trading frauds are a $10,000 fine and two years in prison, or both, for each specific violation. The prosperous defendant invariably hires prestigious lawyers who litigate exhaustively.

Robert S. Keefer Jr., the principal partner in Coggeshall & Hicks, pleaded guilty to an indictment charging $20-million in illegal trading over five years. He was represented by Simon H. Rifkind, a judge for nine years in the United States District Court for the Southern District of New York, where the case was being tried.

"GREAT RESPECT"

"Judge, I might as well say it now. I will say it later anyway, that they have chosen well in having you." Irving Ben Cooper, the presiding judge, said prior to the sentencing. "You know you have the great respect of this court."

Mr. Rifkind compared his client's offense to breaking "a traffic regulation." Mr. Keefer, he said, was, like most of the defendants he has represented, "people who have had good careers, good reputations, and who have slipped on the ice of some regulation or some emotion or something of that kind, rather than hardened criminals who make crime a way of life."

In those five years of easy credit with the Arzi Bank, Mr. Keefer's firm had received $225,000 in illegal commissions, besides the profits accumulated by its customers and Mr. Keefer and his associates on their clandestine stock trading. During the grand jury investigation, Mr. Keefer had repeatedly perjured himself.

Judge Cooper gave him a tongue lashing, a $30,000 fine and a suspended sentence.

STOLE TV SET

Last August, a week after Mr. Keefer's sentencing, James C. Harris, an unemployed shipping clerk, appeared before Judge Cooper. Harris is a Negro, married, with two children and has a prior record for attempted armed robbery in 1964. He was now charged with stealing a Japanese television set worth less than $100 from an interstate shipment from a bus terminal. He got a year in jail.

This disparity in punishment is not a personal quirk of Judge Cooper's. It is common to his fellow judges on the New York District Court and to others in similar positions elsewhere. Judge Cooper and his colleagues regularly hand out minimum five-year jail terms for minor Federal narcotics violations, as they are required to do by law.

In the view of most students of the problem, any effective measures to mitigate Swiss bank crime will have to be taken unilaterally by the United States.

Mr. Morgenthau believed there must be systematic enforcement of the law through far greater scrutiny of Swiss transactions. This kind of enforcement would in turn require considerably more manpower and funds. The additional expense could more than pay for itself, however, in increased tax revenues.

COULD RECOVER EXPENSES

"I had a budget of $1-million a year to proescute Swiss bank cases," one assistant United States attorney said. "I could easily make much more than that back for the government."

Mr. Morgenthau believes that far more is at stake in Swiss bank crime than simply illegitimate profit. He is convinced that the integrity of the American legal system and the willingness of the average citizen to obey the law are endangered.

"When you talk about the Swiss bank criminal, you are talking about people who hold positions of trust and responsibility, people whom the little man is supposed to look up to and who are now committing crimes," he says.

EDUCATORS SUPPORT HEW APPROPRIATIONS BILL

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, it is most unfortunate that the administration should demand a cutback in appropriations for Federal education programs, particularly at a time when hundreds of school districts face critical fiscal problems in their efforts to expand and improve education. Schools have budgeted for the year in the justifiable belief that the Federal Government would meet its obligation under established education programs embodied in law. To default on this obligation is not only to dishonor the Government's commitment to education, but is false economy since, in the long run, we can only lose by shortchanging the education of our children.

It is my hope that the President will reconsider his position and sign the HEW appropriations bill as approved by the Congress, but I will work with what I feel is the necessary two-thirds majority of my colleagues in overriding a veto if the President follows through with his stated intentions. Before acting on H.R. 13111, I urge the President to give thorough consideration to the views of our Nation's educators since they are best equipped by training and experience to evaluate funding needs.

A fine expression of the urgent need for approval of H.R. 13111, particularly with respect to funding of the Public Law 874 program for assistance to schools in federally affected areas, is contained in a resolution recently passed by the School Men's Club of Bowie, Tex., which represents more than 100 teachers and school administrators. The text of this resolution follows:

RESOLUTION

At a meeting held at Texas Senior High School, Texarkana, Texas, on January 19, 1970, the Bowie County, Texas, School Men's Club, which is composed of over 100 school administrators and teachers, the following Resolution was passed:

Whereas, There are located in Bowie County, Texas the Red River Army Depot and the Lone Star Ammunition Plant, and,

Whereas, Because of the location of these plants in Bowie County, Texas, there has been a large increase in the enrollment of the schools of Bowie County, and,

Whereas, These schools with increased enrollments have entitlements under P.L. 874 in an approximate amount of one million dollars for this school year, and,

Whereas, obligations have been made for the educational program necessary for this increased enrollment based on receipt of these entitlements, and,

Whereas, If these funds are not made available, it will be necessary to increase local taxes four or five fold to provide these lost funds.

Now therefore be it resolved that the Bowie County School Men's Club request that you as Congressman from the First Congressional District of Texas urge the President not to veto H.R. 13111, the H.E.W.—Labor Appropriation bill for 1970.

Now therefore be it further resolved that in the event of a Presidential Veto that you make every effort possible to override such Presidential action.

Additionally, be it further resolved that the Club expresses its appreciation of your previous support of Federal Funds for education.

Resolutions Committee:

BEN FORT,
Bowie County Superintendent.
WELDON MCCORD,
Superintendent of Schools.
W. C. WOOLDRIDGE,
Superintendent of Schools.

THE STRANGE CASE OF THE $53 BILLION

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, many times on this floor I have raised the question about the fact that the Federal Reserve continues to charge the U.S. taxpayer interest on $53 billion worth of bonds that have been paid for once. The amount is now $55 billion.

Mr. Speaker, the Federal Reserve's insistence that the taxpayers pay for a debt twice is so shocking that it is difficult to gain general public acceptance of this issue.

Writing in the Georgia Business News of December 30, 1968, Columnist Joseph Leopold outlines the issue as follows:

The Fed does not acknowledge that it retires government bonds it purchases; instead it takes the position that the government owes the principal and interest to the Fed.

But since the Fed is a branch of the government, a bond purchased by the Fed is analogous to an I.O.U. purchased by its maker—it is no longer a real debt.

That government bonds purchased by the Fed are no longer debts can be grasped by the answer to the question: What would the Fed do with the money if the Treasury paid off the $53 billion worth of government bonds in possession of the Fed?

Answer: The Fed would turn the $53 billion dollars back to the Treasury.

In fact, the foregoing juggling of numbers between the Fed and the Treasury is what presently takes place with respect to most of the "interest" on these same bonds. In 1967, the Treasury "paid" about two billion dollars interest on bonds held by the Fed.

The Fed spent about 10 percent of this for its operations and returned the remaining 90 percent to the Treasury, which then spent it on something that was not in the budget, or on an overrun against items that were included in the budget.

The foregoing arrangement is obviously absurd; but in an attempt to give it a semblance of logic, the Fed says the 90 percent returned to the Treasury was "interest" on the legal tender currency notes the Treasury engraved and made available for the public's convenience in converting deposit dollars to "cash" dollars at bank tellers' windows.

In other words, we have the peculiar policy of about $2 billion of the budget earmarked for "interest" paid by one branch of the government to another branch for retired bonds; and then the second branch paying the same funds back to the first branch, calling it "interest" on something else.

CORPORATIONS VERSUS CITIZENS

(Mr. OLSEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OLSEN. Mr. Speaker, in order that my colleagues may be kept informed of developments in the field of postal corportion lobbying, I would like to add an addendum to my earlier listing of contributors to the Citizens' Committee for Postal Reform. As of the close of the last quarter, such contributions grew to $300,063.25.

It is interesting to note that the great bulk of this lobbying fund still derives from those contributing $5,000 or more each. To date, of the total, $226,920 has come from those who gave $5,000 or more.

Of the remaining $74,000, $51,047 has been donated to the committee from businesses or individuals in amounts of $1,000 or more, but less than $5,000.

Only a very small percentage of the total is derived from individuals making nominal contributions. For instance, 93 persons have given a dollar. There are some miscellaneous items of $2 to $25 and these are of such insignificance that I will not list them today. The meager participation by small donors is indicative of the lack of grassroot's appeal of the Postal Corporation. Conversely, it emphasizes the fact that a few major corporations, with major mailing problems, are the chief source of funds for the Citizens' Committee. In view of these tabulations though it might more appropriately be titled the "Big Corporation Reform Committee." For it appears to me it is an effort financed by profit-oriented business to turn a public service arm, the Post Office, into a similarly profit-oriented corporation.

There is one objectionable, highly disturbing and crucial vein that is the core of all the administration Postal Corporation proposals, including the last so-called compromise bill in December.

This insidious provision stipulates that no class of users—that is, business category—will have a postal rate increase without taking "into account the financial impact." Thus, if users of second and third class—those used almost exclusively by business—plead poor-mouth to the businessmen at the department, there would be little or no rate increase.

Similarly, however, there is no provision for the protection of the ordinary postal patron. And if the Department is to be on a break-even basis at the end of 5 years, as is the dictum of the administration bill, it is obvious to me the ordinary citizen is going to be picking up the tab in the form of a 15-, 20-, or 25-cent first-class stamp.

Is it any wonder the Citizens' Committee for the Postal Corporation is backed almost exclusively by corporate users of the mail?

Is it any wonder that one would question the real intent of a reform committee that works behind a facade of so-called citizen support when, in fact, it has the financial support of fewer than 1 in 2 million of the society of American citizens.

I am submitting a new list totaling $38,980 which was contributed during the period of October through December of last year. This list contains those names of contributors of $100 or more. It is again interesting to note the derivation of these funds. It is also of interest to question just how these sums are be-

ing spent and what type of activities are conducted by the Citizens' Committee for Postal Reform?

This latter point may be even more important than the source of contribution. In fact, I, for one, am hopeful the Citizens' Committee for Postal Reform will one of these days publish an expense statement for the edification of the Members of Congress and the American public.

Mr. Speaker, the new quarterly list follows:

Name and address	*Amount*
Continental Oil Co., 30 Rockefeller Plaza, New York, N.Y.	$5,000
The International Nickel Co., Inc. 67 Wall St., New York, N.Y.	1,000
Gulf States Utilities Co., Post Office Box 2951, Beaumont, Tex.	259
Popular Science Publishing Co., Inc., 355 Lexington Ave., New York, N.Y.	400
Thiokol Chemical Corp., Bristol, Pa.	100
Collins & Aikman, executive offices, 210 Madison Ave., New York, N.Y.	100
Illinois Central Industries, 135 East 11th Pl., Chicago, Ill.	100
The Fidelity Bank, Philadelphia, Pa.	100
Manufacturers Hanover Trust Co., 350 Park Ave., New York, N.Y.	1,000
Teledyne, Inc., 1901 Ave. of the Stars, Los Angeles, Calif.	100
Gerber Products Co., Fremont, Mich.	500
R. H. Macy & Co., Inc., Herald Square, New York, N.Y.	1,000
Massachusetts Mutual Life Insurance Co., 1295 State St., Springfield, Mass	500
Connecticut Mutual Life Insurance Co., 140 Garden St., Hartford, Conn	250
GT & E Service Corp., 730 3d Avenue, New York, N.Y.	5,000
Magazine Division, Reuben H. Donnelley Corp., 466 Lexington Ave., New York, N.Y.	380
North American Rockwell, 2300 East Imperial Highway, El Segundo, Calif	500
Rohr Corp., Chula Vista, Calif.	250
American Petrofina Co., of Texas, Post Office Box 2159, Dallas, Tex.	100
Louisville & Nashville RR. Co., Post Office Box 1198, Louisville, Ky.	250
The Upjohn Co., Kalamazoo, Mich.	250
The Connecticut Light & Power Co., Post Office Box 2010, Hartford, Conn	500
Pepsi-Cola Co., 500 Park Ave., New York, N.Y.	$2,500
Harsco Corp., Camp Hill, Pa.	100
Bankers Trust Co., Post Office Box 318, Church Street Station, New York, N.Y.	1,000
Detroit Bank & Trust Co., Detroit Mich	100
Ziff-Davis Publishing Co., 1 Park Ave., New York, N.Y.	1,000
Union Oil Co. of California, Union Oil Center, Los Angeles, Calif.	500
General Motors Corp., General Motors Bldg., Detroit, Mich.	5,000
Pennsylvania Power & Light Co., 901 Hamilton St., Allentown, Pa.	200
Federated Department Stores, Inc., 222 West 7th St., Cincinnati, Ohio	5,000
Texas Instruments Inc., Post Office Box 5474, Dallas, Tex.	5,000
Stokely-Van Camp, Inc., 941 North Meridian St., Indianoplis, Ind.	250
Brown Shoe Co., 8300 Maryland, St. Louis, Mo.	500

Mr. Speaker, I am again inserting in the RECORD the list of contributions to the Citizens' Committee which I entered in the RECORD on October 9, 1969.

Following are two lists: The first is of contributions of $5,000 or more, the second is of contributions between $1,000 and $4,999:

DONATIONS OF $5,000 OR MORE

Bank of America-National Trust and Savings Assn., 300 Montgomery St., San Francisco, California 94120, $5,000.

The Boeing Co., P.O. Box 3707, Seattle, Wash, 98124, $5,000.

Scott Paper Co., Philadelphia Pennsylvania 19113, $5,000.

Standard Oil Co. (New Jersey), 30 Rockefeller Plaza, New York, New York 10020, $5,000.

General Foods Corporation, 250 North Street, White Plains, New York 10602, $5,000.

Cummins Engine Co., Inc., 301 Washington St., Columbus, Indiana 47201, $5,000.

Union Carbide Corporation, 270 Park Avenue, New York, New York 10017, $5,000.

Westinghouse Electric Corp., 3 Gateway Center, P.O. Box 2278, Pittsburgh, Pennsylvania 15230, $5,000.

The Minneapolis Star and Tribune, 5th and Portland, Minneapolis, Minnesota 55415, $5,000.

Pan American World Airways, Inc., Pan Am Building, New York, New York 10017, $5,000.

The Coca-Cola Company, P.O. Drawer 1734, Atlanta, Georgia 30301, $5,000.

Owens-Corning Fiberglas Corporation, Toledo, Ohio 43601, $5,000.

Eastman Kodak Company, 343 State Street, Rochester, New York 14650, $5,000.

Southern Pacific Company, 65 Market Street, San Francisco, California 94105, $5,000

Montgomery Ward, 619 West Chicago Avenue, Chicago, Illinois 60607, $5,000.

Time, Inc., Time and Life Bldg., Rockefeller Center, New York, New York 10020, $5,000.

J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, New York 10019, $5,000.

Boys Town of the Desert, c/o Mr. Z. R. Hansen, Mack Trucks, Inc., Box M, Allentown, Pa. 18105, $5,000.

Pitney-Bowes, Inc., Walnut & Pacific Streets, Stamford, Connecticut 06904, $5,000.

McGraw-Hill, Inc., 330 West 42d St., New York, N.Y., 10036, $6,920.

E. I. du Pont de Nemours & Co., Wilmington, Del. 19898, $5,000.

R. J. Reynolds Tobacco Co., Winston-Salem, N.C. 27102 $5,000.

Castle & Cooke, Inc., Post Office Box 2990, Honolulu, Hawaii, 96802, $5,000.

Kimberly-Clark Corp., Neenah, Wis., 54956, $5,000.

Bechtel Corp., 50 Beale St., San Francisco, Calif., 94119, $5,000.

Sears, Roebuck & Co., 925 South Homan Ave., Chicago, Illinois, 60607, $5,000.

Proctor & Gamble Co., Post Office Box 599, Cincinnati, Ohio, 45201, $5,000.

Whirlpool Corp., Administrative Center, Benton Harbor, Michigan, 49002, $5,000.

Merck & Co., Inc., Rahway, N.J. 07065, $5,000.

3M Co., 3M Center, St. Paul, Minn. 55101, $5,000.

General Electric Co., 570 Lexington Ave., New York, N.Y. 10022, $5,000.

American Express Co., 65 Broadway, New York, N.Y. 10006, $5,000.

Goodyear Tire & Rubber Co., Akron, Ohio, 44316, $5,000.

Ford Motor Co., The American Rd., Detroit, Mich., 48121, $5,000.

Union Carbide Corp., 270 Park Ave., New York, N.Y. 10017, $5,000.

Westinghouse Electric Corp., 3 Gateway Center, Post Office Box 2278, Pittsburgh, Pa. 15230, $5,000.

General Foods Corp., 250 North St., White Plains, N.Y., 10602, $5,000.

Federated Department Stores, 222 West Seventh St., Cincinnati, Ohio, 45202, $5,000.

Owens-Corning Fiberglas Corp., Post Office Box 901, Toledo, Ohio, 43601, $5,000.

Standard Oil Co., 30 Rockefeller Plaza, New York, N.Y. 10020, $5,000.

The Committee reported the following as outstanding pledges not paid as of September 30:

Federated Department Stores, Inc., 222 West Seventh Street, Cincinnati, Ohio. 45202, $5,000.

Texas Instruments Incorporated, P.O. Box 5474, Dallas, Texas 75222, $5,000.

Continental Oil Company, 30 Rockefeller Plaza, New York, N.Y. 10020, $5,000.

DONATIONS OF $1,000 TO $4,999

Litton Publications, Inc., Division of Litton Industries, Oradell, New Jersey 07649, $1,350.

Burlington Industries, Inc., 301 North Eugene St., Greensboro, North Carolina 27402, $2,500.

West Point Pepperell, P.O. Box 71, West Point, Georgia 31833, $2,000.

Borg-Warner Corp., 200 South Michigan Avenue, Chicago, Illinois 60604, $2,500.

The Quaker Oats Company, Merchandise Mart Plaza, Chicago, Illinois 60653, $1,000.

Allied Chemical Corporation, 61 Broadway, New York, New York 10006, $1,000.

Campbell Soup Company, 375 Memorial Ave., Camden, New Jersey 08101, $1,000.

USM Corporation, Boston, Massachusetts 02107, $2,500.

Kennecott Copper Corporation, 161 East 42nd Street, New York, New York 10017, $2,000

The Conde Nast Publications, Inc., 420 Lexington Avenue, New York, New York 10017, $2,500.

Cowles Communications, Inc., 488 Madison Avenue, New York, New York 10022, $1,500.

Meredith Corporation, Des Moines, Iowa 50309, $1,000.

Newsweek, 444 Madison Avenue, New York, New York 10022, $1,000.

Reynolds Metals Company, Reynolds Metals Building, Richmond, Virginia 23218, $1,000.

Republic Steel Corporation, Republic Building, P.O. Box 6778, Cleveland, Ohio 44101 $2,500.

Chilton Co., Chestnut and 56th Sts., Philadephia, Pa. 19189, $2,012.

Cahners Publishing Co., 221 Columbus Ave., Boston, Mass. 02116, $3,222.

Denton Publishing Co., 1213 West Third St., Cleveland, Ohio 44113, $1,463.

Hon. C. Douglas Dillon, 767 Third Ave., Room 1800, New York, N.Y. 10017, $2,000.

Deering Milliken, Inc., 234 South Fairview Ave., Spartanburg, South Carolina 29302, $1,000.

B. F. Goodrich Co., 500 South Main St., Akron, Ohio 44318, $2,500.

Deere & Co., Moline, Illinois 61265, $2,500.

Allied Chemical Corp., 61 Broadway, New York, N.Y. 10006, $1,000.

Burlington Industries, Inc., 301 North Eugene St., Greensboro, N.C. 27402, $2,500.

SOME SCHOOL DISTRICTS NOW UNDERGOING DESEGREGATION PROCESS ARE EXPERIENCING EXTREME FINANCIAL DIFFICULTIES

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, as we all know, the Supreme Court has ruled that 14 school districts in Louisiana, Georgia, Alabama, Mississippi, and Florida must fully desegregate by February 1 of this year, in line with the Court's action in the 1954 Brown against Board of Education of Topeka decision.

It appears that at least some of the school districts now undergoing this final desegregation process are experiencing

extreme financial difficulties. In my own district, the Dade County Classroom Teachers' Association, Inc., adopted a statement calling for additional Federal assistance in implementing complete desegregation, at a recent executive board meeting.

While desegregation must be implemented, I can certainly understand the difficulties facing local school boards at this time, and would like to bring the statement of the Dade County CTA to the attention of our colleagues:

CTA POSITION STATEMENT ON FEDERAL AID TO FINANCE COMPLETE DESEGREGATION OF SCHOOLS, ADOPTED BY THE CTA EXECUTIVE BOARD, JANUARY 8, 1970

The United States Supreme Court has sent the doctrine of deliberate speed to its final resting place.

We believe it is time to stop playing games with the future of this country—its children. Therefore, today the Dade County CTA has requested the National Education Association to call on President Nixon and the Congress to pass emergency legislation to provide massive federal financial assistance to school systems in the South. We have also called upon Governor Claude Kirk, the Florida congressional delegation, the Dade School Board and all other public officials in the South to support this request.

