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REMARKS BY REP. GERALD R. FORD, R-MICH.  
REPUBLICAN LEADER, U.S. HOUSE OF REPRESENTATIVES  
BEFORE THE MICHIGAN ASSOCIATION OF NONPUBLIC SCHOOLS  
CIVIC AUDITORIUM  
GRAND RAPIDS, MICHIGAN  
MONDAY EVENING, AUGUST 28, 1972

FOR RELEASE ON DELIVERY EXPECTED AT 8:00 p.m. MONDAY

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This does not mean success is assured. But it does mean we have reason to be hopeful--in fact, maybe just a little bit optimistic.

Much work lies ahead, but I do believe we have a decent chance to come out on top. The reason I say this is that we have the President of the United States with us, and we have the chairman of the tax-law-writing House Ways and Means Committee in our corner. That's a pretty good start.

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As long ago as March 3, 1970, the President declared in a Message on Education Reform: "The nonpublic schools provide a diversity which our educational system would otherwise lack. They also give a spur of competition to the public schools--through which educational innovations come, both systems benefit, and progress results. Should any single school system--public or private--ever acquire a complete monopoly over the education of our children, the absence of competition would neither be good for the school system nor good for the country."

In a speech before the Knights of Columbus in New York City in August 1971 the President stated: "We must see to it that our children are provided with the moral and spiritual and religious values so necessary to a great people in great times. And, as Cardinal Cooke has pointed out, at a time when we see those private and parochial schools which lay such stress on these religious values, as we see them closing at the rate of one a day, we must resolve to stop that trend and turn it around. You can count on my support to do that."

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I feel as strongly as Mr. Zylstra that we must provide Federal aid to nonpublic schools. There are many reasons why I feel as I do.

I believe the needs of our nonpublic schools cannot be ignored by the Federal Government or the financial burden on the country's public schools will become intolerable.

I feel very strongly that parents should be able to choose between public and nonpublic education for their children and that this freedom of choice is in jeopardy because of increases in tuition costs and the closing of so many nonpublic schools.

It also seems only fair to me that parents sending their children to nonpublic schools receive some measure of tax relief since they are, after all, taxpayers who carry a dual educational cost load.

As we all know, parents of nonpublic school children pay the cost of public schools as taxpayers while educating their children at their own expense outside of the public school system. This dual burden has created a crisis in nonpublic education which is clearly reflected in declining nonpublic school enrollments and a rise in public school pupil loads.

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The Panel continued: "The social and economic costs to the Nation are too high to bear when compared to the lesser costs for effective public intervention."

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Title I of H.R. 16141 does not meet the President's educational finance reform objectives. He seeks a fair and adequate system of school financing; property tax relief; and preservation of local control of education. Title I

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However, the Administration's endorsement of the general thrust of nonpublic school tuition tax credits is unequivocal.

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In any case, it is mandatory that the Congress enact legislation which will enable the parents of nonpublic school children to enjoy some measure of tax relief and to avoid at least to some extent a double financial load.

In my view, the United States Constitution guarantees Americans a freedom of choice in education.

When rising costs of education make it difficult or even impossible in some instances for parents to enjoy that freedom of choice, then the Congress must act.

Nonpublic schools are closing down in increasing numbers. Those that are surviving have been forced to increase their tuition rates. The burden upon parents has become very heavy. It is a situation which destroys freedom of choice.

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**NONPUBLIC  
EDUCATION  
AND  
THE PUBLIC GOOD**

**THE PRESIDENT'S PANEL  
ON NONPUBLIC EDUCATION**



**FINAL REPORT**

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EDUCATION  
AND  
THE PUBLIC GOOD**

**THE PRESIDENT'S PANEL  
ON NONPUBLIC EDUCATION**



**FINAL REPORT**

**The President's Commission on School Finance**



## President's Commission on School Finance

1016 Sixteenth Street, N.W., Washington, D.C. 20036 (202) 382-1646

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Clarence Walton  
Ivan E. Zylstra

EXECUTIVE DIRECTOR  
Norman Karsh

April 14, 1972

The President  
The White House  
Washington, D. C. 20500

Dear Mr. President:

On March 3, 1972 your Commission on School Finance submitted to you its Final Report, covering the aspects of our study which were required by Executive Order 11513, dated March 3, 1970.

Within the Commission you appointed a four-member Panel on Nonpublic Education with directions to report to you on matters of special concern to the Nation's nonpublic elementary and secondary schools.

The Report of the Panel on Nonpublic Education is submitted herewith. In reading this report, it is important to recognize that it represents the views of the Panel members and that it has been neither reviewed nor approved by the Commission as a whole.

Respectfully submitted,

Neil H. McElroy



# President's Panel on Nonpublic Education

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Clarence Walton, CHAIRMAN  
William E. McManus  
William G. Saltonstall  
Ivan E. Zylstra

RESEARCH ASSOCIATE  
Raymond Boileau

April 14, 1972

The President  
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Washington, D. C. 20500

Dear Mr. President:

I have the honor to submit to you the final report of the President's Panel on Nonpublic Education which you established on April 21, 1970. Throughout its deliberations the Panel has kept uppermost in mind your request for recommendations "that will be in the interest of our entire educational system."