It will take massive funds to desegregate and continue to provide quality education for all our children, both black and white. Court-ordered desegregation cannot be allowed to reduce quality education. It is the duty of the President of the United States to respond rapidly to the needs of its citizens. Help is needed now—not 10 years from now.

Dade County schools and other southern school systems are now faced with a serious financial crisis. The recent court decisions amount to judicial taxation without representation. It is the federal government's responsibility to provide the money—not local or state property owners.

Federal funds to assist implementing complete desegregation must be used to reduce class size, hire additional teachers and specialists in reading, provide psychological services and training in human relations, build more classrooms, provide more transportation facilities and textbooks, and raise teacher salaries.

CTA will request local and state affiliates of the NEA throughout the United States to support this request and lobby Congress for swift passage of this emergency measure.

BRINGING RECOGNITION TO OUR CLERGY

(Mr. SCHADEBERG asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SCHADEBERG. Mr. Speaker, having chosen the clergy for my profession as a young man, having served as chaplain on active duty in the Navy during World War II, and again during the Korean police action, and having continued my interest in the reserves for 20 years, until my involuntary retirement from service, I applaud the action taken today in the House in passing House Joint Resolution 1051, designating the week commencing February 3, 1970, as International Clergy Week in the United States.

This official recognition and appreciation of the sacrifices made by the chaplains of four faiths who gave their lives in the sinking of the troop transport *Dorchester* brings full credit to their own dedication and to the dedication given by others in the clergy.

Mr. Speaker, in Congress' having provided for this recognition for the many who have served their fellow man and their country in peace as well as war, we are providing an example for all citizens and for the youth of this Nation. We are demonstrating that the efforts of men of religion are instrumental in developing the necessary spiritual leadership that assists a society in finding inner peace.

The President of the United States, the Honorable Richard M. Nixon, in his stirring inaugural address stated that America finds itself "rich in goods, but ragged in spirit." More recently, in his first state of the Union address, he reminded us that—Never before has a nation seemed to have more and enjoyed it less.

Threatened as we are by a turning from the spiritual to the materialistic spirit of man, it is comforting that we bring recognition to those who provide leadership for the most precious possession of all—the sense of the meaning of life, and the meaning of serving unselfishly the great causes of peace and liberty.

Mr. Speaker, I am fortunate for the associations I have had with clergy of all faiths and with chaplains of all services through the years. They have provided rich memories of fellowship with men who did not deem it a loss to go that extra mile in ministering to the men of the Nation and of the armed services. The life which they represent can best be summed up in the words of the Great Master of life, Jesus Christ, who said:

What doth it profit of man if he should gain the whole world and lose his soul, and what can a man give in exchange for his soul.

It might well move us to ask the penetrating question: What can a nation give in exchange for its soul?

THE CIVIL AERONAUTICS BOARD

(Mr. PETTIS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PETTIS. Mr. Speaker, on Friday, January 23, 1969, 31 of my colleagues and I filed a brief in the Federal appellate court in the District of Columbia in a case which we have brought against the Civil Aeronautics Board.

We are asking the court to reverse a decision of the CAB that recently allowed all domestic interstate airlines to put fare increases into effect. We are contending that this decision was reached in violation of several provisions of the Federal Aviation Act of 1958.

The Members who have joined in this brief are, in addition to Hon. JOHN E. MOSS and myself, Hons. GLENN M. ANDERSON, THOMAS L. ASHLEY, WALTER S. BARING, GEORGE E. BROWN, JR., PHILLIP BURTON, DANIEL E. BUTTON, JEFFERY COHELAN, JAMES C. CORMAN, JOHN D. DINGELL, DON EDWARDS, RICHARD H. HANNA, AUGUSTUS F. HAWKINS, CHET HOLIFIELD, HAROLD T. JOHNSON, ROBERT L. LEGGETT, JOSEPH M. MCDADE, JOHN MCFALL, SPARK M. MATSUNAGA, GEORGE P. MILLER, JOSEPH G. MINNISH, PATSY T. MINK, THOMAS M. REES, PETER W. RODINO, JR., EDWARD R. ROYBAL, BERNIE SISK, CHARLES M. TEAGUE, JOHN TUNNEY, LIONEL VAN DEERLIN, JEROME R. WALDIE, and CHARLES H. WILSON.

The brief which we filed follows:

[U.S. Court of Appeals for the District of Columbia Circuit, No. 23,627]

BRIEF FOR PETITIONERS: PETITION FOR REVIEW OF ORDERS OF THE CIVIL AERONAUTICS BOARD

John E. Moss, et al., Petitioners, v. *Civil Aeronautics Board, Respondent.*

Of Counsel: Ronald B. Lewis, 1101 17th Street, NW., Washington, D.C., Stanford G. Ross, H. David Rosenbloom, Caplin & Drysdale, 1101 17th Street, NW., Washington, D.C., Attorneys for Petitioners.

CASES AND AUTHORITIES CITED

Cases

Air Freight Rate Investigation, 9 C.A.B. 340 (1948).

**American Overseas Airlines, Inc.* v. *CAB,* 103 App. D.C. 41, 254 F. 2d 744 (1958)

* *Arizona Grocery Co.* v. *Atchison, T. & S.F. Ry. Co.,* 284 US 370 (1932)

Arrow Transportation Co v. *Southern Ry. Co.,* 372 U.S. 658 (1963).

Burlington Truck Lines, Inc v. *United States,* 371 U.S. 156 (1962).

City of Chicago v. *United States,* 38 U.S. L. Week 4039 (Dec. 9, 1969).

City of Lawrence, Mass v. *CAB,* 343 F. 2d 583 (CA 1 1965).

Florida v. *United States,* 282 U.S. 194 (1931).

**Florida* v. *United States,* 292 U.S. 1 (1934).

Flying Tiger Line, Inc. v. *CAB,* 121 App. D.C. 332, 350 F. 2d 462 (1965), *cert. denied,* 385 U.S. 945 (1966)

General Passenger Fare Investigation, C.A.B. Docket 8008 et al., May 27, 1959.

**ICC* v. *Mechling,* 330 U.S. 567 1947).

McManus v. *CAB,* 286 F. 2d 414 (CA 2), *cert denied,* 366 U.S. 928 (1961).

Public Util. Comm'n (Calif.) v. *United States,* 356 F. 2d 236 (CA 9), *cert. denied,* 385 U.S. 816 (1966).

States-Alaska and Intra-Alaska Fare Increases Proposed by Alaska Airlines, Inc., Pan American World Airways, Inc., Western Air Lines, Inc., C.A.B. Docket 21599, Order of Investigation and Suspension of November 14, 1969.

* *Trailways of New England, Inc.* v. *CAB,* 412 F.2d 926 (CA 1 1969).

* *Transcontinental Bus System, Inc.* v. *CAB,* 383 F.2d 466 (CA 5 1967), *cert. denied,* 390 U.S. 920 (1968).

United Air Lines, Inc. v. *CAB,* 114 App. D.C. 17, 309 F.2d 238 (1962).

United Air Lines, Inc. v. *CAB,* 108 App. D.C. 220, 281 F.2d 53 (1960).

United States v. *Chicago M. St. P. & P. R. Co.,* 294 U.S. 499 (1935).

* *W. R. Grace & Co.* v. *CAB,* 154 F.2d 271 (CA 2 1946), *cert. dismissed as moot,* 332 U.S. 827 (1947).

Statutes and regulations

Administrative Procedure Act, 5 U.S.C. § 551.

Administrative Procedure Act, 5 U.S.C. § 553(b).

Administrative Procedure Act, 5 U.S.C. § 556(d).

Federal Aviation Act, § 102, 49 U.S.C. § 1302.

Federal Aviation Act, § 404, 49 U.S.C. § 1374.

Federal Aviation Act, § 1002(d), 49 U.S.C. § 1482(e).

Federal Aviation Act, § 1002(g), 49 U.S.C. § 1482(g).

Footnotes at end of article.

Federal Aviation Act, § 1002(i), 49 U.S.C. § 1482(i).

Regulations Issued by CAB, 14 CFR § 302.506

Other authorities

Congressional Record, Vol. 79, p. 5656 (April 15, 1935).

Friendly, *The Federal Administrative Agencies: The Need for Better Definition of Standards*, 75 Harv. L. Rev. 863, 1055, 1263 (1962).

ISSUES PRESENTED

The issues

This case presents the issues of whether the Civil Aeronautics Board has illegally made maximum rates for domestic passenger air fares and whether specific tariffs filed in accordance with the Board's maximum rate formula are the responsibility of the Board and illegal. In addition, Petitioners raise the issue of whether those tariffs are unjust and unreasonable and are discriminatory on their face, and therefore should have been investigated even if they are not deemed the responsibility of the Board.

Case previously before the court on interlocutory motion

This case has previously been before the Court on a motion for interlocutory relief filed by Petitioners on December 11, 1969. Oral argument on that motion was held on January 7, 1970. An order of the Court with respect to that motion was entered on January 9, 1970, and further decision on that motion is pending.

STATUTES INVOLVED

The statutes pertaining to the merits of this case are set forth in an addendum at the end of this brief.

REFERENCES TO RULINGS

The orders involved in this case are the orders of the Civil Aeronautics Board of September 12 and 30, 1969.

STATEMENT OF CASE

Summary

This case involves the process of ratemaking—and specific rates made in this process—by the Civil Aeronautics Board (hereinafter "CAB" or "Board"). Petitioners are thirty-two Members of Congress, who intervened before the Board in the case entitled *Passenger Fare Revisions Proposed by Domestic Trunklines*, number 21322 on the Board's docket.[1] Petitioners are proceeding in their capacities as users of the airways and representatives of their respective constituencies and of other members of the public who travel by air. They contend here, as they contended before the Board, that the Board has made domestic passenger rates and assumed responsibility for corresponding tariffs which went into effect in October of 1969. Petitioners believe that the Board's decisions were reached in contravention of the statutory requirements of the Federal Aviation Act of 1958 and the Administrative Procedure Act.

By this appeal, Petitioners seek invalidation of the Board-made rates and corresponding tariffs and a decision that the Board must adhere to the Federal Aviation Act of 1958 in determining rates.

The thrust of Petitioners' position on the merits is as follows: The Board, when it makes rates, is required to adhere to certain statutory rules. It must, under section 1002 (d) of the Federal Aviation Act of 1958,[2] first find the prevailing tariffs and those proposed by the carriers to be unlawful, after proper notice is given and an appropriate hearing is held. It must then take certain substantive standards—set forth in detail in sections 102 and 1002(e) of the statute—into account. Petitioners contend that the Board has made rates—although it did not proclaim that it was doing so; that it acted in violation of the statutory rules just mentioned; that the Board should not be permitted to evade or avoid its statutory duties by disclaiming an intention to make rates when it in fact does make rates; and that the specific tariffs filed by the carriers and based on the Board's illegal rates are the responsibility of the Board and suffer from the same illegalities as the Board's rate formula. Petitioners further contend that, even if the tariffs are regarded as the responsibility of the carriers, rather than the Board, those tariffs are unjust and unreasonable and discriminatory, and should have been investigated by the Board.

Statement of facts

On August 1, 1969, United Air Lines filed for an increase in fares—the second within six months—marked to become effective on September 15, 1969. New tariffs were soon filed by several other carriers, with proposed effective dates in late September and early October.[3]

On August 14, 1969, while the proposed rate increase was pending, the Board was to hold another of its *ex parte* meetings with the carriers.[4] Having learned of this, and in light of the recent filings for fare increases, Petitioner John Moss, who had earlier protested these *ex parte* procedures, requested that if the Board held the meeting at least he be permitted to attend. (Pet. Memo. App. C 8597–98; see *id.* at 8562, 8569.)[5] The response was a flat refusal. Chairman Crooker stated in a letter of August 14, 1969, that the scheduled meeting was a continuation of a prior *ex parte* meeting and "intended to discuss matters of the domestic fare structure and fare formulas rather than fare level." Chairman Crooker said that a transcript would be made. (Pet. Memo. App. C 8598).[6]

Following the meeting, the Board officially responded to the carriers' tariff filings on August 19, 1969, with an order, 69–8–108, calling for "oral argument" on September 4, 1969, on the question of how it should react to the proposed fare increases. (Pet. Memo. App. C 8602–03.) In that order, the Board made the following announcement of its intentions:

"Pursuant to section 1002 of the Federal Aviation Act (49 U.S.C. 1482), the Board may, upon its own initiative or in the light of complaints from interested persons, (a) suspend the effectiveness of the proposed tariffs pending investigation of the reasonableness of the proposed rates, (b) permit such tariffs to take effect while it is conducting such investigation, or (c) permit the tariffs to become effective without investigation."

No indication was given that the "argument" might be followed by an immediate decision on the merits of the pending tariffs or by a ratemaking effort by the Board. The "argument" was to be a merely preliminary presentation of views for the purpose of advising the Board as to whether it should undertake an investigation of the pending tariffs.

On August 20, 1969, Petitioners renewed their earlier complaint to the Board against the carriers' continual fare increase proposals and the Board's method of dealing with them.[7] Petitioners' principal allegation was that:

"The proposals made by the air carriers do not take into consideration any of the statutory standards set forth in the Act. More pragmatically, the Members believe that these fare proposals will further depress load factors and earnings, bring about even greater increases in cash costs, congestion and air pollution, and lead to more uneconomical and inefficient use of the nation's airports and airways, thereby further increasing the burden to the taxpayer and farepayer." (Pet. Memo. App. C 8603.)

The results reached under the filed proposals would, Petitioners asserted, be "unjust and unreasonable." (Pet. Memo. App. C 8603.)

In support of this position, Petitioners pointed to the Board's lack of standards under which it could make a rational interpretation of the Federal Aviation Act of 1958; to the carriers' penchant for creating and employing excess capacity; to the fact that a fare increase would not stimulate additional traffic; and to the injustice of making the traveling public pay for the carriers' cost and scheduling extravagance. Petitioners concluded as follows:

"The basic solution to the industry's present financial situation would . . . appear to lie not only in the air carriers exercising restraint in ordering new flight equipment and in the use or scheduling of its available capacity, but more importantly in the regulation of the fare level by the Board in accordance with the statutory standards of the Act of 1958, supplemented by appropriate load factor, cash and capital cost guidelines." (Pet. Memo. App. C 8604.)

They requested that the Board suspend and investigate all pending tariff revisions and that, if the Board should conclude that such tariffs are unjust or reasonable, the Board determine and prescribe the lawful rate to be charged. Further, Petitioners requested that the Board institute a general rate proceeding to investigate the structure of air passenger fares in order to achieve a sound foundation for arriving at fares for the future that "will at all times be reasonably related to the statutory standards of the Act of 1958, and the rules of ratemaking established by the Board." (Pet. Memo. App. C 8604–05.)

"Oral argument" before the Board was held on September 4, 1969, three weeks after the *ex parte* meeting between the carriers and the Board. At the argument, the carriers repeated their views on the necessity of a fare increase, and various other interested parties were allowed to speak. No cross-examination was permitted.[8]

On September 5, 1969, Petitioner Moss, as spokesman for all the Petitioners, wrote to Chairman Crooker to note that the Board, in its order setting "oral argument," had indicated that it would adopt one of three specified lines of action following such argument and the consideration of complaints from interested persons. (Pet. Memo. App. C 8606.)[9] Petitioner Moss contended that the Board, "by its act in enumerating three possible courses of action in its order, . . . [precluded] any other course of action such as its usual past practice of suspending the effectiveness of the proposed tariffs and then making its position known as to other kinds of tariff proposals it would approve." Petitioner Moss urged Chairman Crooker that the Board confine itself to its statutory functions: "this form of ratemaking by treaty must come to an end . . . It is not the duty of the Board to propose alternative fare proposals when the person proposing . . . changes cannot show that its proposed change is just and reasonable."

Chairman Crooker's response indicated that, when an order was issued, the decision of the Board might well be the very one against which Petitioner Moss had protested. "[T]ariffs filed before our Order No. 69–8–108 may be approved, or the effectiveness of proposed tariffs may be suspended and the Board's position would be made known as to other kinds of tariff proposals it would approve." (Pet. Memo. App. C 8606.)[10]

The Board's decision, the major decision in this litigation, was rendered on September 12, 1969.[11] As Petitioner Moss had foreseen in his letter to Chairman Crooker, the Board followed "its usual past practice of suspending the effectiveness of the proposed tariffs and then making its position known as to other kinds of tariff proposals it would approve." Thus, after briefly summarizing the tariff proposals and the complaints filed

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by various parties, including the complaint of Petitioners, the Board found, without explanation, as follows:

"Upon consideration of the tariff proposals, the complaint and answer thereto, the statements filed prior to the oral argument and comments made thereat, and other relevant matters, the Board finds that the proposals may be unjust, unreasonable, unjustly discriminatory, unduly preferential, or unduly prejudicial, or otherwise unlawful and should be investigated. The Board further concludes that the tariffs in question should be suspended pending investigation." (J.A. —; Order, p. 3.)

The Board went on, however, to announce its "opinion that the carriers have adequately demonstrated a need for some additional revenue" and that it "would be disposed to grant an increase computed in accordance with the criteria set out below." (J.A. —; Order, p. 3.) The sole reason given for this conclusion, in the course of the Board's entire opinion, was that:

"The carriers have adequately demonstrated a significant increase in costs. . . . Taking into consideration these cost pressures on the carriers, and the marked decline in earnings and profit margin since the February increase, the Board finds that a further increase in fares at this time is necessary from the standpoint of the ratemaking standards of Section 1002(e) of the Act and the need to maintain the financial vitality of the carriers as a group." (J.A. —; Order, pp. 5, 8.)

There ensued what can only be regarded as a prolonged ratemaking endeavor by the Board. After noting that it had reviewed both the fare formulas developed by its staff and circulated to the carriers *ex parte* for their comments and the formulas put forward by the carriers in their recent filings, the Board found that the formula proposed by American Airlines "produces a reasonable increase in revenues and recognizes the economics inherent in long-haul carriage." (J.A. —; Order, p. 4.) The American formula was adopted as the Board's "model," with only one slight modification. (J.A. —; Order, pp. 6, 7.)[12] This, despite the fact that the Board had just suspended the tariff filed by American, along with the other pending tariffs, as potentially unjust or unreasonable.

The Board next considered the need for a general fare investigation in order to establish cost and load factor standards. Noting, as it had so often in the past, that a general fare investigation is a "long and complex proceeding," the Board opined that leaving the carriers in *status quo* while such an investigation was conducted might produce "serious and permanent financial damage" to some of them. (J.A. —; Order, p. 5). However, the Board did not simply cast aside the Petitioners' suggestion of a general fare investigation:

"Nevertheless, we have decided not to dispose of the request for a general fare investigation at this time. The complainants have raised some questions for which no fully satisfactory answer presently exists, especially the question of load factor standards, and we believe there are other important questions underlying evaluation of fare structure and level, not raised by complainants, which should be given thorough review. However, notwithstanding the existence of these questions, the condition of the industry detailed herein is sufficiently serious as to require immediate fare relief. Moreover, pending our further study of these matters, the Board is unable to conclude at this time that the additional earnings which this order will provide could be achieved by the industry through other courses of action within the carriers' control.

"For these reasons, we have determined to undertake an exploration, within the Board, of a number of matters relating to questions such as: what the appropriate rate of return on a carrier's investment should be; how a carrier's rate of return should be computed; should load factor standards be set and if so at what level; should there be a taper in the line haul rate and if so to what degree; what method is most appropriate for determining terminal charges; and what is the proper differential between first-class and coach fares. At the conclusion of our consideration of these matters, we should be in a better position to determine whether a fare investigation is appropriate and, if so, to channel such investigation along the most productive patterns so as to expedite completion of the proceeding within a reasonable time span. We expect to complete our consideration of the foregoing matters and thus be in a position to rule upon complainants' request for a fair investigation in December 1969. Accordingly, we will defer action on the complaint until that time." (J.A. —; Order p. 5.)[13]

The remainder of the Board's opinion is devoted to the details of its formula, which included a number of revolutionary changes in the previously obtaining fare policy:

1. The "core" of the fare structure would henceforth be coach fares rather than first-class fares. (J.A. —; Order, p. 7.)

2. The fixed terminal charge element[14] of passenger fares would be increased to $9.00—an increase of 80% over the level of February 20, 1969; and 200% over the January 1969 level. (J.A.—; Order, p. 6.)

3. The mileage charge element of fares would be calculated on the basis of five 500-mile blocks, with a decreasing per-mile charge for each successive block. (J.A. —; Order, p. 6.)

4. The method of reducing computed rates into published fares would be changed. (J.A. —; Order, p. 7.)

5. A new 25% differential would be established between first-class and day-coach fares, with the first-class fares set at 125% of coach fares. (J.A. —; Order, p. 7.)

6. The first-class rate would apply only to services which are truly firstclass in character and quality and therefore not to local service propellor aircraft, traditionally referred to as providing "first-class" service. (J.A. —; Order, p. 7.)

7. A new 25% differential between night and day-coach fares would be established, with night-coach fares set at 75% of day-coach fares. (J.A. —; Order, p. 7.)

8. New increases in five promotional fares would be allowed. (J.A. —; Order, p. 8.)

On the basis of fiscal 1969 traffic movements, the Board estimated that its formula would produce increased revenues for the trunkline industry of 7.4% in first-class service and 3.6% in coach service. The total revenue increase was estimated to be "approximately 6.35% (assuming no diversion or loss of traffic)." But the Board hastened to add: "To the extent of any such dilution, of course, the revenue increase would be less than 6.35 percent." Then, as Petitioner Moss had predicted, the Board announced its conclusion: "to permit tariff filings implementing the fare adjustments described above." (J.A. —; Order, p. 9.)

The Board declared that it would consider fares produced by the foregoing formula as "a just and reasonable ceiling, and any fare in excess of this ceiling would be viewed *prima facie* as outside the realm of justness and reasonableness and would ordinarily be suspended and ordered investigated." (J.A.—; Order, pp. 9–10.) However, the Board also indicated that it would consider increases above the ceiling in special cases, provided that at least 75 days' notice was given by the filing carrier.

Finally, the Board referred to its prior remarks, in its Order 69–5–28 of May 8, 1969, regarding the absence of published joint fares between many domestic points and the need for achieving consistencies in inter-carrier connecting services. The Board noted that "passengers traveling in such markets [where one-carrier service is not available] must pay a combination of local fares, each of which reflects the February increases." (J.A. —; Order, p. 10.) Following the Board's *ex parte* meeting with the carriers on August 14, 1969, it had granted all domestic carriers antitrust immunity and authority to discuss single-sum joint fares and open routings for such fares for a period of 90 days. The Board now announced that it was not disposed to continue the fares obtained in accordance with its formula for very long in the absence of satisfactory published joint fares. Therefore, it required that any tariff implementing its proposed formula have an expiration date of January 31, 1970, and that such tariff be accompanied by a refiling of existing (i.e., preformula) fares with a proposed effective date of February 1, 1970. The Board thus indicated that the new increase would be reviewed at the end of January and that, if the industry had not by then arrived at satisfactory joint fares, the Board might find the pre-formula fares "just and reasonable" and fares would revert to the pre-formula level. Antitrust exemption was granted to carriers to discuss division of through fares, and the authorization of discussions among the carriers was extended to January 15, 1970.

Virtually none of the important statements and decisions in the Board's opinion found their way into its simultaneous order. As a technical matter, the Board ordered only that the filed tariffs be suspended pending an investigation to determine whether they were unlawful; that the request for the institution of a general rate proceeding be deferred; that the authorization of discussions regarding joint rates be amplified and extended; and that the investigation of the filed rates be assigned to a hearing examiner. (J.A. —; Order, pp. 11–12.)

Three of the five Members of the Board concurred and dissented specially. Mr. Murphy took the position that, although some increase in fares was justified, the increase which the Board was disposed to allow was far more than the Board should ask the traveling public to assume. Mr. Murphy went on to criticize the formula adopted by the Board:

"I am particularly opposed to the adoption of an essentially cost-oriented fare formula. The formula produces anomalies and inequities. It ignores value of service and market elasticity. It produces drastic increases in the short haul and medium haul markets where the majority of the public travel. It decreases long haul fares where the value of service is greatest and ignores the factor of cross-subsidization inherent in a system concept of transportation. In my judgment a great deal of further study and analysis is necessary before such a sweeping and permanent regulatory standard is adopted." (J.A.—; Order, Murphy Op.)

Mr. Minetti would have permitted the carriers to experiment with their promotional fares but "would go no further at this time, in the absence of an investigation." (J.A.—; Order, Minetti Op.) Mr. Minetti declared himself "unable to concur in accepting, without an investigation, a fare adjustment package equivalent to an increase in fare levels of over six percent, especially bearing in mind that just a little over six months ago the Board permitted a fare increase approximating four percent of the then existing level." Mr. Minetti referred to the Board's statement of May 8, 1969, that "the basic solution to the industry's present financial situation would appear to lie in exercising restraint in ordering new flight equipment and in the use of its available capacity, rather than in increasing its price to the public." He said he had "not been convinced that the foregoing statement is incorrect.":

"We have very little more information today

Footnotes at end of article.

with respect to appropriate load factor standards than at the time of our earlier pronouncement, and unlike the majority, I am reluctant to entertain a general increase in coach fares until after the question of load factor standards has been squarely faced and resolved in an intensive investigation. On the contrary, I fear that the increases sanctioned today may prove to be self-defeating by causing a further drag on traffic growth and by delaying the day when the Board and the industry will come to grips with the basic causes of the industry's present difficulties. Until those causes are squarely met, we face the prospect of still further load factor declines and requests for additional fare increases." (J.A.—; Order, Minetti Op.)

The dissent of Mr. Adams was limited to his objection to depriving local service carriers of first-class rates. (J.A.—; Order, Adams Op.)

The carriers proceeded to submit new tariffs based on the formula adopted by the Board.[15] The Board allowed the pending tariffs to be withdrawn.[16] On September 22, 1969, Petitioners filed a "petition for reconsideration . . . with request for suspension and investigation of all tariffs filed pursuant to the Board's order of September 12."[17] They objected strenuously to the Board's method of making "the most sweeping revision of airline passenger fares in its 31-year history." (Pet. Memo. App. C 8613.)

Petitioners pointed to the number and importance of changes in fare level and fare structure that were subsumed in the Board's proposed formula, and rehearsed many of the deficiencies in the Board's decision of September 12. They requested the Board to suspend and investigate all tariffs filed by the carriers pursuant to that decision, as well as all other pending tariffs; if the Board should determine that such tariffs are unjust or unreasonable, to fix the lawful rates; to withdraw the specification that the fares produced by the mathematical formula in the opinion of September 12 will be the maximum rates to be considered "just and reasonable"; and to institute a general rate proceeding to investigate the structure of domestic passenger fares. (Pet. Memo. App. C 8614–15.) This Petition for Reconsideration was regarded by the Board as including a motion to stay the pending tariffs. (Pet. Memo. 36, App. E.)

On September 30, 1969, in Order 69–9–150, the Board denied reconsideration.[18] The Board stated that it had "given careful consideration to . . . [Petitioner's] contentions, but remains convinced that the domestic air carrier industry requires an immediate revenue increase in light of its higher cost of doing business and its earnings decline. The Board is also persuaded that there is no risk that the increases will produce excessive earnings in the foreseeable future." (J.A. —; Reconsid. Op. 1.) It concluded that "attempts to improve the passenger fare structure should [not] be further delayed for the substantial period required for evidentiary hearing." (J.A. —; Reconsid. Op. 2.) The Board claimed "there has been general recognition of the need to overhaul the fare structure to remove its inequities and bring it more into line with cost factors," and saw its order as a "first step" toward a more rational and consistent fare structure:

"The Board intends to consider further the entire matter of domestic passenger fare structure and level, including the prior and instant requests for a full-scale formal investigation of domestic passenger fares. The Board will decide what further action is necessary and appropriate in this regard in due course." (J.A. —; Reconsid. Op. 2.)

Members Minetti and Murphy adhered to their previously expressed views and would have suspended and investigated the tariffs filed pursuant to the Board's order of September 12 "to the extent they are inconsistent with those views." (J.A. —; Reconsid. Op. 4.)

In October the new tariffs went into effect. On November 10, Petitioners filed a timely petition in this Court for review of the Board's decisions. Motions to intervene in the case were filed by American Airlines, Inc., Eastern Air Lines, Inc., Continental Air Lines, Inc., Trans World Airlines, Inc., Braniff Airways, Inc., Northwest Airlines, Inc., and, jointly, by North Central Airlines, Inc. and Mohawk Airlines, Inc.; these motions to intervene were granted on January 2, 1970.

On December 11, 1969, Petitioners filed a motion for interlocutory relief in this case. Oral argument on that motion was held on January 7, 1970. An order of the Court with respect to that motion was entered on January 9, 1970, and further decision on that motion is pending.

JURISDICTIONAL AND VENUE REQUIREMENTS

The statutory provisions governing jurisdiction and venue to review orders of the CAB are set out in section 1006 of the Federal Aviation Act of 1958, 49 U.S.C. § 1486. Petitioners' petition complies with these provisions. Venue in this Court is always proper and the petition was filed within sixty days of the Board's orders of September 12, 1969, and September 30, 1969. It is settled, moreover, that users of the airways have a "substantial interest" in Board decisions affecting the rates, regulations, practices, etc. of air carriers. See, *e.g.*, *Flying Tiger Line, Inc.* v. *CAB*, 121 App. D.C 332, 350 F 2d 462 (1965), *cert. denied*, 385 U.S. 945 (1966); *Transcontinental Bus System, Inc.* v. *CAB*, 383 F. 2d 466 (CA 5 1967), *cert. denied*, 390 U.S. 920 (1968).

ARGUMENT

I. The Board's maximum rate formula and the tariffs based on that formula are illegal and should be invalidated

A. The Board Has Issued a Maximum Rate Formula and Is Responsible for the Tariffs Filed by the Carriers in Accordance With That Formula

The principal question before the Court is whether the Board's decisions of September 12 and September 30 should have been reached in accordance with the procedural and substantive standards of the Federal Aviation Act. As Petitioners shall demonstrate in the following sections of this brief, there is no doubt that the Board's decisions failed to accord with those standards.

In deciding whether the Board was correct in ignoring the statute, it is important at the outset to identify what the Board has done and what its decisions mean. Petitioners contend that the Board, in its September decisions, made maximum rates and prescribed or approved specific tariffs reflecting those rates for the domestic passenger market. Petitioners recognize that, as a formal matter, none of the eight paragraphs following the words "it is ordered that" in the Board's September 12 opinion sets a maximum rate. However, the lengthy discussion that preceded those words and necessarily was a part of the action taken by the Board can only be interpreted as having set such a rate. In the course of that discussion, the Board:

(1) Set forth and adopted as its own a formula derived from a tariff that had been submitted by American Airlines, and applied that formula to the entire airline industry, including carriers that had submitted markedly different tariff proposals and formulas. The Board's formula was detailed and precise and included several major elements that had never previously appeared in a passenger fare structure. (J.A. —; Order, pp. 6–8);

(2) Decided expressly "to permit tariff filings implementing the fare adjustments described . . . within the 48 contiguous states effective no earlier than October 1, 1969 . . ." (J.A. —; Order, p. 9);

(3) Stated that it would "consider fares produced by the formula as a 'just and reasonable' ceiling, and any fare in excess of this ceiling would be viewed *prima facie* as outside the realm of justness and reasonableness and would ordinarily be suspended and ordered investigated." (J.A. —; Order, pp. 9–10);

(4) Declared that it would only consider fare increases above the ceiling "where strong justification was shown, and upon a tariff filing providing at least 75 days' notice to permit the Board adequate time for review of the arguments in justification." (J.A. —; Order, p. 10.)

Petitioners submit that these actions amount to the making of a maximum rate.[19] Ratemaking is a simple, definable concept, not dependent upon the technical form in which a decision making rates is cast. Petitioners believe that, in contrast with passing upon rates proposed by the carriers, ratemaking involves the agency in taking initiative and responsibility for setting rates itself. This is what occurred here. The Board issued an elaborate formula, which it described as the "just and reasonable ceiling" for the carriers to observe in their filings. It established a requirement of a 75-day waiting period before tariffs higher than that ceiling could go into effect—a requirement which made such higher tariffs a virtual impossibility. Regardless of the technical form of the Board's decision, Petitioners submit that the Board has effectively set maximum rates.[20]

In addition, Petitioners contend that the specific tariffs now in effect must be regarded as the Board's responsibility and treated accordingly. Following the Board's decision of September 12, the carriers all filed tariffs with new fare increases computed on the basis of the Board's maximum rate formula. Although Petitioners requested that the Board suspend and investigate these tariffs, the proceedings had by this time taken on the aspect of idle gestures. The tariffs, after all, had been computed according to the Board's precise and detailed formula, and the Board has already concluded, its decision of September 12, that it "would be disposed to grant an increase" in fares computed in that manner. (J.A. —; Order, p. 3). It had referred, again and again, to "the fare formula which we propose to accept" (J.A. — ; Order, p. 6), and it had called for "tariff filings implementing the fare adjustments" it had proposed. (J.A. — ; Order, p. 9.) Member Murphy, concurring and dissenting, had referred to "the increase" which "the majority has approved." (J.A. — ; Order, Murphy Op.) Member Minetti, concurring and dissenting, had spoken of "accepting, without an investigation, a fare adjustment package equivalent to an increase in fare levels of over six percent." (J.A. — ; Order, Minetti, Op.)[21] Thus it inevitably followed that the board, on September 30, denied both Petitioners' request for suspension and investigation of the newly filed tariffs and their request for reconsideration of the September 12 decision.

In these circumstances, Petitioners believe that the Board must be considered responsible for the specific tariffs filed on the basis of the Board's formula and that those tariffs must be tested accordingly to the same statutory provisions as the Board's maximum rate formula itself.[22]

B. The Board Is Incorrect in Its Contention That It Was Not Required To Reach Its Decisions in Conformity With the Mandate of the Federal Aviation Act

If Petitioners are correct in their contention that the Board made maximum rates and assumed responsibility for specific tariffs computed on the basis of those rates, they submit that the procedures of section 1002(d) and the substantive criteria of sections

Footnotes at end of article.

1002(e) and 102 of the Federal Aviation Act should have been observed.[23] The Board does not dispute that these statutory provisions govern ratemaking. But it responds that in the circumstances of this case it did not have to comply with the statutory scheme upon which Petitioners rely. It argues, apparently, that it did not "purport" to make rates,[24] but rather adopted (with minor amendments) a tariff filed by one of the carriers. It contends that no carriers were *required* or compelled to file similar tariffs. It claims that the procedure employed here is either envisioned by the requirement of section 1002(g) that the Board give reasons when it suspends a carrier's tariff or sanctioned by the need of the agency for flexibility. The procedure, which the Board admits to be its general practice, is further defended as similar to the procedures of other agencies charged with a rate-supervision and ratemaking function; the sole support cited for this last proposition is *Public Util. Comm'n (Calif.)* v. *United States*, 356 F. 2d 236 (CA 9), *cert. denied*, 385 U.S. 816 (1966).[25]

Essentially, the issue before the Court is how far the Board may go in interjecting its own ideas, views, and powers into the ratemaking process without opening itself up for a full and fair hearing at the agency level and without subjecting itself to full judicial review. For unless the Board is held subject in this case to the rules and provisions of sections 1002(d), 1002(e) and 102 of the statute, it is clear that Petitioners and the traveling public are effectively barred from contesting—before the Board or in court—the agency's rate determinations.[26]

Under the statutory scheme, the Board has two basic choices in analyzing tariffs: it may permit prevailing or proposed tariffs to have effect, or it may find such tariffs unlawful and proceed to make rates itself. The statute does not contemplate that the Board will "suggest" or "propose" tariffs which the carriers inevitably will then file. The responsibility for setting rates is to rest, as a general matter, with the carriers. The Board may, upon complaint or its own initiative, investigate carrier-made rates under section 1002(d) and determine whether they are lawful. If it finds them unlawful, it must step in and establish rates itself. In any event, the investigation must be held according to the procedures of section 1002(d) and the agency must adhere to the standards of sections 102 and 1002(e). The Board's decision following an investigation—approving carrier-proposed rates or prescribing rates of its own—is fully subject to judicial review. See, *e.g.*, *ICC* v. *Mechling*, 330 U.S. 567 (1947); *cf. City of Chicago* v. *United States*, 38 U.S.L. Week 4039 (Dec. 9, 1969).

Ancillary to this scheme is the power granted the Board to suspend carrier-proposed tariffs pending an investigation of them. This power can be invoked by the Board for a limited time only. When it is invoked, the agency must deliver "to the air carrier affected thereby a statement in writing of its reasons for . . . suspension. . . ." (Section 1002(g).) If a decision to veto has not been reached when the time for suspension expires, the carrier-proposed tariffs go into effect. The courts may not suspend—or review the Board's decision whether to suspend—such tariffs pending the agency's decision as to their lawfulness. See *Arrow Transportation Co.* v. *Southern RR. Co.*, *supra*.

The Board's position that it could reach the decisions of September 12 and 30 without adhering to the procedures of section 1002(d) and without becoming subject to full judicial review cannot be correct. The Board is relying for this contention largely upon the nonreviewability of its suspension power. It has so structured its ordinary procedures that, although it may often take positions with respect to rates, it leaves the proposing of specific tariffs to the carriers. Then it declines to investigate those tariffs and hides behind the purported unreviewability of (1) its decision not to investigate, see *Flying Tiger Line, Inc.* v. *CAB*, 121 App. D.C. 332, 350 F. 2d 462 (1965), *cert. denied*, 385 U.S. 945 (1966); *compare Trailways of New England, Inc.* v. *CAB*, 412 F. 2d 926 (CA 1 1969); and (2) its pre-ordained decision not to suspend the tariffs filed on the basis of its suggestions.

This procedure is not envisioned by the act and certainly not sanctioned by it. It cannot be justified on the basis of section 1002(g), which plainly allows the Board to intervene to some extent in the rate-determining process without becoming subject to the rules applicable to the making of rates, but which should not be read to allow circumvention of the rules for ratemaking. The statement required by section 1002(g) is interlocutory in nature, coming before the agency's determination as to the lawfulness of a carrier-proposed tariff. The section hardly provides a vehicle for the agency to amend and adopt on its own a tariff filed by one of the carriers, to issue it as a formula for a "just and reasonable ceiling" on rates for the entire industry, and to prejudge the issue of the validity of tariffs based on that formula. Wherever the line between 1002 (g) and 1002(d) is drawn, the pas de deux between the regulated and the regulators in this case falls plainly on the 1002(d) side.

Moreover, irrespective of the Board's powers under section 2002(g), it should also be noted that the course of action taken here by the Board was not contemplated in the notice of August 19 calling for "oral argument" on the pending tariff proposals. See pp. 6, 9, *supra*. It is settled that the Board's order instituting proceedings will, in the absence of amendment, finally fix the limits within which its ultimate decision may be reached. W. *R. Grace & Co.* v. *CAB*, 154 F. 2d 271 (CA 2 1946), *cert. dismissed as moot*, 332 U.S. 827 (1947).

Nor can the Board's approach here be justified by an appeal for administrative flexibility. The Board is charged with working within the four corners of a precise and detailed statutory scheme. It may not ignore or alter that scheme for the purpose of enhancing what it considers to be its own flexibility.[27] If the Board believes the act as written accords it insufficient leeway or is for some other reason unworkable, the Board should ask the Congress to amend it—not recast it with non-statutory procedures.[28]

Then too, the Board is being singularly disingenuous in arguing that it need not observe the mandate of the statute because the carriers were not *required* to file tariffs in accordance with the Board's rate formula. This claim is both beside the point and based on an erroneous view of the facts.

In the first place, the case law indicates clearly that an agency may be held responsible in law for specific tariffs even if it did not require or compel the carriers to file such tariffs. In *Arizona Grocery Co.* v. *Atchison, T. & S.F. Ry. Co.*, 284 U.S. 370 (1932), the Supreme Court considered specific tariffs filed by carriers following a maximum-rate determination by the Interstate Commerce Commission. It was contended by the Commission that, since the carrier remained free to name any rate within the Commission-set limit, the specific tariffs were not "approved or prescribed" by the Commission. The Supreme Court, however, rejected this view, holding that the specific tariffs were the responsibility of the Commission and "approved or prescribed" by it.[29] The facts of that case, in this respect, were substantially similar to those of the instant case. See also *ICC* v. *Mechling*, 330 U.S. 567 (1947).

Further, although *Arizona Grocery* clearly stands for the proposition that an agency is responsible for specific tariffs linked to a Commission-set maximum rate, and that responsibility in law is not dependent upon the question whether carriers are compelled to file such tariffs, the proposition may also be derived, in the circumstances of this case, from an examination of the broad policies of the Federal Aviation Act. The assumption that compulsion must be present in order to find agency responsibility—and the procedural and substantive safeguards that it entails—depends on the further assumption that such safeguards exist only to protect the interests of the carriers. It is not difficult, however, to envision cases involving no compulsion in which the carriers and the agency may make common cause of ignoring the statutory procedures and substantive criteria. The instant proceedings appear, in fact, to be such a case. The notion that the agency is relieved from statutory responsibilities here in the event that a finding of compulsion cannot be made ignores the fact that the statute serves not only the airline industry but the traveling public as well. It is necessary, to protect the public, for a court to go beyond "compulsion" and to insist that the agency obey the statute in *all* cases in which it significantly exercises its power and influence with respect to rates.

Moreover, in this case it is preposterous to ignore the significant elements of pressure applied upon the carriers to file tariffs in accordance with the Board's formula. If compulsion *were* the test for agency responsibility, this would still be a case in which the agency should be held responsible. The Board, after all, had clearly indicated that tariffs filed in accordance with its formula were, in its judgment, just and reasonable. The 75-day waiting period made it impossible as a practical matter for a carrier to file for *more* than the formula would allow.[30] And as for the filing for less, it has rarely been perceived by most carriers as being in their self-interest to do so; moreover, the carriers may have had in mind the admonition given them by Board Chairman Crooker in the *ex parte* meetings between Board and carriers of January 13 and 16, 1969; that if the carriers did not take full advantage of potential revenue benefits made available in a fare increase then offered to them by the Board, the amount of revenue forgone through filing lower tariffs "would be borne in mind in future assessments of the industry's financial conditions."[31] As a practical matter, Petitioners submit, the carriers were compelled to go along with the Board's proposal of September 12;[32] and, in fact, the carriers did so.

Thus, Petitioners believe that the Board was in fact responsible for the specific tariffs which it permitted to go in to effect. Even if the agency did not in terms *order* the carriers to file such tariffs, it placed pressure on them to do so, knew they would do so, and declared how it would respond when they did so. The Board should be held responsible for the proximate and forseeable results of its declarations and acts.

Finally, Petitioners have no way of knowing whether other agencies employ a procedure similar to that used by the CAB here. If they do and if they are subject to a statutory scheme like that of the Federal Aviation Act, they are in error. The Ninth Circuit *Public Utilities Commission* case, upon which the CAB relies, is not in point. That case involved meetings between the FCC and American Telephone & Telegraph Co., following which the agency announced that the telephone company would submit revised tariffs resulting in major reductions in interstate telephone rates. As the Government argued in opposition to certiorari in that case, "the Commission made no findings or other determination of the reasonableness of the rates, as a result of the meetings."[33] Indeed, the complainant in the *Public Utilities* case did not even charge that the new tariffs were unreasonable, 356 F. 2d at 241;

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its attack was limited to the general contention that rulemaking proceedings were required under the Administrative Procedure Act. The court found that the agency had not "prescribed or approved" the tariffs in question, within the meaning of the *Arizona Grocery* case and the Administrative Procedure Act.

Here the situation is markedly different. Petitioners here are contending that the CAB made maximum rates and assumed responsibility for specific tariffs computed on the basis of the Board's explicit formula. Petitioners *do* challenge both the reasonableness of the Board's rate formula and the reasonableness of the specific tariffs filed on the basis of that formula. The agency *did* pass upon the reasonableness of both the formula and the specific tariffs. Indeed, it is responsible for both. The *Public Utilities Commission* case makes clear that, in this situation, when the agency is responsible for rates, it is required to adhere to rulemaking procedures. This is the meaning of its reliance upon the definition of ratemaking established by the *Arizona Grocery* case. Thus, even assuming *Public Utilities Commission* is correct on its own rather special facts, it is clear that the decision cannot be expanded to sanction the Board's method of operations here.

For the foregoing reasons, Petitioners submit that the decisions of the Civil Aeronautics Board in this case must be tested according to the provisions of sections 1002(d), 1002(e), and 102 of the Federal Aviation Act of 1958.

C. The Decisions of the Board Did Not Conform to the Statutory Mandate

There are three statutory sources of guidance for the Board when it undertakes to make rates. Section 1002(d) prescribes the procedures which the Board must follow. Section 1002(e) sets forth the standards which the Board must take into account in exercising and performing its powers and duties with respect to the determination of rates. Section 102 sets forth general guidelines for all of the Board's tasks, including ratemaking. Petitioners contend that the Board, in its decisions of September 12 and September 30, strayed from all three of these provisions. Much of this contention—if not all of it—is undisputed by the Board.

Section 1002(d)

Thus it is clear that the CAB failed to follow the procedures specified by section 1002(d):

"Whenever, after notice and hearing, upon complaint, or upon its own initiative, the Board shall be of the opinion that any individual or joint rate, fare, or charge demanded, charged, collected, or received by any air carrier for interstate . . . air transportation . . . is or will be unjust or unreasonable, or unjustly discriminatory, or unduly preferential, or unduly prejudicial, the Board shall determine and prescribe the lawful rate, fare, or charge (or the maximum or minimum, or the maximum and minimum thereof) thereafter to be demanded, charged, collected, or received."

The Board never reached the "opinion," on September 12, that the rates then prevailing and those proposed by the carriers were unlawful. It spoke only with respect to the newly proposed tariffs and only found that they "may be" unlawful. It thus failed to make a finding of a "basic or quasi jurisdictional" fact conditioning the exercise of its ratemaking power. *United States v. Chicago M. St. P. & P.R. Co.*, 294 U.S. 499 (1935); see *Burlington Truck Lines, Inc.* v. *United States*, 371 U.S. 156, 165–69 (1962). Moreover, the Board failed to give the notice and hold the hearing required by both section 1002(d) and the Administrative Procedure Act before it makes rates. See 5 U.S.C. §§ 551(4)(5), 553(b), 556(d). Its announcement in order 69–8–108 of August 19 did not apprise Petitioners or the public of the course eventually followed by the agency. See *W. R. Grace & Co.* v. *CAB*, 154 F. 2d 271 (CA 2 1946), *cert. dismissed as moot*, 332 U.S. 287 (1947). And the "oral argument" it held neither measured up to the standards of those statutes nor met minimum standards of fairness, since a great number of the issues had previously been discussed by the Board and the carriers in a series of *ex parte* meetings from which all members of the public, including Petitioners, had been excluded. See *United Air Lines, Inc.* v. *CAB*, 114 App. D.C. 17, 309 F. 2d 238 (1962); *United Air Lines, Inc.* v. *CAB*, 108 App. D.C. 220, 281 F. 2d 53 (1960).

It is unnecessary, however, to belabor the Board's failure to observe the standards of section 1002(d). For the Board concedes that its procedures did not conform to the requirements of that section. (Resp. Interloc. Ans., p. 15.) Thus if, as Petitioners have urged, the Board was required to adhere to the procedural standards of section 1002(d), the decision of the Board was incorrectly reached and must be reversed.

Section 1002(e)

The Board has not expressly admitted that its decision of September 12 was at variance with the standards of section 1002(e)[34], which govern the Board's powers and duties with respect to the determination of rates. Since the Board made brief mention of these standards in its decision of September 12, it seems to agree with Petitioners that they should have governed its consideration of tariffs in this case.

Regardless of whether a concession from the Board is forthcoming, it is clear that the agency gave none of the 1002(e) standards the consideration that is required under the act. Thus, the Board's only mention of those standards on September 12 came in two brief and passing references used to justify the granting of a fare increase on the basis of the carriers' rising costs and declining earnings:

"To require the carriers to continue operating at present fare levels with operating costs spiraling upward would be contrary to the statutory policy and rate-making criteria contained in the Federal Aviation Act of 1958." (J.A. —; Order, p. 5.)

"Taking into consideration these cost pressures on the carriers, and the marked decline in earnings and profit margin since the February increase, the Board finds that a further increase in fares at this time is necessary from the standpoint of the ratemaking standards of section 1002(e) of the Act and the need to maintain the financial vitality of the carriers as a group." (J.A. —; Order, p. 8.)

The Board never mentioned or analyzed the standards specifically, and it is amply clear from its opinion that it never took them into account. This was error. See *American Overseas Airlines, Inc.* v. *CAB*, 103 App. D.C. 41, 254 F. 2d 744 (1958); *Florida* v. *United States*, 292 U.S. 1, fn. 3 (1934).

Section 1002(e)(1)

The Board never considered the effects of its decision on the movement of traffic, as it must under section 1002(e)(1). Its only reference to this statutory factor, in the course of the September 12 opinion, indicated that it had no idea what effect would be produced on traffic by tariffs computed in accordance with the formula it was promulgating. The Board opined that, as a result of the formula, "there may be a total revenue increase of approximately 6.35 percent (assuming no diversion or loss of traffic). To the extent of any such dilution, the revenue increase would be less than 6.35 percent." (J.A. —; Order, p. 9.)

The Board has no power, under the statute, to make rates while indulging in such an unverified "assumption" regarding a factor listed in section 1002(e). The effect of given rates upon the movement of traffic is determinable—or at least more nearly determinable than one would suppose from perusal of the Board's opinion—providing that a sufficient amount of relevant information is assembled and analyzed. The Board, in the opinion of September 12, did not even go to the trouble of analyzing the meager pertinent information adduced by the carriers as "oral argument" in this case. It simply ignored the question of traffic movement which both the statute and common sense make crucial to any decision with respect to rates.[35]

Section 1002(e)(2)

Similarly, the Board ignored the factor it was enjoined to consider by reason of section 1002(e)(2): "the need in the public interest of adequate and efficient transportation of persons and property by air carriers at the lowest cost consistent with the furnishing of such service." This statutory factor refers to a certain desirable quality and quantity of service (adequate and efficient service) and the most economical means of providing that service. It might be given a precise normative interpretation by the same means commonly used in the airline industry to judge adequacy, efficiency, and economy of service—namely, the use of percentage and numerical standards. See generally Friendly, *The Federal Administrative Agencies: The Need for Better Definition of Standards*, 75 Harv. L. Rev. 863, 1055, 1263 (1962): *cf. City of Lawrence, Mass.* v. *CAB*, 343 F. 2d 583, 587 (CA 1 1965).

Thus, one rational approach to interpreting section 1002(e)(2) would be to establish standards of adequacy and efficiency,[36] and standards for the cost of furnishing the service, both cash cost standards (payroll, fuel, materials, other services) and non-cash cost standards (depreciation and earnings or return on investment). Then, particular tariff proposals and the Board's own ratemaking efforts could be examined in the light of such standards and tariffs based on cost and load factor figures departing significantly from the guidelines would not be permitted to go into effect without an extraordinary justification of their reasonableness.

The Board, however, has not established such guidelines for measuring adequacy and efficiency of service—nor any others. It has failed to give meaningful content to section 1002(e)(2) and consistently takes no position with respect to the command of that section. This failing is serious because, as Petitioners have sought to show more fully in their Memorandum in Support of Interlocutory Relief, competition in the airline industry is restricted to cost and scheduling competition, rather than price competition. If the carriers are not held by the Board to some kind of reasonable cost and load factor standards, it is inevitable that costs will continue to rise and load factors to drop with each increment in the fares charged passengers. Indeed, a raise in rates *produces* such developments. The Board's determination that the carriers are somehow entitled to a certain rate of return is useless to prevent the carriers from incurring costs so as to make that return an impossibility, as long as the Board continues to base fares on what amounts to a "cost plus" theory.[37] At the same time, a policy of continually raising fares cannot be regarded as conducive to traffic growth. Thus, it seems clear that the Board's general policy of granting fare increases on the sole basis of an unexamined rise in costs and drop in earnings is inconsistent with both the health of the industry and fairness to passengers.

Petitioners suggest that developing cost and load factor standards would constitute one sensible way of implementing section 1002(e)(2); there may, however, be others. The important point is that the Board, in its

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opinion of September 12, did not comply with the statute because it did not determine whether the rates it was making constituted the lowest cost for furnishing transportation of persons by air in an adequate and efficient manner. Although it recognized that "the complainants have raised some questions for which no fully satisfactory answer presently exists, especially the question of load factor standards" (J.A. —; Order, p.5), it once again put off the setting of standards for another day. And it ignored Petitioners' complaints that the staff formulas upon which the carriers' tariff filings (including the filing by American) were based were not necessarily founded upon a just and reasonable input and had not been formulated by the Board's staff for the purpose of meeting the "just and reasonable," the "adequate, efficient, and economical," or any other statutory standard. Its decision is, therefore, contrary to the mandate of section 1002(e)(2).

Section 1002(e)(5)

Finally,[38] the Board's decision was taken without reference to the factor contained in section 1002(e)(5), "the need of each air carrier for revenue sufficient to enable such air carrier, under honest, economical, and efficient management, to provide adequate and efficient air carrier service." See *American Overseas Airlines, Inc.* v. *CAB*, 103 App. D.C. 41, 254 F. 2d 744 (1958). It is obvious from the foregoing discussion of section 1002(e)(2) that the Board could not and did not give any consideration to "economical and efficient management" or "adequate and efficient air carrier service."

But the degree of divergence of the Board's September 12 opinion from the standard of section 1002(e)(5) bears emphasis. Although the Board repeatedly stated that the carriers had demonstrated a need for "some" additional revenue, it never stated *how much* additional revenue was needed by a carrier or group of carriers,[39] or that tariffs computed on the basis of its formula would provide the undetermined amount of additional needed revenue. It said only:

We estimate that the fare adjustments we are prepared to accept would produce increased revenues for the trunkline industry of 7.4 percent in first-class service and 3.6 percent in coach service. Currently, about 82.6 percent of trunkline passenger miles involve travel at coach or economy fares and only about 17.4 percent at first-class fares, so that (considering the traffic "mix") such basic fares will be increased by about 4.25 percent. Further, we estimate than an annual increase in revenues equivalent to 2.1 percent may stem from adjustments in promotional fares. Thus, there may be a total revenue increase of approximately 6.35 percent (assuming no diversion or loss of traffic). To the extent of any such dilution, of course, the revenue increase would be less than 6.35 percent." (J.A. —; Order, p. 9.)[40]

The implication is that, after the fare increase, annual first-class revenues will be 7.4 percent more than they would otherwise be, coach revenues will be 3.6 percent greater, overall revenues 6.35 percent greater. The fact, however, is that the Board's estimates were based upon past traffic performance figures, for fiscal 1969, not upon projected future traffic levels, adjusted for changes in fares. The Board could not have considered such projections because, as noted above, it never considered the effect of the new fares it was making upon the movement of traffic. Significantly, the Board never stated that the revenue increase it anticipated—"approximately 6.35 percent (assuming no diversion or loss of traffic)"—complies with the standard of section 1002(e)(5).

Section 102

The standards of section 102 govern all of the Board's activities, including activities with respect to rates.[41] Those standards clearly apply in this case. It is not true, as the Board has contended (Resp. Interloc. Ans., p. 3), that the standards of section 102 are "effectively incorporated" in section 1002(e). Although section 102 contains guidelines that are far more vague than those of section 1002(e), it also contains several factors that are not found in the latter section, such as prevention of unjust discrimination[42] and the need for "competition to the extent necessary to assure the sound development" of the air transportation system.[43] The Board has not mentioned or adhered to these additional standards in the September 12 decision and has indicated by its filing in this Court that it believes them not to be applicable in this case. This belief is, however, belied by the plain meaning of section 102 which makes the section applicable to *all* of the Board's powers and duties, including those regarding rates.

D. The Public Interest Can Only Be Protected If the Statutory Scheme of the Federal Aviation Act Is Judicially Enforced in This Case So That the Board Is Held Accountable for Its Actions

As Petitioners have set out, the Board's decisions of September 12 and 30 stand in flagrant violation of the procedural standards of section 1002(d) and the substantive standards of sections 1002(e) and 102 of the Federal Aviation Act.

The Board should not be permitted to evade the requirements of these statutory mandates by the way it formally designates its actions. When the Board effectively makes maximum rates and assumes responsibility for specific tariffs, as it did in this case, it should be required to conform its procedures and substantive inquiry to the statutory standards.

It is critical that the Board be held responsible here not only for the maximum rate formula but for the tariffs filed by the carriers on the basis of that formula as well. For unless the Court holds that the Board is responsible for those tariffs and strikes them down along with the maximum rate formula, Petitioners and the traveling public will have been denied an effective remedy—even if the Court agrees that the Board's decisions of September 12 and 30 were improper. The immediate harm in the present case is that the public is being called upon to pay fares that were established in violation of the statute. Merely holding illegal the Board's September 12 and 30 orders, by itself, would accord little effective relief. Unless the tariffs that flowed from those orders are also invalidated, the Board would be encouraged simply to find some other way to make its future decisions with respect to rates known to the industry. A precedent should not be established, in this case, to the effect that the formal manner of implementing illegal Board decisions governs the issue of review by the courts.

In sum, we believe that the policies of the Federal Aviation Act, as well as the necessity to preserve the integrity of the administrative process, require invalidation of the Board's September orders and of the tariffs filed pursuant to those orders.

II. The tariffs now in effect are unlawful and should be investigated even if they are not deemed to be the responsibility of the board

Even if this Court concludes that the tariffs based on the Board's rate formula are *not* the responsibility of the CAB, Petitioners are still entitled to relief in this case. For the tariffs are, in and of themselves, unjust and unreasonable and discriminatory within the meaning of section 1002(d) of the statute. At a minimum, Petitioners are entitled to reversal of the Board's decision not to investigate them. *Trailways of New England, Inc.* v. *CAB*, 412 F. 2d 926 (CA 1 1969); *Transcontinental Bus System, Inc.* v. *CAB*, 383 F. 2d 466 (CA 5 1967), *cert. denied*, 390 U.S. 920 (1968).

Although the Board has wide discretion in determining whether to investigate carrier-made tariffs, that discretion is not boundless. The Board may not, for example, dismiss a complaint stating a *prima facie* case of rate discrimination. See, *e.g.*, *Trailways of New England, Inc.* v. *CAB*, *supra*. Similarly a complaint showing that rates are "uneconomic and unreasonable" may not be dismissed at the whim of the agency. *Transcontinental Bus System, Inc.* v. *CAB*, *supra*. Here Petitioners' complaint against the tariffs in question met both of these tests.

A. The Tariffs Are *Prima Facie* Unjust and Unreasonable

In the foregoing portion of this brief, Petitioners have demonstrated that the Board failed to apply the standards of section 1002(e) in its decisions of September 12 and 30. For the same reasons alleged above, Petitioners submit that their complaint stated a *prima facie* case that the tariffs filed by the carriers following the Board's decision of September 12 are unjust and unreasonable. The "just and reasonable" standard of sections 404(a) and 1002(d) embodies the more specific standards of section 1002(e). *Florida* v. *United States*, 292 U.S. 1, 7 n. 3 (1934). The tariffs in question are based upon a Board opinion in which the proper standards were not taken into account. Thus, the tariffs that went into effect following the Board's decision of September 30 are not what section 1002(e) or the "just and reasonable" standard of sections 404(a) and 1002(d) contemplate. They have an unpredictable and unpredicted effect upon the movement of traffic, which may well be deleterious. There has been no showing that they will result in enhancing the carriers' earnings. And there is every indication that they will result in increased cash costs and a further decrease in load factors. The tariffs on their face are harmful to the industry and unfair to passengers.[44] For this reason, and because the Board failed to apply the standards of section 1002(e) in its decisions of September 12 and 30, its decision not to investigate was erroneous.

B. The Tariffs Are Prima Facie Discriminatory

Petitioners believe that reversal of the Board's decision not to investigate is also dictated by the fact that the tariffs are discriminatory. They discriminate, first, against passengers traveling in markets where one-carrier service is not available and no single sum through fare for inter-carrier connecting service is published. The tariffs require such passengers to pay an increased terminal charge for each segment of their voyage, plus a higher line haul charge than they would have to pay for a voyage of the same distance made with a single carrier.[45]

To the Petitioners' claim of discrimination against these passengers made in their Petition for Reconsideration, the Board responded on September 30 as follows: "The Congressmen cite the lack of single factor fares in some markets as prejudicial to the interests of the traveling public. We agree and we have already taken action aimed at assuring the establishment of single sum fares in all markets whether served by a single carrier or not which meet a minimum traffic standard. In any event, suspension of the proposed tariffs is no solution to this problem since the pre-existing structure suffers from the same deficiency." (J.A. —; Reconsid. Op., p. 2 n.1.)[46] This statement, however, misses the point. The Board is forbidden by statute and case law to permit tariffs with such a deficiency to go, unexamined, into effect. See sections 404(b) and 102(c) of the Act and, *e.g.*, *Trailways of New England, Inc.* v. *CAB*, 412 F.2d 926 (CA 1 1969); *Transcontinental Bus System, Inc.* v. *CAB*, 383 F.2d 466 (CA 5 1967), *cert. denied*, 390 U.S. 920 (1968). It is under statutory injunction to investigate such tariffs and, upon a finding of unlawfulness, to take the necessary steps to cure

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the deficiency. Section 1002(d) and (i), 49 U.S.C. 1482(d), (i). The Board's "agreement" that the fare structure that went into effect in October is "prejudicial to the traveling public" amounts to an admission that its decision not to investigate such tariffs is contrary to law.

In the second place, the tariffs now in effect discriminate against passengers traveling between uncongested airports and in favor of those moving between congested airports. Since airline costs are incurred on the basis of time, not mileage, any tariff under which equal fares are charged for flights of unequal time results in a shift of the cost burden from one set of passengers to another. (Pet. Memo. App. C 8604.) The Board, in its September 12 decision, recognized this problem but disagreed that the solution was to base tariffs on flight time rather than flight mileage. "A much simpler approach, and one which would accomplish substantially the same result, would be a variable terminal charge based primarily on congestion but including other terminal variables, such as landing fees." (J.A.—; Order, p. 6.) However, as soon as the Board raised this possible means of mitigating the discrimination, it cast it aside with the comment that "there are many unknown or unmeasurable variables which have not so far been reflected in determining the appropriate variation between terminals." Like so many other points urged by Petitioners in this case, the matter of discrimination was put over for further "explorations." This appears to be just one more decision taken by the Board, in its haste to accord the carriers a fare increase, in derogation of the Federal Aviation Act of 1958.

Thus, the tariffs now in effect are discriminatory in at least two ways.[47] The Board's decision not to investigate such tariffs, and to dismiss Petitioners' complaint against them, was erroneous.

CONCLUSION AND PRAYER

For the foregoing reasons, Petitioners respectfully pray this Court to,

1. Vacate the Board's orders of September 12, 1969, and September 30, 1969; and

2. Vacate or order the Board to vacate the tariffs filed pursuant to those orders of the Board, and order the Board to restore the *status quo ante* by reverting to the tariffs in effect prior to October 1, 1969, pending the establishment of tariffs in accordance with the Federal Aviation Act of 1958;

3. In the alternative, should the Court find the tariffs filed following the Board's order of September 12, 1969, not to be the responsibility of the Board,

(a) Vacate the Board's order of September 12, 1969, insofar as it sets a maximum rate for domestic passenger fares;

(b) Reverse and set aside the Board's decision not to investigate the tariffs; and

(c) Remand for further proceedings not inconsistent with the decision of this Court.

4. Order such other and further relief, including refunds to passengers and/or trust fund arrangements by the carriers, as the Court shall consider just and proper.

Respectfully submitted.

Dated: January 23, 1970.

FOOTNOTES

*Cases chiefly relied on.

[1] Hereinafter cited as *Passenger Fare Revisions*.

[2] The Federal Aviation Act of 1958 is found at 49 U.S.C. §§ 1301 *et seq*. For purposes of brevity, citations of the statute will be made in this brief only to the pertinent section of the act, not to the section number of the United States Code.

[3] Although *Passenger Fare Revisions* began only last August, the case has been many months in developing. Several of the issues raised since August, and now presented to this Court, find their genesis in pre-August events—for example, submission by Petitioners of a 90-page complaint detailing the legal criteria and factual considerations which they contended should govern the Board's review of passenger tariff proposals. That complaint was incorporated by reference in the Petitioners' post-August presentation to the Board, but there are other matters, not specifically brought up after August, which had a profound influence upon the decision-making process and outcome of *Passenger Fare Revisions*. Because Petitioners considered it helpful for a proper understanding of the issues raised in this case to comprehend the factual context in which those issues were first presented, they prepared a summary of the background of this case, which was attached as Appendix B to their memorandum to this Court in support of a motion for interlocutory relief. [Hereinafter cited as Pet. Memo. App. B.]

[4] The Board's customary response to questions of air fares, as set out in Pet. Memo. App. B, has been to schedule closed, *ex parte* meetings with the carriers, in which the carriers and the agency thrash out the various proposals under consideration and reach general agreement as to an appropriate course of action.

[5] Much of the record in this case has been reprinted in the CONGRESSIONAL RECORD, vol. 115, pt. 20, pp. 27404–27456. In the interest of economy and because that material is already before the Court (as Appendix C to Pet. Memo.), we shall move not to redesignate the same material as part of the Appendix to this brief. Citations to those portions of the record in this case that have been thus reprinted and filed with this Court will be given as "Pet. Memo. App. C" followed by a page number in the reprint.

[6] The transcript that was subsequently made available reflects a lively and highly interesting discussion. (Pet. Memo. App. C 8598–602). With the Board members listening intently and occasionally expressing their "personal" views, the carrier representatives brought up and discussed a number of issues that were directly relevant to the pending filings and that were later to be resolved in the Board's decision of September 12: adjustment of youth and other promotional fares, establishment of a more uniform fare system with a taper according to mileage, the necessity of an immediate fare increase, the tension between cost-orientation and value-of-service in making rates, the inflation problem, the desirability of a mathematical formula for calculating fares, and antitrust immunity to discuss joint fares. In addition, Chairman Crooker advised the carriers regarding the specific questions that would be of major interest to the Board when it held oral argument on the proposed tariff revisions, including several questions that were never to be announced publicly. Two of the recent filings were discussed, with the participants going off the record at one point to discuss Continental's proposal.

The fact that a transcript of this meeting was made at all is itself interesting. No such practice had earlier been followed by the Board, out of what the Chairman termed, in a letter to Petitioner Moss of March 5, 1969, the "desire to encourage a freer flow of discussion." (Pet. Memo. App. C 8570–71). In an apparent change of heart, and following inquiries by Petitioner Moss, the Board had transcripts prepared for meetings it held with the carriers on June 16, 1969, and July 22, 1969, as well as for the August 14, 1969, meeting. (See Pet. Memo. App. C 8588–91, 8592–97).

[7] The Petitioners' complaint of April 21 (hereinafter cited as First Complaint), which was filed in docket 20928, *Passenger Fare Revisions Proposed by American Airlines, Inc., Braniff Airways, Inc., Trans World Airlines, Inc., United Air Lines, Inc., and Western Air Lines, Inc.*, is summarized in Pet. Memo. App. B and found at Pet. Memo. App. C 8571–87. This complaint was incorporated by reference in the complaint of August 20 (hereinafter referred to as Second Complaint). The Second Complaint is found at Pet. Memo. App. C. 8603–05.

[8] Because of indications in the press and elsewhere that the Board had already reached a decision in regard to the pending tariffs, Petitioners declined to participate in the September 4 "oral argument." (See Pet. Memo. App. C 8605–06.)

[9] See p. 6, *supra*.

[10] Petitioner Moss replied, renewing his objection, on September 10, 1969. (Pet. Memo. App. C 8606–07.)

[11] The opinion of September 12 is found at Pet. Memo. App. C 8607–13 and is included separately, in the Joint Appendix to the briefs in this case. Citations to the opinion will be given to a page number in the Joint Appendix (cited as "J.A."), as well as to a page number in the original order, pending a decision on our motions filed with this brief to waive the requirement that an appendix subsequently be filed.

[12] In accordance with one of the points urged by Petitioners in the First Complaint, the Board determined that its formula would be based on airport-to-airport mileage, rather than the city-center-to-city-center mileage employed by American.

[13] No such ruling has been rendered as of the date of filing of this brief, January 23, 1970.

[14] This is a charge for "getting on and getting off"—a flat fee per voyage.

[15] All certificated, scheduled, domestic carriers subject to CAB regulation submitted tariffs. Those tariffs were identical to those proposed by the Board, with a few insignificant exceptions, such as Delta's filing for a slightly lower youth promotional fare than the Board had contemplated.

[16] Respondent's Answer in Opposition to Petitioners' Motion for Interlocutory Relief, p. 8 (hereinafter cited as Resp. Interloc. Ans.)

[17] The Petition for Reconsideration is found at Pet. Memo. App. C 8613–15.

[18] The Board's opinion of September 30 is to be included in the Joint Appendix, pending a ruling on our motion to omit the appendix. The September 30 opinion is also found as Appendix F to Pet. Memo.

[19] Under the terms of section 1002(d), a "maximum" rate determination is one form of ratemaking.

[20] Moreover, the CAB has already applied its formula in other proceedings and has thus indicated that it intends to rely upon that formula as a general guide for its ratemaking tasks. See *States-Alaska and Intra-Alaska Fare Increases Proposed by Alaska Air-Lines, Inc., Pan American World Airways, Inc., Western Air Lines, Inc.*, Docket 21599, Order of Investigation and Suspension of November 14, 1969. Thus, the Board's formula appears to be far more than a transitory order applicable to but a single proceeding.

[21] Furthermore, as Petitioners shall demonstrate below, there was irresistible pressure upon the carriers to file for the precise increase approved by the Board. See pp. 37–39, *infra*.

[22] As Petitioners noted in their Supplementary Memorandum in Support of Interlocutory Relief, filed on January 19, 1970, their position is that the Board "prescribed or approved" specific tariffs within the meaning of *Arizona Grocery Co.* v. *Atchison, T. & S.F. Ry.*, 284 U.S. 370 (1932), and Section 2 of the Administrative Procedure Act, 5 U.S.C. § 551. See *ICC* v. *Mechling*, 330 U.S. 567 (1947), and pp. 35–37, *infra*.

[23] Section 1002(d) provides that, before the Board makes rates, it must give notice, hold a hearing, and find that the rates in effect and those proposed by the carriers are unlawful. Section 1002(e) contains a set of standards governing the Board's "powers and duties with respect to the determination of rates." Section 102 contains standards applicable to all of the Board's powers and

duties under the Federal Aviation Act. These sections are discussed more fully in the following parts of this brief.

[24] In the Board's words, its "orders do not purport to be ratemaking orders. . . ." Resp. Interloc. Ans. p. 14.

[25] See Resp. Interloc. Ans. pp. 3, 14–17.

[26] The right to a full hearing before the Board derives from section 1002(d), and there are thorny problems with judicial review and invalidation of tariffs which are *not* the responsibility of the Board and which it refuses even to investigate. See *Arrow Transportation Co.* v. *Southern RR. Co.*, 372 U.S. 658 (1963); *Transcontinental Bus System, Inc.* v. *CAB, supra*, at 473 n. 11. The Board in the *Transcontinental* case argued in reliance upon *Arrow Transportation* that the Fifth Circuit could order only an investigation, not a suspension, of the tariffs in question. See Brief for Respondent, p. 20, n. 20.

[27] The Board's sole contention in this regard appeared to rest, at oral argument on Petitioners' motion for interlocutory relief, on the alleged time-consuming nature of a general passenger fare investigation. Counsel for the Board cited one example in which the Board consumed 4½ years in attempting such an investigation. There would appear, however, to be no reason why a general passenger fare investigation should require that amount of time—particularly when the agency claims already to have built up a substantial body of expertise. On one of the rare occasions in its history when the Board did complete a general investigation of rates (freight rather than passenger rates), the investigation was concluded within a few months. *Air Freight Rate Investigation*, 9 C.A.B. 340 (1948).

Moreover, in making the above argument, the Board appears to be confusing a *general passenger fare investigation*, which Petitioners believe may be necessary in order for the Board in this case to obey the mandate of section 1002(e), see Petitioners' Memorandum in Support of Interlocutory Relief, pp. 69–70, with the *hearing* that Petitioners urge *is always necessary* under section 1002(d) whenever the Board undertakes to prescribe or approve rates. There is no reason whatsoever why the 1002(d) hearing should require 4½ years and, as the Board has not conducted such hearings, no horrible example to cite.

[28] The Board's reliance on *McManus* v. *CAB*, 286 F. 2d 414 (CA 2), *cert. denied*, 366 U.S. 928 (1961), for a contrary proposition is misplaced. See Resp. Interloc. Ans., p. 15 n. 8. That case dealt only with the Board's powers under section 412 of the Act—a provision not related to ratemaking and not controlled by detailed statutory standards of procedure and substance, such as those of sections 1002(d) and 1002(e).

[29] The "approved or prescribed" language was adopted by Congress in section 2 of the Administrative Procedure Act, 5 U.S.C. § 551.

[30] In addition, because of its desire that the carriers meet and discuss joint fares, the Board required that tariffs implementing its formula all have an expiration date of January 31, 1970. Simultaneously, it required that tariffs with pre-formula fares be filed for an effective date of February 1, 1970.

[31] See Pet. Memo. App. C 8564.

[32] Petitioners are not alone in this belief. One of the intervenors in this case, Continental Airlines, has indicated, in a recent filing with the Board, that it considers the Board's formula (though not its grant of higher fares) to be inequitable and that the carriers, including Continental, conformed to it because they had no choice: Continental there argues against "a rigid fare formula, such as that adopted by the Board, altering substantially the fare structure" and accuses the Board of "tieing a fare increase to acceptance of a Board devised formula which in fact determined the specific fares . . ." Letter to Civil Aeronautics Board from Marvin L. Davis, Vice President, Continental Airlines, December 30, 1969 pp. 2, 6. See also Petition of National Airlines, Inc., for Reconsideration of Order 69–9–68 (Sept. 22, 1969).

[33] Brief for the United States in Opposition, p. 2. According to the Government, "the court . . . found it unnecessary to pass upon the legality of the Commission's 'continuing surveillance' of communication carriers—the process of informal meetings in which interstate rates are discussed." The Government represented to the Supreme Court that "the United States has had no occasion to take a position on this issue and we are satisfied that the question need not be reached on this record." *Id.* at 9–10 n. 4

[34] The provisions of section 1002(e) have been reprinted in the addendum to this brief.

[35] The question of the effect of rates on traffic movement is one of elasticity of demand. As the Supreme Court has recognized, "the raising of rates does not necessarily increase revenue. It may . . . reduce revenue instead of increasing it, by discouraging patronage." *Florida* v. *United States*, 282 U.S. 194, 214 (1931).

[36] Load factor standards—standards indicating the percentage of available aircraft capacity which should ordinarily be sold—are generally recognized by the airline industry as one of the best measures of adequacy and efficiency. They are regularly employed by the carriers in making their own economic forecasts and analyses.

[37] It is worth noting that the Board in this case never claimed that use of its formula would improve the carriers' net earnings.

[38] The standards imposed by sections 1002(e)(3) and 1002(e)(4) appear to be of less significance than the others in section 1002. It cannot plausibly be claimed, however, that the Board paid these standards any more attention on September 12 and 30 than it did the others. Section 1002(e)(3) has been interpreted by a Board examiner as simply repetitive of section 1002(e)(2). *General Passenger Fare Investigation*, C.A.B. Docket 8008 et al., Initial Decision of Examiner Ralph L. Wiser, served May 27, 1959, Slip Opinion, p. 8 n. 10. Section 1002(e)(4), which refers to the "inherent advantages of transportation by aircraft" and was based on section 216(c) of the Motor Carrier Act, apparently requires the Board to fix airline rates on a basis that reflects the cost advantages of this mode of transportation. See 79 *Cong. Rec.* 5656 (April 15, 1935) (remarks of Senator Wheeler). Neither of these standards was mentioned by the Board in this case.

[39] The Board did not determine the "need of each air carrier," as section 1002(e)(5) requires. It simply considered all the domestic trunklines and local service carriers as a group. The point is worth noting because sections 15a(2) of the Interstate Commerce Act, on which section 1002(e) of the Federal Aviation Act was based, differs here by referring only to the "carriers" as a group. See, in this regard, the Petition of National Airlines, Inc., for Reconsideration of Order 69–9–68 (Sept. 22, 1969).

[40] With respect to the local service carriers, the Board never even made an estimate of the impact of its decision upon revenues. This fact cannot be ignored because the rates prescribed by the Board were intended to have a greater impact on short-haul fares than on long-haul fares, and therefore should effect a greater change in short-haul traffic and revenues.

[41] The provisions of section 102 are reprinted in the addendum to this brief.

[42] The reasons why the Board's formula is discriminatory will be spelled out fully in the second part of this brief, dealing with the unlawfulness of the specific tariffs filed on the basis of that formula even if those tariffs should not be considered the responsibility of the Board.

[43] Thus, the Board's method of arriving at fares for the entire industry through *ex parte* meetings with the carriers and other procedures totally lacking in statutory foundation have helped to eliminate significant price competition in this industry and would appear to be in violation of section 102.

[44] See pp. 47–48, *supra*. The burden of supporting proposed tariffs is, under the Board's rules, on the carriers. See 14 CFR § 302.506.

[45] Such travelers are regarded, under the tariffs in question, as making separate voyages. Therefore, in addition to paying the terminal charge more than once, they fall at least twice within the first, highest-priced, mileage block established by the Board.

[46] This statement may be contrasted with the Board's decision of May 8 in which it found "no reason for continuing such inequity." (Pet. Memo. App. C 8588.) It should also be compared with section 1002(i) which commands the Board, "whenever required by the public convenience and necessity," to establish through service and joint fares itself.

[47] Continental Airlines, in a recent filing before the Board, has claimed in addition that the Board's maximum rate formula and the specific tariffs based on it discriminate among the carriers, as the Board made no effort to assess and meet the separate needs of each carrier. *Letter to CAB, supra* n. 32, p. 7. See also Petition of National Airlines, Inc., for Reconsideration of Order 69–9–68 (Sept. 22, 1969).

ADDENDUM: STATUTES INVOLVED

5 U.S.C.

§ 551(4), (5):

"For the purpose of this subchapter—

"(4) 'rule' means the whole or a part of an agency statement of general or particular applicability and future effect designed to implement, interpret, or prescribe law or policy or describing the organization, procedure, or practice requirements of an agency and includes the approval or prescription for the future of rates, wages, corporate or financial structures or reorganizations thereof, prices, facilities, appliances, services or allowances therefor or of valuations, costs, or accounting, or practices bearing on any of the foregoing;

"(5) 'rule making' means agency process for formulating, amending, or repealing a rule."

§ 553(b), (c):

"(b) General notice of proposed rule making shall be published in the Federal Register, unless persons subject thereto are named and either personally served or otherwise have actual notice thereof in accordance with law. The notice shall include—

"(1) a statement of the time, place and nature of public rule making proceedings;

"(2) reference to the legal authority under which the rule is proposed; and

"(3) either the terms or substance of the proposed rule or a description of the subjects and issues involved.

Except when notice or hearing is required by statute, this subsection does not apply—

"(A) to interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice; or

"(B) when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued (that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.

"(c) After notice required by this section, the agency shall give interested persons an opportunity to participate in the rule making through submission of written data, views, or arguments with or without opportunity for oral presentation. After consideration of the relevant matter presented, the agency shall incorporate in the rules adopted a concise general statement of their basis and purpose. When rules are required by statute to be made on the record after op-

portunity for an agency hearing, sections 556 and 557 of this title apply instead of this subsection."

§ 556(a), (d):

"(a) This section applies, according to the provisions thereof, to hearings required by section 553 or 554 of this title to be conducted in accordance with this section.

"(d) Except as otherwise provided by statute, the proponent of a rule of order has the burden of proof. Any oral or documentary evidence may be received, but the agency as a matter of policy shall provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence. A sanction may not be imposed or rule or order issued except on consideration of the whole record or those parts thereof cited by a party and supported by and in accordance with the reliable, probative, and substantial evidence. A party is entitled to present his case or defense by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts. In rule making or determining claims for money or benefits or applications for initial licenses an agency may, when a party will not be prejudiced thereby, adopt procedures for the submission of all or part of the evidence in written form.

§ 706:

"To the extent necessary to decision and when presented, the reviewing court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning and applicability of the terms of an agency action. The reviewing court shall—

"(1) compel agency action unlawfully withheld or unreasonably delayed; and

"(2) hold unlawful and set aside agency action, findings, and conclusions found to be—

"(A) arbitrary, capricious, and abuse of discretion, or otherwise not in accordance with law;

"(B) contrary to constitutional right, power, privilege, or immunity;

"(C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right;

"(D) without observance of procedure required by law;

"(E) unsupported by substantial evidence in a case subject to sections 556 and 557 of this title or other wise reviewed on the record of an agency hearing provided by statute; or

"(F) unwarranted by the facts to the extent that the facts are subject to trial de novo by the reviewing court.

In making the foregoing determinations, the court shall review the whole record or those parts of it cited by a party, and due account shall be taken of the rule of prejudicial error."

49 U.S.C.

§ 1302 (Federal Aviation Act § 102):

"In the exercise and performance of its powers and duties under this chapter, the Board shall consider the following, among other things, as being in the public interest, and in accordance with the public convenience and necessity:

"(a) The encouragement and development of air-transportation system properly adapted to the present and future needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense;

"(b) The regulation of air transportation in such manner as to recognize and preserve the inherent advantages of, assure the highest degree of safety in, and foster sound economic conditions in, such transportation, and to improve the relations between, and coordinate transportation by, air carriers;

"(c) The promotion of adequate, economical, and efficient service by air carriers at reasonable charges, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices;

"(d) Competition to the extent necessary to assure the sound development of an air-transportation system properly adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense;

"(e) The promotion of safety in air commerce; and

"(f) The promotion, encouragement, and development of civil aeronautics."

§1374 (a)(b) (Federal Aviation Act § 404 (a)(b)):

"(a) It shall be the duty of every air carrier to provide and furnish interstate and overseas air transportation, as authorized by its certificate, upon reasonable request therefor and to provide reasonable through service in such air transportation in connection with other air carriers; to provide safe and adequate service, equipment, and facilities in connection with such transportation; to establish, observe, and enforce just and reasonable individual and joint rates, fares, and charges, and just and reasonable classifications, rules, regulations, and practices relating to such air transportation; and, in case of such joint rates, fares, and charges, to establish just, reasonable, and equitable divisions thereof as between air carriers participating therein which shall not unduly prefer or prejudice any of such participating air carriers.

"(b) No air carrier or foreign air carrier shall make, give, or cause any undue or unreasonable preference or advantage to any particular person, port, locality, or description of traffic in air transportation in any respect whatsoever or subject any particular person, port, locality, or description of traffic in air transportation to any unjust discrimination or any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

§ 1482(a)(d)(e)(g)(i) (Federal Aviation Act § 1002(a)(d)(e)(g)(i)):

"(a) Any person may file with the Administrator or the Board, as to matters within their respective jurisdictions, a complaint in writing with respect to anything done or omitted to be done by any person in contravention of any provisions of this chapter, or of any requirements established pursuant thereto. If the person complained against shall not satisfy the complaint and there shall appear to be any reasonable ground for investigating the complaint, it shall be the duty of the Administrator or the Board to investigate the matters complained of. Whenever the Administrator or the Board is of the opinion that any complaint does not state facts which warrant an investigation or action, such complaint may be dismissed without hearing. In the case of complaints against a member of the Armed Forces of the United States acting in the performance of his official duties, the Administrator or the Board, as the case may be, shall refer the complaint to the Secretary of the department concerned for action. The Secretary shall, within ninety days after receiving such a complaint, inform the Administrator or the Board of his disposition of the complaint, including a report as to any corrective or disciplinary actions taken.

"(d) Whenever, after notice and hearing, upon complaint, or upon its own initiative, the Board shall be of the opinion that any individual, or joint rate, fare, or charge demanded, charged, collected, or received by any air carrier for interstate or overseas air transportation, or any classification, rule, regulation, or practice affecting such rate; fare, or charge, or the value of the Service thereunder, is or will be unjust or unreasonable, or injustly discriminatory, or unduly preferential, or unduly prejudicial, the Board shall determine and prescribe the lawful rate, fare, or charge (or the maximum or minimum, or the maximum and minimum thereof) thereafter to be demanded, charged, collected, or received, or the lawful classification, rule, regulation, or practice thereafter to be made effective: *Provided,* That as to rates, fares, and charges for overseas air transportation, the Board shall determine and prescribe only a just and reasonable maximum or minimum, or maximum and minimum rate, fare, or charge.

"(e) In exercising and performing its powers and duties with respect to the determination of rates for the carriage of persons or property, the Board shall take into consideration, among other factors—

"(1) The effect of such rates upon the movement of traffic;

"(2) The need in the public interest of adequate and efficient transportation of persons and property by air carriers at the lowest cost consistent with the furnishing of such service;

"(3) Such standards respecting the character and quality of service to be rendered by air carriers as may be prescribed by or pursuant to law;

"(4) The inherent advantages of transportation by aircraft; and

"(5) The need of each air carrier for revenue sufficient to enable such air carrier, under honest, economical, and efficient management, to provide adequate and efficient air carrier service.

"(g) Whenever any air carrier shall file with the Board a tariff stating a new individual or joint (between air carriers) rate, fare, or charge for interstate or overseas air transportation or any classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of the service thereunder, the Board is empowered, upon complaint or upon its own initiative, at once, and if it so orders, without answer or other formal pleading by the air carrier, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such rate, fare, or charge, or such classification, rule, regulation, or practice; and pending such hearing and the decision thereon, the Board, by filing with such tariff, and delivering to the air carrier affected thereby, a statement in writing of its reasons for such suspension, may suspend the operation of such tariff and defer the use of such rate, fare, or charge, or such classification, rule, regulation, or practice, for a period of ninety days, and, if the proceeding has not been concluded and a final order made within such period, the Board may, from time to time, extend the period of suspension, but not for a longer period in the aggregate than one hundred and eighty days beyond the time when such tariff would otherwise go into effect; and, after hearing, whether completed before or after the rate, fare, charge, classification, rule, regulation, or practice goes into effect, the Board may make such order with reference thereto as would be proper in a proceeding instituted after such rate, fare, charge, classification, rule, regulation, or practice had become effective. If the proceeding has not been concluded and an order made within the period of suspension, the proposed rate, fare, charge, classification, rule, regulation, or practice shall go into effect at the end of such period: *Provided,* That this subsection shall not apply to any initial tariff filed by any air carrier.

"(i) The Board shall, whenever required by the public convenience and necessity, after notice and hearing, upon complaint or upon its own initiative, establish through service and joint rates, fares, or charges (or the maxima or minima, or the maxima and minima thereof) for interstate or overseas air transportation, or the classification, rules, regulations, or practices affecting such rates, fares, or charges, or the value of the service thereunder, and the terms and conditions under which such through service shall be operated: *Provided,* That as to joint rates, fares, and charges for overseas air trans-

portation the Board shall determine and prescribe only just and reasonable maximum or minimum or maximum and minimum joint rates, fares, or charges."

§ 1486 (a) (b) (d) (Federal Aviation Act § 1006(a) (b) (d):

"(a) Any order, affirmative or negative, issued by the Board or Administrator under this chapter, except any order in respect of any foreign air carrier subject to the approval of the President as provided in section 1461 of this title, shall be subject to review by the courts of appeals of the United States or the United States Court of Appeals for the District of Columbia upon petition, filed within sixty days after the entry of such order, by any person disclosing a substantial interest in such order. After the expiration of said sixty days a petition may be filed only by leave of court upon a showing of reasonable grounds for failure to file the petition theretofore.

"(b) A petition under this section shall be filed in the court for the circuit wherein the petitioner resides or has his principal place of business or in the United States Court of Appeals for the District of Columbia.

"(d) Upon transmittal of the petition to the Board or Administrator, the court shall have exclusive jurisdiction to affirm, modify, or set aside the order complained of, in whole or in part, and if need be, to order further proceedings by the Board or Administrator. Upon good cause shown and after reasonable notice to the Board or Administrator, interlocutory relief may be granted by stay of the order or by such mandatory or other relief as may be appropriate."

Earlier this week we also filed with the court a supplementary memorandum in connection with our pending motion in that court for interlocutory relief in this case. The supplementary memorandum was filed in response to an order of the court, affording the parties the opportunity to present their views on two legal issues.

The supplementary memorandum follows:

[In the U.S. Court of Appeals for the District of Columbia Circuit, No. 23,627]

SUPPLEMENTARY MEMORANDUM IN SUPPORT OF PETITIONERS' MOTION FOR INTERLOCUTORY RELIEF

John E. Moss, Glenn M. Anderson, Thomas L. Ashley, Walter S. Baring, George E. Brown, Jr., Phillip Burton, Daniel E. Button, Jeffery Cohelan, James C. Corman, John D. Dingell, Don Edwards, Richard T. Hanna, Augustus F. Hawkins, Chet Holifield, Harold T. Johnson, Robert L. Leggett, Joseph M. McDade, John McFall, Spark M. Matsunaga, George P. Miller, Joseph G. Minish, Patsy T. Mink, Jerry L. Pettis, Thomas M. Rees, Peter W. Rodino, Jr., Edward R. Roybal, Bernie Sisk, Charles M. Teague, John Tunney, Lionel Van Deerlin, Jerome R. Waldie, Charles H. Wilson, Petitioners v. *Civil Aeronautics Board, Respondent.*

This memorandum is filed in response to an order of the Court entered on January 9, 1970, permitting the parties in this case to supplement their papers before the Court on two matters: (1) the feasibility of monthly filed statements by the carriers with the Board setting forth with reasonable accuracy the money amounts calculated to be attributable to the new tariffs; and (2) the power of the Court to suspend rates pending the determination of the Court's jurisdiction.

1. THE FEASIBILITY OF MONTHLY FILED STATEMENTS

We have examined the feasibility of requiring the carriers to file with the Board monthly statements setting forth with reasonable accuracy the money amounts calculated to be attributable to the new tariffs. We conclude that such a procedure (a) would not only be entirely feasible but would be relatively inexpensive and simple to manage, and (b) would be within the scope of suitable alternative interlocutory relief which is necessary to protect the traveling public pending a final determination of this case on the merits.

A calculation of the increased money amounts attributable to the new tariffs could be done in a number of acceptable ways. The Board itself has already shown one convenient method for doing so, based on the Board's calculations of the percentage increases provided by the new tariffs. In its order of September 12, 1969, the Board set out specific calculations of the percentage fare increase which each trunk carrier should realize under the Board's formula.[1] Thus, the only calculation that each carrier need make is to divide its monthly gross receipts by a figure reflecting the percentage increase which the Board determined would be provided to that carrier under the new fare formula.

The Board's calculations determined that each carrier would receive the following revenue increase from the September 12 tariff formula:

Percent increase, domestic trunk carriers

American	7.52
Braniff	6.10
Continental	5.12
Delta	4.57
Eastern	5.49
National	3.02
Northeast	4.00
Northwest	7.78
Trans World	6.61
United	7.20
Western	6.98

This method of calculation used by the Board was not challenged by any carrier as inaccurate and, indeed, was relied on in a recent filing before the Board by one of the intervenors in this case, Continental Airlines.[2] It appears to provide a ready method for calculating the monthly increase in fares attributable to the new tariffs. Thus, for example, the amount which American Airlines would report to the Board as attributable to the fare increase would be a figure equal to its monthly gross receipts minus [monthly gross receipts divided by 1.0752]; Braniff would report a figure equal to its monthly gross receipts minus [monthly gross receipts divided by 1.0610]; and other carriers would report amounts similarly computed.[3]

We believe that this procedure would provide an accounting that meets the test of reasonable accuracy.[4] Attached to this memorandum is a supporting affidavit on this point from Richard W. Klabzuba, a consultant presently on the staff of Petitioner Moss who has studied the airline industry closely and has actively followed the present proceedings.

Further, it could be provided that any carrier that so wished could use more detailed data from its actual operating experience to provide a more refined calculation. The option might be left with each carrier, subject to approval by the Board. A carrier might, for example, wish to break down the receipts attributable to the fare increase by class of service—first class, coach, excursion, and the like; indeed, the Board's computations of the proposed fare increase included such a percentage break-down. Or a carrier might wish to compute the increase which it actually received on each of its routes for each class of service, or even to compute the increase on each ticket issued.

The carriers are already required by the Board to keep sufficient information to make any of these optional calculations; indeed, the carriers are required to audit and retain for at least two years a copy of every flight coupon sold.[5] These and other refinements—for example, the treatment of commissions paid to travel agents on the basis of the higher fares—can all be worked out, as the carriers may request and within the framework of the Court's order, before the Board.

It would seem sufficient for the Court to set out the principles upon which a reasonably accurate accounting is to be made, and then for the parties and the Board to develop, as they wish, more refined figures within that framework. This was the course of action followed in *Bebchick* v. *Public Utilities Commission*, 115 App. D.C. 216, 232–33, 318 F. 2d 187, 203–04 (*en banc*), *cert. denied*, 373 U.S. 913 (1963).

Petitioners would suggest that if a carrier should decide to submit more detailed monthly information on its operations than would be provided by using the Board's percentage calculations, (a) its procedures should be consistent from month to month, and (b) the public should have an opportunity to comment upon the particular accounting procedures used. If a dispute should arise, the Board could then pass upon the reasonableness of such procedures—in proceedings conducted on the record.

We believe that the financial reporting procedures envisioned above would be feasible, inexpensive, and accurate. Under these procedures, the carriers would report the increased receipts to the Board, calculated in accordance with the Board's percentage determinations, within a reasonable period of time after the end of the month—say, 15 to 30 days.[6] If a carrier then wishes, and has worked out an appropriate arrangement with the Board, it might modify its report to reflect refinements based on its actual operating data.

We would also urge that the money amounts so reported should be posted in separate accounts on the carriers' books, and, as in the *Bebchick* case, *supra*, remain in those accounts until a subsequent determination by the Board or the Court, after a final order in this case, as to their disposition in the interest of the traveling public.[7]

Petitioners believe that the procedures described above are not only feasible but meet the objections which the carriers raised to the refund procedure that we had earlier suggested. The monthly financial reports described above will not require the airlines to collect any further information from each passenger; rather, the carriers will deal with aggregate numbers of passengers on the basis of information already in their possession.[8]

Moreover, establishing such a reporting procedure would help assure that the case could not readily be rendered moot by the carriers or the Board. See *Bebchick* v. *Public Utilities Comm'n, supra*, 115 App. D.C. at 218–19, 318 F. 2d at 189–90. It would also have a beneficial effect, should the Board order some formal fare investigation, in assuring that the carriers conduct themselves with expedition during that investigation.

Finally, there appears to be no reason why the accounting described above could not be performed for periods beginning with the date on which the fare increase went into effect (October 1 for most carriers). No practical bar would prevent setting an initial date earlier than that of the Court's order because here, unlike the case of our suggested refund procedure, the carriers already have complete information on which to calculate the amounts involved. Nor is there any legal bar to such a procedure. See, in addition to *Bebchick* and the cases cited in footnote 7, *supra*, *Alaska SS Co.* v. *FMC*, 344 F. 2d 810, 815 n. 4 (CA 9 1965). We note in this regard that if the Court as part of its order were to require the fares to be invalidated prospectively, such an order could also establish an accounting procedure for the period during which the fares have been in effect.

In conclusion, Petitioners endorse the monthly reporting procedure. We urge that

Footnotes at end of article.

it be considered as an addition to, and not to the exclusion of, the principal suggestions as to interlocutory relief in our earlier memorandum.[9] Thus, we do not believe that the carriers have yet demonstrated the impracticability of a refund procedure,[10] and there are ways to meet their specific objections to such a procedure.[11] Further, we believe the Court has the power to order what is undoubtedly the most effective form of interlocutory relief in this case—invalidating the present fares altogether. Indeed, unless the fare increase is invalidated, the traveling public will suffer some injury, whatever other form of interlocutory relief might be afforded, through paying the higher fares on a day-to-day basis. It is to the Court's power as a form of interlocutory relief to invalidate the fare increase that we now turn.

2. THE COURT'S POWER TO SUSPEND RATES PENDING A DETERMINATION OF THE COURT'S JURISDICTION

The second question on which the Court invited a supplementary discussion is with regard to its power to suspend rates pending the determination of the Court's jurisdiction.

The jurisdiction of this Court to review the Board's orders of September 12 and 30 and to grant *some remedy* is beyond disputes. Section 1006 of the Federal Aviation Act of 1958, 49 U.S.C. § 1486, provides that "any order, affirmative or negative, issued by the Board . . . under this chapter . . . shall be subject to review by the courts of appeals of the United States or the United States Court of Appeals for the District of Columbia upon petition, filed within sixty days after the entry of such order, by any person disclosing a substantial interest in such order." Petitioners contend that the Board, in its September orders, made maximum rates and assumed responsibility for specific tariffs filed in accordance with those rates.[12] The Board claims that it is not responsible for any rates or tariffs and that it simply permitted tariffs filed by the carriers to go into effect. *But both parties are agreed that this Court has jurisdiction of the cause under Section 1006.*

The Board accepts, as it must, the proposition that the court, if it believes the agency has acted unlawfully, may order it at least to investigate the tariffs now in effect. See, *e.g., Trailways of New England, Inc.* v. *CAB*, 412 F. 2d 926 (CA 1 1969). Petitioners submit that, in the circumstances of this case, the Court may go further: it may find, as Petitioners contend, that the Board made maximum rates and is responsible for the tariffs now in effect; and it may rescind the Board's maximum rate formula and strike down or order the Board to strike down the tariffs now in effect. See, *e.g., ICC* v. *Mechling*, 330 U.S. 567 (1947); *United States* v. *Chicago M. St. P. & P.R. Co.*, 294 U.S. 499 (1935). The dispute between the parties, then, is not with regard to the reviewability of the agency's decisions in this case, but one regarding the remedies available to the Court.

The Board and carriers rely, for the proposition that the Court is powerless to affect the present tariffs, on the Supreme Court's decision in *Arrow Transportation Co.* v. *Southern Ry. Co.*, 372 U.S. 658 (1963). The issue in that case was whether the courts might stay the effectiveness of tariffs proposed by rail carriers under section 15(7) of the Interstate Commerce Act *pending the ICC's determination as to the lawfulness of those tariffs, after the statutory time period permitting suspension by the agency had expired.* The Court held that the courts lacked such power, which would be at variance with the delicate statutory scheme governing the agency's interim suspension power, as well as the agency's primary jurisdiction to pass on the reasonableness of tariffs:

"Congress meant to foreclose a judicial power to interfere with the *timing* of rate changes which would be out of harmony with the uniformity of rate *levels* fostered by the doctrine of primary jurisdiction." 372 U.S. at 668. (Emphasis in original.)

The Board and carriers are attempting to read *Arrow Transportation* as withdrawing the "suspension power" from the courts entirely.[13] But this reading is not justified by either the wording of or the policies behind the Supreme Court's decision. Even assuming that the case applies with regard to the Federal Aviation Act—a point which was specifically not resolved in *Arrow*, 372 U.S. at 666 n. 13—the Court left open the possibility of a court rescinding or ordering the agency to rescind tariffs for which the agency has assumed responsibility in a final decision on the merits.

Thus, in footnote 22 of its decision, the Court recognized the power of a court to suspend tariffs by way of interlocutory relief "to preserve the court's jurisdiction or maintain the *status quo* . . . pending review of an agency's action through the prescribed . . . channels." 372 U.S. at 671 n. 22. See *FTC* v. *Dean Foods Co.*, 384 U.S. 597; *id.* at 628 n. 15 (Fortas, Harlan, Stewart, and White, JJ., dissenting). Such a power would hardly exist if the power to invalidate those tariffs on review of final agency action did not exist as well. See also *Beaumont S.L. & W. Ry.* v. *United States*, 282 U.S. 74, 92 (1930). Indeed, the District Court in the *Arrow Transportation* case had noted that "the only jurisdiction of a Court to enjoin or suspend the effectiveness of proposed common carrier rates arises after a final order of the Interstate Commerce Commission . . ." 308 F. 2d 181, 183 (CA 5 1962).

Arrow Transportation has consistently been applied only to preclude the suspension power before final agency action, when the Commission has not yet passed on the merits of tariffs proposed by the carriers. See, *e.g., National Industrial Traffic League* v. *United States*, 287 F. Supp. 129 (D.D.C. 1968), *aff'd per curiam*, 89 S. Ct. 873 (1969); *Oscar Meyer & Co.* v. *United States*, 268 F. Supp. 977 (W.D. Wis. 1967); *Mover's and Warehousemen's Ass'n of America* v. *United States*, 227 F. Supp. 249 (D.D.C. 1964). The decision has never been applied to preclude a court from striking down rates which are the responsibility of the agency after the agency's final decision with respect to those rates.

In that situation, there is no danger posed to the agency's primary jurisdiction, which is only *primary*, not exclusive, and which has been exercised. Nor is there any evidence in the extensive legislative history cited in *Arrow* that Congress meant to withdraw the judicial power to strike down illegal rates. Indeed, such a remedy is the only effective one against an agency's erroneous prescription or approval of rates, a decision which is clearly reviewable. See *ICC* v. *Mechling, supra; State of New Hampshire* v. *Boston & Maine Corp.*, 251 F. Supp. 421 (D.N.H. 1965); *cf. City of Chicago* v. *United States*, 38 U.S. L. Week 4039 (Dec. 9, 1969) and Brief for the United States on Appeal in that case, at p. 7. On the Board's view of the statutory scheme, even gross and reviewable abuses of the Federal Aviation Act such as Petitioners believe occurred here could be judicially remedied only by an order for further hearings at the administrative level.

Thus, Petitioners believe it is clear that the Court has jurisdiction of this clause and the power to rescind the tariffs now in effect. The precise issue raised by the Court in its January 9 order was whether it may suspend the presently effective tariffs while deferring final resolution of the extent of its powers to the time at which it renders its decision on the merits. Petitioners believe the answer to this question plainly is that the Court does have such power. This answer derives not only from the *Arrow Transportation* case itself but from the major interlocutory relief case on which Petitioners rely, *Virginia Petroleum Jobbers Ass'n* v. *FPC*, 104 App. D.C. 106, 259 F. 2d 921 (1958). In *Arrow*, both a Court of Appeals judge and Mr. Justice Black issued interlocutory orders suspending rates while the decision regarding the judicial power to suspend was deferred until hearing before the Court of Appeals and Supreme Court on the merits. 372 U.S. at 662 n.4.

In *Virginia Petroleum Jobbers*, a major question faced by the Court was whether the FPC's denial of intervention was an immediately appealable order. The Court concluded that it might grant interlocutory relief provided there was a strong likelihood of the movant prevailing on the merits, including the merits of the appealability issue. It decided, "without prejudice to a contrary showing at the time the Court hears this case on the merits," that "petitioner has shown a probability of success on the merits of its appeal," including the merits of that question of jurisdiction.[14] This analysis has subsequently been followed. See *Payne* v. *Washington Metropolitan Area Transit Comm'n*, No. 20,714, Slip Opinion, p. 9 n.22 (C.A.D.C. October 8, 1968).

Virginia Petroleum Jobbers is, itself, clear authority that the standard for the jurisdictional and remedy issues in this case are the very four criteria established by that case and discussed in Petitioners' Memorandum in Support of Interlocutory Relief. As our discussion of those criteria in that Memorandum shows, Petitioners clearly meet the test for granting interlocutory relief. We believe this is so with regard to the jurisdictional issue, no less than the others.

Finally, we briefly mention a closely related matter: implementing a decision by this Court, should the Court so order, invalidating the present tariffs. We believe that the most efficient and appropriate means of accomplishing this end would be for the Court to order the Board itself to strike down those tariffs. If the Court agrees that Petitioners have shown a strong likelihood that those tariffs will be found to be illegal and the responsibility of the Board, such an order would have the effect of requiring the agency to cure its own illegalities and perform its duties with respect to rates in accordance with the procedures and substantive criteria of the Federal Aviation Act. Pending the establishment of legal and lawful tariffs, the situation would revert to the *status quo ante*, and the previous tariffs would be substituted for the unlawful ones now in effect. See *ICC* v. *Mechling, supra*; 14 CFR § 221.120(c).

We take this opportunity also to note that the presently prevailing tariffs are scheduled to expire on January 31 and that tariffs at the pre-formula level are scheduled to go into effect on February 1. The trunk carriers, however, have all filed applications before the Board to extend the present fares beyond January 31.[15] One form of interlocutory relief in this case would thus be for the Court to order the Board not to permit the extensions to go into effect, with the result that pre-formula tariffs will automatically take effect, pursuant to the terms of the tariffs presently on file, on February 1.[16]

The Court, in the first part of its order of January 9, 1970, deferred for thirty days, or until further notice, action on part of Petitioners' motion for interlocutory relief, to permit the Board to act on Petitioners' request for a general passenger fare investigation.[17] It is possible that the Board will combine its action as to the pending tariff extensions with some action on the general passenger fare investigation.[18] Petitioners will undertake to notify the Court of the Board's actions in this regard, in order that consideration of Petitioners' motion for interlocutory relief may keep apace of developments at the agency level.

Respectfully submitted.

JANUARY 19, 1970.

FOOTNOTES

[1] These calculations were published as Appendix B to the Board's September 12 order,

which is before the Court as part of the appendices (Appendix D) to the memorandum Petitioners filed in support of their motion for interlocutory relief. We have also attached the Board's percentage calculations contained in that order at the end of this memorandum.

[2] Letter to CAB from Marvin L. Davis, Vice President, Continental Airlines, December 30, 1969, pp. 7, Appendix D. Continental, which was dissatisfied with being required to follow the Board's September 12 formula (accusing the Board in the same letter of "tieing a fare increase to acceptance of a Board devised formula which in fact determined the specific fares . . ." (p. 2)), cited the Board's fare-increase calculations as evidence that the formula discriminated among carriers. (Continental expressed no dissatisfaction with the higher fares; it is seeking to obtain the higher fares according to a different formula.)

[3] The Board's order set out percentage increases for the "trunk" (or major) carriers only, and not for the "local service" carriers. These latter increases can readily be computed, however, using the same calculations of traffic volume and old and new fare levels that the Board employed to determine the increases for the trunk carriers.

[4] Whether the new fares will have an effect on the movement of traffic, as Petitioners have suggested, is not important for purposes of the present issue. The question presented here is the money amount by which each passenger who *does* fly is injured. This amount is simply the difference between the old fare and the new fare; it does not depend upon whether *other* persons decide not to fly. The Board's percentage calculations, which assumed no diversion in traffic and calculated the percentages simply on the basis of the difference between the old and the new fares, can therefore be taken as accurate. Moreover, the carriers are on record as believing that no significant traffic diminution will be occasioned by the new fares, even if total traffic were relevant. See, *e.g.*, Answer of American Airlines, Inc., Intervenor, to Motion of Petitioners for Interlocutory Relief, pp. 10–11.

[5] The detailed auditing records of income items which the carriers are required to provide, in addition to following a uniform system of accounting, are set out in great detail in the Board's Regulations issued pursuant, principally, to section 407 of the Federal Aviation Act, 49 U.S.C. 1377. See *e.g.*, 14 CFR § 249.13; 14 CFR Part 241.

[6] The CAB provides that some information is to be filed by the carriers within 15 days following the end of the period for which the information is required. 14 CFR § 248.4. For other information, principally the monthly reports required to be filed pursuant to the Board's Form 41, the carriers are given 30 days from the end of the month. 14 CFR Part 241, § 22.

[7] This was also the course followed in such cases as *Capital Transit Co.* v. *Public Utilities Comm'n*, 93 App. D.C. 194, 213–15, 213 F.2d 176, 194–96 (1953), *cert. denied*, 348 U.S. 816 (1954), and *Washington Gas Light Co.* v. *Baker*, 88 App. D.C. 115, 188 F. 2d 11 (1950), *cert. denied*, 340 U.S. 952 (1951). See also *Inland Steel Co.* v. *United States*, 306 U.S. 153 (1939); *Chicago & N.W. Ry.* v. *Atchison, T. & S.F. Ry.*, 387 U.S. 326, 367–68 (1967).

[8] To the extent that a few coach class fares were reduced slightly as a result of the new formula, the suggested reporting arrangement, based on the Board's percentage figures, also would take this into account (the carriers having charged that the failure of the refund procedure to do so constituted an infirmity).

[9] Thus, the reporting procedure is compatible with the possibility of eventual refunds to passengers who were required to pay fares determined to be illegal when the case is heard on the merits.

[10] It appears that the carriers have exaggerated the difficulty and expense of collecting the information necessary for establishing a refund program. For example, counsel for the intervenors stated during oral argument on Petitioners' motion for interlocutory relief that he thought the refund program would cost around $3 per passenger to administer. In papers filed with the Court, however, Trans World Airlines, the only intervenor to verify its estimates with an affidavit, stated that it would cost only $.06 per passenger to collect the refund information. (TWA estimated that it would cost another $.72 actually to make refunds.) In any event, where the monthly reporting system is concerned, there can be little doubt that the calculations required of the carriers to make monthly reports, without taking down the addresses of their passengers, would cost substantially less than even the $.06 per passenger which TWA has estimated to be the cost of a full program of gathering and storing additional information from its passengers. Moreover, Petitioners have not asked for interest on the funds for which the carriers should be required to account; to the extent that an interlocutory order does occasion minor expenditures, we believe that this is more than offset by the custody of funds which the carriers have, in our view, been collecting unlawfully.

[11] For example, it would be possible for passengers to be allowed to recover overcharges from a fund established pursuant to a monthly reporting procedure ordered by the court. Recovery from a Court-ordered fund appears to be a procedure that has recently been adopted in the Federal District Court for the Southern District of New York in a nationwide antitrust suit charging an illegal price-fixing conspiracy in the sale of antibiotics. There, purchasers of drugs during the period in which illegal prices were collected have been permitted to file claims against, and be paid from, a fund established by the defendants. *State of West Virginia* v. *Chas. Pfizer & Co.*, 68 Civ. 240 (S.D.N.Y.), Orders of May 26, 1969, and October 20, 1969. This procedure, unlike the refund order suggested in our earlier memorandum, puts the burden on the consumer to come forward with a claim rather than, as we suggested, upon the carrier to keep detailed records.

[12] Petitioners believe that the Board, in addition to making *maximum* rates, "prescribed or approved" specific tariffs within the meaning of *Arizona Grocery Co.* v. *Atchison, T. & S.F. Ry.*, 284 U.S. 370 (1932), and section 2 of the Administrative Procedure Act, U.S.C. § 551. Petitioners believe the Board actually *prescribed* those tariffs because its decision of September 12 contained a precise and detailed rate formula and the issue of the validity of tariffs computed on the basis of that formula was prejudged. As a practical matter, the carriers were compelled to file in accordance with that formula: the extraordinary 75-day waiting period for tariffs above the formula precluded such filings; and, as for lower filings, the carriers may have remembered the Board's admonition in January of 1969 that if they did not take advantage of revenue-producing suggestions made by the agency the fact "would be borne in mind in future assessment of the industry's financial condition." See Report on Meetings Between the Civil Aeronautics Board and the Domestic Trunkline Carriers on Domestic Passenger Fares, January 13 and 16, 1969. (App. C to Petitioners' Memorandum in Support of Interlocutory Relief, at 8563–64.)

In any event, even if the Board did not prescribe the tariffs, it clearly *approved* them. *ICC* v. *Mechling*, 330 U.S. 567 (1947); *Arizona Wholesale Grocery Co.* v. *Southern Pac. Co.*, 68 F.2d 601 (CA 9 1934). It specifically found them to be reasonable for the future. See *American Crystal Sugar Co.* v. *Great Northern Ry.*, 168 F. Supp. 80 (D. Colo. 1958). Thus, in all events, the tariffs are the Board's responsibility under the Federal Aviation Act and the Administrative Procedure Act.

[13] There is something of an ambiguity in the use of the term "suspension," which is normally employed to refer to the power of agencies temporarily to halt the implementation of tariffs. Petitioners seek to have the present tariffs declared illegal and void—by the Court or by the agency following a Court order—not merely to "suspend" them.

[14] A stay there was denied simply because the petitioner made an inadequate showing on the other three criteria established by *Virginia Petroleum Jobbers* as governing the grant of interlocutory relief.

[15] As we understand it, Delta, National, Northeast and Northwest seek to extend the present tariffs to April 25, 1970; Allegheny, Eastern and Trans World seek to extend the present tariffs to April 30, 1970; American, Braniff, Ozark, United and Western seek to extend the present tariffs indefinitely; and Continental seeks a revised tariff under which it would receive the maximum fare level prescribed in the Board's September 12 order, calculated by a somewhat different formula.

[16] Such an order would not, in Petitioners' view, constitute improper judicial interference with administrative action. The pending tariffs (with the exception of Continental's) are all geared to the Board's formula of September 12 and the question of their lawfulness has been prejudged by the agency; even Continental bases its proposal on the Board's September 12 order by requesting the maximum fare level there allowed. In these circumstances deferral of judicial action is unnecessary, because there remain no "basic facts and findings . . . [to be] first determined by the administrative agency. . . ." *Pan American World Airways, Inc.* v. *United States*, 371 U.S. 296, 313 n. 19 (1963).

[17] This is the only portion of Petitioner's complaint that is still pending before the Board. Petitioners' objections to the Board's maximum rate formula and the specific tariffs now in effect are, however, based on the Board's violations of the Federal Aviation Act, *not* the failure to hold a general passenger fare investigation. (See Petitioners' Memorandum in Support of Interlocutory Relief, pp. 69–70.) The holding of a general passenger fare investigation *now* would not, of course, alter Petitioners' position vis-a-vis the Board's actions in this case or the tariffs now in effect.

[18] A report to this effect has appeared in the trade press. *Aviation Daily*, January 8, 1970, p. 38.

APPENDIX B.—CAB ORDER OF SEPTEMBER 12, 1969—DOMESTIC TRUNKLINE CARRIERS PERCENT IMPACT ON PASSENGER REVENUES

[In percent]

	Normal fares			Discount fares	Total
	First class	Coach	Total		
Domestic trunk carriers:					
American	9.16	4.43	5.40	2.12	7.52
Braniff	7.51	3.89	4.59	1.51	6.10
Continental	5.93	2.33	2.87	2.25	5.12
Delta	5.10	1.89	2.44	2.13	4.57
Eastern	4.52	3.46	3.64	1.85	5.49
National	2.38	.36	.65	2.37	3.02
Northeast	2.60	1.91	1.98	2.02	4.00
Northwest	9.28	5.09	5.68	2.10	7.78
Trans World	7.10	3.71	4.30	2.31	6.61
United	9.37	4.03	5.07	2.13	7.20
Western	4.28	[1] 4.99	4.93	2.05	6.98
Total trunks	7.43	3.58	4.25	2.10	6.35

[1] The various estimated increased percentages are overstated to the extent that intrastate fares at depressed levels may not be subject to immediate increase (in whole or in part) because of the requirements of intrastate regulatory approval. The 4.99 percent coach increase for Western is calculated on the basis of all fares being modified in accordance with the basic formula. Because of the depressed level of certain California intrastate fares in markets of heavy traffic volume and the requirement of State Commission approval of any increase, the 4.99 percent estimated coach increase for Western is clearly overstated.

AFFIDAVIT

WASHINGTON, D.C.

Richard W. Klabzuba, being first duly sworn, deposes and says:

1. I am a consultant presently on the staff of Congressman John E. Moss. I hold B.A. and M.B.A. degrees in economics and management, and for the past five years have been studying the airline industry closely. I have followed in detail the proceedings before the Civil Aeronautics Board concerning the rate increases awarded in 1969.

2. I have examined the Civil Aeronautics Board's order of September 12, 1969, and the percentage calculations contained in that order of the fare increase that each domestic trunk carrier would realize under the Board's fare formula. I have also read various statements attributable to various spokesmen for the industry concerning these percentage calculations. I have found no objective evidence presented that these percentage figures would provide other than a reasonable estimate of the fare increase which the passengers as a group are actually paying to the carriers under the formula, now that it has gone into effect. Moreover, I believe that similar percentage increases can readily be derived for the local service carriers based on traffic data comparable to that which the Board used to derive its figures for the trunk carriers. Such data are presently available.

3. It is my opinion that each carrier has in its possession enough information to calculate, without substantial expense, still more detailed information on the money amounts attributable to the new fares, including calculating the increase from each flight coupon, copies of which each carrier is presently required to audit and retain.

RICHARD W. KLABZUBA.

Subscribed and sworn to before me this 16th day of January, A.D. 1970.

NANCY E. CODICK,
Notary Public.

In addition, we have filed a complaint before the CAB urging that the present level of air fares not be extended beyond January 31, but rather that fares be allowed to revert to the prior level on February 1, as originally scheduled.

The complaint follows:

[Before the Civil Aeronautics Board, Washington, D.C., in the Matter of the AA, AL, BN, CO, DL, EA, NA, NE, NW, OZ, TW, UA and WA tariffs filed on December 31, 1969]

COMPLAINT OF MEMBERS OF CONGRESS AND AIR TRANSPORTATION USERS WITH REQUEST FOR TARIFF SUSPENSION AND A GENERAL RATE INVESTIGATION

Communications with respect to this document should be sent to: The Honorable John E. Moss, Member of Congress, 2185 Rayburn Building, Washington, D.C. 20515, and Richard W. Klabzuba, 2185 Rayburn Building, Washington, D.C. 20515.

Dated: January 9, 1970.

Come now again Members of Congress and users of air transportation with a request for the suspension and investigation of various tariffs filed by the domestic air carriers on December 31, 1969.

The Members request such suspension and investigation because:

(1) These tariffs embody a further response to the Board's Order Order No. 69-9-68, adopted September 12, 1969;

(2) That order of the Board is illegal and tariffs filed in furtherance of it are unlawful; and

(3) These tariffs are unjust and unreasonable on their face.

The present situation before the Board appears to be as follows: Pursuant to the Board's order of September 12, 1969, the domestic air carriers filed new tariffs containing a fare increase computed in accordance with an elaborate formula, and at the maximum fare level prescribed in the Board's decision. Also pursuant to the Board's order, these tariffs included an expiration date of January 31, 1970; simultaneously filed were tariffs, to take effect February 1, 1970, representing the prior fare level and structure.

The carriers now seek to have the higher fares, established in the Board's September 12 maximum-rate order, extended beyond January 31 1970.[1] We contend it would be illegal to do so.

The reasons we believe the present tariffs and any extensions of them are not lawful have been presented to the Board in great detail in our complaints of April 21, August 20, and September 22, 1969, and in our memorandum in support of interlocutory relief in the United States Court of Appeals served on the Board on December 11, 1969. To avoid needless repetition, those filings are incorporated here by reference.

In brief, we contend:

(1) In its order of September 12, 1969, the Board made maximum rates in violation of Sections 102, 1002(d), and 1002(e) of the Federal Aviation Act.

(2) The tariffs presently in effect are the responsibility of the Board and are illegal for the same reasons that the Board's maximum-rate order is illegal.

(3) In addition, the present tariffs are unjust and unreasonable on their face because they do not conform to Section 1002(e) of the Act and are discriminatory with respect to passengers traveling in markets where single factor through fares are not published and to passengers traveling between uncongested airports.

Further, the legality of the Board's September 12 order and of tariffs filed in conjunction with that order is presently under review in the United States Court of Appeals for the District of Columbia Circuit. A decision on interlocutory relief in that case is now under consideration by the Court. The Board should not compound the illegality of its September 12 order by approving the extensions now proposed when under the present timing interlocutory relief, should it be granted, would easily be implemented.

Finally, we turn to a factual and economic matter discussed in our earlier filing, and on which more information is now available. In our petition of August 20, 1969, we contended that the fares filed by the air carriers would "further depress load factors and earnings; bring about greater increases in cash costs, congestion and air pollution. . . ." We did not say, as has been intimated, that the proposed fare hikes would necessarily halt growth in traffic or revenues. Nor did we contend that the over-all passenger market is highly price elastic. Rather we clearly asserted that the proposed tariffs would depress load factors. Stated differently, we did not equate an increase in traffic, fares and revenues with an increase in net earnings. Instead, we took the position that higher fares would enable the airlines to continue to add capacity at a more rapid rate than traffic would develop and that this would lead to higher cash costs and lower load factors.

The tariffs filed with the Board for effectiveness on October 1, 1969, have now been in effect for over three months. Traffic flow data is now available for the first two months of that period. Measured in passenger-miles, the industry's trunkline carriers posted traffic gains of 8.3% in October and 10.4% in November when compared to the previous year. Coach traffic grew at a faster rate than total traffic because first-class movements remained relatively stable—down slightly in October, up slightly in November. The growth in total traffic and stability of first-class would appear to indicate a possible shift of non-discretionary business travel to coach service—presumably for reasons of price since the amenities and speed offered in coach are not superior to first-class. In other words, the higher rates did have an effect upon the movement of traffic.

Production, as anticipated, continued to outpace demand. Capacity grew at a rate of 16.7% in October and 16.5% in November, depressing load factors to their lowest levels in five years (43.7% in October and 42.9% in November) despite the fact that some air carriers had reduced the available capacity in their aircraft by switching from six to five abreast seating in their coach compartments.

The foregoing are average figures; nevertheless, no trunk carrier sold more than 50% of its production in October, and five such carriers sold only 40% or less of their capacity, including one airline with low-density coach seating. The best performance was turned in by American Airlines at 48.8% of its production.

Selling only 40 to 50 percent of production pushes the unit cost of sale up 25 to 50 percent per passenger. Such levels can hardly be classified as economic or efficient, and certainly do not provide the public with adequate and efficient air transportation at the lowest cost consistent with the furnishing of such service.

There is a solid cause-and-effect relationship here: high fares reduce the break-even load factor, thereby enabling airlines to offer more capacity at the same traffic level, and capacity gains that outstrip traffic growth depress load factors.

The Members do not believe that the airlines are being dishonest in adding this excessive capacity, nor intent upon their own destruction. Rather we feel the airlines are making these additions in obedience to the operation of economic laws—laws which are as irresistible to manipulation in the management of an airline as the rising tides of the sea are to the operation of a shipping line. We believe it is thus essential for the *Board* to conduct a proper investigation into, and establish standards to restrict, chronic over-capacity. Furthermore, failure to take these economic laws into consideration in the determination of rates interferes with the solution of a number of other separate but related problems such as congestion, air pollution, airport capacity and community noise levels.

Wherefore, the Members respectfully request that the Board suspend and investigate the tariffs filed on December 31, 1969, which suspension and investigation would have the effect of permitting the tariffs previously on file to go into effect, as planned, on February 1, 1970.

Further, the Members respectfully request that if this complaint is denied, the Board grant a stay of its order denying this complaint pending judicial review.

Respectfully submitted.

John E. Moss, Augustus F. Hawkins, Lionel Van Deerlin, Glenn M. Anderson, Jeffery Cohelan, Chet Holifield, Charles H. Wilson, Harold T. Johnson, John Tunney, Don Edwards, Phillip Burton, Walter S. Baring, Joseph G. Minish, Joseph M. McDade, Edward R. Roybal, Robert L. Leggett, Peter W. Rodino, Jr., Bernie Sisk, George P. Miller, Thomas M. Rees, Richard T. Hanna, John McFall, George E. Brown, Jr., James C. Corman, Spark M. Matsunaga, John D. Dingell, Jerry L. Pettis, Patsy T. Mink, Jerome R. Waldie, Charles M. Teague, Daniel E. Button, Thomas L. Ashley, Members of Congress.

[1] As we understand it, Delta, National, Northeast and Northwest seek to extend the present tariffs to April 25, 1970; Allegheny, Eastern and Trans World seek to extend the present tariffs to April 30, 1970; American, Braniff, Ozark, United and Western seek to extend the present tariffs indefinitely; and Continental seeks a revised tariff under which it would receive the maximum fare level prescribed in the Board's September 12 order, calculated by a somewhat different formula.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon:

American Airlines, Inc.
Allegheny Airlines, Inc.
Braniff Airways, Inc.
Continental Air Lines, Inc.
Delta Air Lines, Inc.
Eastern Air Lines, Inc.
National Airlines, Inc.
Northeast Airlines, Inc.
Northwest Airlines, Inc.
Ozark Air Lines, Inc.
Trans World Airlines, Inc.
United Air Lines, Inc.
Western Air Lines, Inc.

Thomas D. Finney, Jr., Esq.; Clifford, Warnke, Glass, McIlwain & Finney.

Lee M. Hydeman, Esq.; Hydeman & Mason.

Warren L. Sharfman, Esq., Associate General Counsel Civil Aeronautics Board.

Honorable Richard W. McLaren and Howard E. Shapiro, Esq.; United States Department of Justice.

Alfred V. J. Prather, Esq. and J. William Doolittle, Esq.

Philip A. Fleming, Esq.; Reavis, Pogue, Neal & Rose.

Ulrich V. Hoffmann, Esq.

Raymond J. Rasenberger, Esq. and Russell A. Garman, Jr., Esq.; Zuckett, Scoutt & Rasenberger.

B. Howell Hill, Esq.; Arnold & Porter.

James M. Verner, Esq.; Verner, Liipfert & McPherson.

By causing a copy of it to be mailed to such carrier or its agent properly addressed with postage prepaid.

RICHARD W. KLABZUBA.

JANUARY 9, 1970.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MESKILL (at the request of Mr. GERALD R. FORD), for today, on account of death in family.

Mr. MONAGAN (at the request of Mr. DADDARIO), for an indefinite period, on account of illness.

Mr. BURKE of Florida (at the request of Mr. GERALD R. FORD), for the week of January 26, 1970, on account of official committee business.

Mr. TEAGUE of California (at the request of Mr. GERALD R. FORD), for the balance of the week, on account of official business in connection with pending Federal legislation involving oil pollution in the Santa Barbara channel.

Mr. LIPSCOMB (at the request of Mr. GERALD R. FORD), for an indefinite period, on account of illness.

Mr. CORMAN, for January 26, 27, 28, and 29, 1970, on account of official business.

Mr. WOLFF (at the request of Mr. ALBERT), for today, on account of official business.

Mr. PEPPER (at the request of Mr. ALBERT), for today, on account of official business.

Mr. SATTERFIELD (at the request of Mr. MARSH), 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. PRICE of Illinois, for 5 minutes, today; to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. BEALL of Maryland); to revise and extend their remarks and to include extraneous matter:)

Mr. STEIGER of Wisconsin, for 15 minutes, today.

Mr. BURTON of Utah, for 5 minutes, today.

Mr. MILLER of Ohio, for 5 minutes, today.

(The following Members (at the request of Mr. DANIEL of Virginia) and to revise and extend their remarks and include extraneous matter:)

Mr. HAMILTON, for 15 minutes, today.

Mr. FLOOD, for 15 minutes, today.

Mr. CULVER, for 10 minutes, today.

Mr. BRINKLEY, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ICHORD and to include extraneous matter.

Mr. GRAY in two instances and to include extraneous matter.

Mr. BURTON of Utah (at the request of Mr. BEALL of Maryland) asked unanimous consent that all Members have 5 legislative days to revise and extend their remarks on the subject of Mr. BURTON's special order.

(The following Members (at the request of Mr. BEALL of Maryland), and to include extraneous matter:)

Mr. ERLENBORN.

Mr. STEIGER of Wisconsin in two instances.

Mr. MORTON.

Mr. WYDLER.

Mr. PETTIS.

Mr. WINN.

Mr. PELLY.

Mr. HOGAN in two instances.

Mr. BROWN of Ohio.

Mr. MINSHALL.

Mr. GOLDWATER.

Mr. FREY.

Mr. ASHBROOK.

Mr. SCOTT.

Mr. KYL.

Mr. ESHLEMAN.

Mr. SCHERLE.

Mr. WOLD.

Mr. TAFT.

Mr. BURTON of Utah in 10 instances.

Mr. SHRIVER.

Mr. ZWACH.

Mr. HALPERN.

Mr. WYMAN in two instances.

Mr. COLLIER in three instances.

(The following Members (at the request of Mr. DANIEL of Virginia) and to include extraneous matter:)

Mr. PUCINSKI in 10 instances.

Mr. FOUNTAIN in five instances.

Mr. EVINS of Tennessee in two instances.

Mr. NATCHER.

Mr. HANNA in five instances.

Mr. SCHEUER in two instances.

Mr. ANNUNZIO in six instances.

Mr. MONAGAN in two instances.

Mr. ANDREWS of Alabama in two instances.

Mr. FUQUA.

Mr. MATSUNAGA.

Mr. DULSKI in six instances.

Mr. PATTEN.

Mr. RARICK in three instances.

Mr. DOWNING in two instances.

Mr. DELANEY.

Mr. JACOBS.

Mr. ROGERS of Florida in five instances.

Mr. FEIGHAN in five instances.

Mr. WALDIE in six instances.

Mr. FRASER in two instances.

Mr. RYAN in two instances.

Mr. HAGAN in two instances.

Mr. BINGHAM in two instances.

Mr. DANIELS of New Jersey.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 30. An act relating to the control of organized crime in the United States; to the Committee on the Judiciary.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 476. An act for the relief of Mrs. Marjorie Zuck.

ENROLLED BILL SIGNED

Mr. FRIEDEL, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 13111. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1970, and for other purposes.

ADJOURNMENT

Mr. DANIEL of Virginia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 58 minutes p.m.), the House adjourned until tomorrow, Tuesday, January 27, 1970, 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:

1533. A letter from the Secretary of the Army transmitting a letter from the chief of engineers, Department of the Army, dated September 9, 1968, submitting a report, together with accompanying papers and illustrations, on a review of the report on Marion, Kans., requested by a resolution of the Committee on Public Works, House of Representatives, adopted June 3, 1959 (H. Doc. No. 91–256); referred to the Committee on Public Works and ordered to be printed, with illustrations.

1534. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a report that the appropriation to the Veterans' Administration for "Compensations and Pensions" for the fiscal year 1970 has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to the

provisions of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

1535. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a report that the appropriation to the Veterans' Administration for "Readjustment Benefits" for the fiscal year 1970, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriations, pursuant to the provisions of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

1536. A letter from the Director, Selective Service System, transmitting the fourth semiannual report for the period January 1, 1969 to June 30, 1969, pursuant to section 10(g) of the Military Selective Service Act of 1967; to the Committee Armed Services.

1537. A letter from the Assistant Secretary of the Interior, transmitting a report entitled "Middle East Petroleum Emergency of 1967"; to the Committee on Banking and Currency.

1538. A letter from the Deputy Assistant Secretary of Defense, transmitting a report on Department of Defense procurement from small and other business firms for July–October 1969, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Banking and Currency.

1539. A letter from the Secretary of Transportation, transmitting a report of foreign excess property disposed of by the Federal Aviation Administration during fiscal year 1969, and a negative report for all other components of the Department, pursuant to the provisions of section 404(d) of Public Law 152, 81st Congress; to the Committee on Government Operations.

1540. A letter from the Comptroller General of the United States, transmitting a report pointing out that the assessment of fees for processing loan applications would help recover program costs of the Farmers Home Administration, Department of Agriculture; to the Committee on Government Operations.

1541. A letter from the Deputy Administrator, Veterans' Administration, transmitting a report on the disposal of foreign excess property required by 40 U.S.C. 514d, for the period January 1, 1969 through December 31, 1969; to the Committee on Government Operations.

1542. A letter from the Acting Secretary of the Interior, transmitting the fifth annual report of activities under the Water Resources Research Act of 1964, as amended, for fiscal year 1969; to the Committee on Interior and Insular Affairs.

1543. A letter from the Chairman, Indian Claims Commission, transmitting a report that proceedings have been finally concluded with respect to docket No. 207, *the Stillaguamish Tribe of Indians, Plaintiff*, v. *United States of America, Defendant*, pursuant to the provisions of 60 Stat. 1055 (25 U.S.C. 70t); to the Committee on Interior and Insular Affairs.

1544. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report on the administration of the Fair Packaging and Labeling Act during fiscal year 1969, pursuant to the provisions of section 8, of Public Law 89–755; to the Committee on Interstate and Foreign Commerce.

1545. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation for the relief of Dr. Anthony S. Mastrian; to the Committee on the Judiciary.

1546. A letter from the Assistant Secretary of the Agricultural Hall of Fame and National Center, transmitting a copy of the annual audit and report to the Board of Governors for the fiscal year ended August 31, 1968, pursuant to the provisions of Public Law 86–680; to the Committee on the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS:

H.R. 15523. A bill to amend title XVIII of the Social Security Act to provide payment for chiropractors' services under the program of supplementary medical insurance for the aged; to the Committee on Ways and Means.

By Mr. CLARK (for himself, Mr. ROBERTS, Mr. KEE, Mr. ANDERSON of California, and Mr. DORN):

H.R. 15524. A bill to amend title 23 of the United States Code to authorize the United States to cooperate in the construction of the Darien Gap Highway to connect the Inter-American Highway with the Pan American Highway System of South America; to the Committee on Public Works.

By Mr. GAYDOS:

H.R. 15525. A bill to provide that Interstate Route No. 80 shall be known as the 80th Division Memorial Highway; to the Committee on Public Works.

By Mr. KYROS (for himself and Mr. HATHAWAY):

H.R. 15526. A bill to amend the act of August 3, 1956, relating to the payment of annuities to widows of judges; to the Committee on the Judiciary.

By Mr. LUKENS:

H.R. 15527. A bill to amend title 39, United States Code, to restrict the mailing of unsolicited credit cards; to the Committee on Post Office and Civil Service.

By Mr. MATSUNAGA:

H.R. 15528. A bill to exclude from gross income the first $750 of interest received on deposits in thrift institutions; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 15529. A bill to amend chapter 15 of title 38, United States Code, to provide for the payment of pensions of $125 per month to World War I veterans, subject to a $2,400 and $3,600 annual income limitation; to provide that retirement income such as social security shall not be counted as income; to provide that such pension shall be increased by 10 per centum where the veterans served overseas during World War I; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. RHODES:

H.R. 15530. A bill to amend the Interstate Land Sales Full Disclosure Act to provide that trustees holding land for developers shall not themselves be subject to the requirements imposed by such act upon developers or agents; to the Committee on Banking and Currency.

By Mr. RODINO:

H.R. 15531. A bill to amend the Fair Packaging and Labeling Act to require the disclosure by retail distributors of unit retail prices of packaged consumer commodities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 15532. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to authorize appropriations for fiscal year 1971 and succeeding fiscal years, and for other purposes; to the Committee on the Judiciary.

H.R. 15533. A bill to designate the birthday of Martin Luther King, Jr., as a legal public holiday; to the Committee on the Judiciary.

By Mr. VANDER JAGT:

H.R. 15534. A bill to amend title 38 of the United Sta'es Code so as to entitle veterans of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively; to the Committee on Veterans' Affairs.

By Mr. BINGHAM:

H.J. Res. 1059. Joint resolution to repeal legislation relating to the use of the Armed Forces of the United States in certain areas outside the United States and to express the sense of the Congress on certain matters relating to the war in Vietnam, and for other purposes; to the Committee on Foreign Affairs.

By Mr. FUQUA:

H.J. Res. 1060. Joint resolution proposing an amendment to the Constitution of the United States with respect to freedom of choice in attending public schools; to the Committee on the Judiciary.

H.J. Res. 1061. Joint resolution proposing an amendment to the Constitution to provide that no child shall be deprived of education or otherwise be forced to attend a school not chosen by such child when such child is not in the school nearest the area of residence of such child; to the Committee on the Judiciary.

By Mr. HUNGATE:

H.J. Res. 1062. Joint resolution to require the continuation of payments for the 1970 crop of feed grain; to the Committee on Agriculture.

By Mr. MACGREGOR:

H.J. Res.1063. Joint resolution to require the continuation of payments for the 1970 crop of feed grain; to the Committee on Agriculture.

By Mr. ROGERS of Florida:

H.J. Res. 1064. Joint resolution proposing an amendment to the Constitution of the United States relating to freedom of choice in attending public schools; to the Committee on Judiciary.

By Mr. FRIEDEL (for himself, Mr. BEALL of Maryland, Mr. FALLON, Mr. GARMATZ, Mr. HOGAN, Mr. LONG of Maryland, and Mr. GUDE):

H. Con. Res. 485. Concurrent resolution to express the sense of the House with respect to peace in the Middle East; to the Committee on Foreign Affairs.

By Mr. HELSTOSKI (for himself, Mr. DANIELS of New Jersey, Mr. GALLAGHER, Mr. HOWARD, Mr. MINISH, Mr. PATTEN, Mr. RODINO, Mr. ROE, and Mr. THOMPSON of New Jersey):

H. Con. Res. 486. Concurrent resolution to express the sense of the House with respect to peace in the Middle East; to the Committee on Foreign Affairs.

By Mr. MINISH:

H. Con. Res. 487. Concurrent resolution to express the sense of the House with respect to peace in the Middle East; to the Committee on Foreign Affairs.

By Mr. PELLY:

H. Con. Res. 488. Concurrent resolution to express the sense of the House with respect to peace in the Middle East; to the Committee on Foreign Affairs.

By Mr. DANIEL of Virginia:

H. Res. 794. Resolution calling for direct negotiations in the Middle East; to the Committee on Foreign Affairs.

By Mr. BURTON of Utah (for himself, Mr. DEL CLAWSON, Mr. HANNA, Mr. HANSEN of Idaho, Mr. LLOYD, Mr. MOSS, and Mr. UDALL):

H. Res. 795. Resolution that the House of Representatives has learned with great sorrow and regret of the death of David O. McKay, late president of the Church of Jesus Christ of Latter-day Saints; to the Committee on House Administration.

By Mr. PRICE of Illinois (for himself, Mr. BETTS, Mr. TEAGUE of Texas, Mr. STAFFORD, Mr. ABBITT, Mr. QUILLEN, Mr. ASPINALL, Mr. WILLIAMS, Mr. HÉBERT, Mr. HUTCHINSON, Mr. HOLIFIELD, and Mrs. REID of Illinois):

H. Res. 796. Resolution amending the Rules of the House of Representatives relating to financial disclosure; to the Committee on Standards of Official Conduct.

By Mr. SCHADEBERG (for himself, Mr. UTT, Mr. HANSEN of Idaho, Mr. WRIGHT, Mr. GOODLING, Mr. CEDERBERG, Mr. HUNT, Mr. CHAPPELL, Mr. POLLOCK, Mr. BUCHANAN, Mr. BERRY,

Mr. ANDERSON of Illinois, Mr. DANIEL of Virginia, Mr. DON H. CLAUSEN, Mr. ZWACH. Mr. WINN, Mr. HASTINGS, Mr KUYKENDALL, Mr. ASHBROOK, Mr. WAGGONNER, Mr. SCOTT, Mr. HOGAN, and Mr. LANDGREBE):

H. Res. 797. Resolution to create a Select Committee on the Investigation of Pornographic Enterprises; to the Committee on Rules.

By Mr. WINN:

H. Res. 798. Resolution to express the sense of the House with respect to peace in the Middle East; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H.R. 15535. A bill for the relief of Rosario Scavuzzo; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 15536. A bill for the relief of Esperanza Melendrez de Gonzalez; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

274. By the SPEAKER: A memorial of the Legislature of the State of Oklahoma, relative to enactment of the bill, H.R. 13111, regarding appropriations for health, education, and welfare; to the Committee on Appropriations.

275. Also, a memorial of the House of Representatives of the Commonwealth of Kentucky, relative to establishing January 15 as a legal holiday honoring Dr. Martin Luther King, Jr.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

378. By the SPEAKER: Petition of Dr. Daniel J. Condon, Phoenix, Ariz., relative to redress of grievances; to the Committee on Interstate and Foreign Commerce.

379. Also petition of the quarterly county Daniel J. Condon, Phoenix, Ariz., relative to amending the Constitution of the United States prohibiting the taxation of interest on obligations of a State or political subdivision; to the Committee on the Judiciary.

380. Also, petition of Henry Stoner, York, Pa., relative to authorizing an investigation by a House committee; to the Committee on Rules.

SENATE—*Monday, January 26, 1970*

The Senate met at 11 o'clock a.m. and was called to order by the President pro tempore (Mr. RUSSELL).

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal God, who has been the hope and joy of many generations, and who in all ages has given men the power to seek Thee and in seeking Thee to find Thee, grant us a constant sense of Thy presence. Sustain us through the hours of work. Enlarge our souls with a clearer vision of Thy truth, a greater faith in Thy power, a more confident assurance of Thy love, and a greater determination to do Thy will. When the distant scene is still confused and clouded, make clear at least the next step. So use as Thy servants all who work in this place for the betterment of this Nation. May the same mind be in us which was also in Jesus, who went about doing good, and in whose name we pray. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Saturday, January 24, 1970, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF THE CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent, following completion of the speech by the distinguished Senator from Maryland (Mr. TYDINGS), to limit statements to 3 minutes in relation to routine morning business.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Under the order previously entered, the Chair now recognizes the distinguished Senator from Maryland (Mr. TYDINGS).

U.S. MIDDLE EAST POLICY

Mr. TYDINGS. Mr. President, we have set aside the next hour to discuss the volatile Middle East situation for a particular reason. Many Americans, including Members of the Congress, have been deeply disturbed by what appears to be a dangerous retrogression in U.S. Mideast policy in recent months.

Following the 6-day war of June 1967, between Israel and her Arab neighbors, the official U.S. position on a Mideast peace settlement was based on the principle that a lasting settlement could only be achieved through direct negotiations between Israel and the Arab governments on all matters of substance.

As the President well knows, the Jarring resolution in the United Nations of November 22, 1967, contained these basic points and was the only resolution or statement of policy which has been agreed to by all the concerned parties.

As President Johnson stated on June 19, 1967:

> The parties to the conflict must be the parties to the peace. . . . It is hard to see how it is possible for nations to live together in peace if they cannot learn to reason together.

President Nixon reaffirmed American support for the principle of direct negotiation as the only avenue to a durable peace as recently as last September.

We in Congress have supported direct negotiations on all substantive matters, not because of whim, or because the Government of Israel or any other nation favored such an approach by our Government. We supported this posture because the history of the Mideast conflict revealed the futility of attempting to impose a settlement on the parties to the conflict.

As the distinguished President pro tempore of the Senate will recall, after the Suez campaign of 1956, the United States and the Soviet Union imposed terms of settlement on Israel and Egypt and, indeed, on Great Britain and France, as a substitute for direct negotiations. Israel was ordered to retreat from Sinai in return for theoretical big power guarantees of shipping rights in the Suez Canal and the Gulf of Aqaba, and a supposed guarantee of the Israeli borders security. However, the result of this enforced settlement was an unstable truce, not a peace, which Egypt had no intention or interest in maintaining; a false peace that was shattered by an abrogation of Israel's shipping rights and renewed hostilities a decade later.

In short, we supported the principle of direct negotiations following the 6-day war in 1967, because the experience of 1956 had taught us that the alternative approach did not work; it did not produce a meaningful settlement of the conflict.

Then, last month the press began to report U.S. proposals to the Soviet Union suggesting possible terms for an Israel-Egyptian and an Israel-Jordanian settlement. Unfortunately, we have never seen these specific proposals, but bits and parts have been leaked by the various governments involved.

Secretary of State Rogers confirmed the existence of these proposals which included specific recommendations on matters such as permanent boundaries, the resettlement of refugees, and the status of Jerusalem.

At that time, in late December, I asked the State Department for an explanation of the significance of these U.S. proposals. For they appeared to indicate a significant departure from the official U.S. posi-