Our findings confirm your initial assessment of the non-public school situation: enrollments are falling and costs are climbing. The trends, however, are neither inexorable nor inevitable if certain initiatives are undertaken. We have sought to discover reasons for, and implications of, enrollment losses. While the causes are multiple, interrelated, and difficult to isolate, the implications are clear. If decline continues, pluralism in education will cease, parental options will virtually terminate, and public schools will have to absorb millions of American students. The greatest impact

The President

Page 2

will be on some seven of our most populous States and on large urban centers, with especially grievous consequences for poor and lower middle-class families in racially changing neighborhoods where the nearby nonpublic school is an indispensable stabilizing factor.

The social and economic costs to the Nation are too high to bear when compared to the lesser costs for effective public intervention. The Panel, therefore, makes these four major recommendations:

- (1) A Federal Assistance Program for the urban poor through a four-pronged approach which includes:
  - (a) reimbursement allowances to welfare families for expenses connected with sending their children to nonpublic schools as well as supplemental income payments to the working poor for this same purpose,
  - (b) experimentation with voucher plans for parents of inner-city school children,
  - (c) strict enforcement of the Elementary and Secondary School Education Act so all children receive the full benefits to which they are entitled, and
  - (d) adoption of a Commission on School Finance recommendation for an urban education assistance program to provide interim emergency funds on a matching basis to large central-city public and nonpublic schools;
- (2) Federal income tax credits to parents for a portion of nonpublic school tuition expenditures;
- (3) A Federal construction loan program;
- (4) Tuition reimbursements on a per capita allocation formula in any future Federal aid program for education.

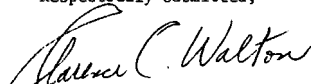
Because the crisis is most acutely felt by church-related schools, notably Roman Catholic, the Panel has given serious attention to the constitutional issue. It is persuaded that

although direct aid to nonpublic schools is prohibited, aid to parents and to children will pass judicial muster. Anticipating that such recommendations may provoke a debate of significance to all American education, the Panel presents criteria which, hopefully, will prove germane and useful.

But the recommendations have not sought to evoke public response only. Much can be done by the nonpublic school community to help itself. Concrete suggestions, which can be adjusted to the needs of different nonpublic schools, have also been made. Conscious of the great needs in the public sector, the Panel has acted on the premise that while nonpublic schools need and deserve outside help, large efforts of self-help are also required. A private voluntary enterprise (a waning aspect in American life) must retain substantial responsibility for its own affairs, lest it become private and voluntary in name only.

One final note: the next few years are critical to the future of pluralism in education. Whatever is done must be undertaken with a profound sense of urgency.

Respectfully submitted,

  
Clarence C. Walton, Chairman

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## CHAPTER I

### PROLOGUE: MANDATE AND BELIEFS

**T**HE NATURE OF THE MANDATE set before the President's Panel on Nonpublic Education as well as the Panel's related beliefs must be clear from the outset. For this reason the Panel immediately addresses itself to a clarification of these aspects.

#### A. The Mandate

The President's Panel on Nonpublic Education came into existence on April 21, 1970, when President Richard Nixon established this four-member group and charged it to do three things:

1. To study and evaluate the problems concerning nonpublic schools;
2. To report the nature of the crisis confronting nonpublic schools;
3. To make positive recommendations to the President for action which will be in the interest of our entire national educational system.

The Presidential mandate, therefore, directed the Panel's investigations into the formally structured programs carried on by schools. In its deliberations, however, the Panel became keenly aware of an important and sometimes overlooked fact: **While schooling is education, education is more than schooling.**

Research findings which deal with early childhood learning may turn out to be more significant than evaluations of present structures. Small illustrations signal large issues. The fact that eighteen-month olds reveal little difference in learning capacity and three-year olds exhibit sharp differentials tells us how much more we need to know about this critical and relatively short time span of early life. Little is known of and less is done with ways to help parents understand and fulfill their teaching role in the infant's life, to encourage families to help other families with the very young, to spur churches to go

beyond ritualistic preparations for baptisms, confirmations, or bar mizvahs in their relationships to the child, and to deploy public resources so effectively that teachers interact more constructively in the parent-child relationships.

In a more enlightened day, we shall learn how to respond more innovatively to the coming of a new and precious resource, the newborn child. For the present, however, it is important to remember that the Panel's charge was to focus upon the child after he has entered the formal schooling process. And even within this time frame and within this institutional setting are enough complexities to excite the energies of all and chasten the ambitions of most.

A proper response to the President requires answers to seven important questions:

1. What is meant by nonpublic schools?
2. What positive features and what forces make their preservation a desirable and an achievable objective?
3. What negative factors severely jeopardize their future?
4. What are the added costs, economic and cultural, to the American public if nonpublic schools decline and deteriorate?
5. What should government do in a constitutionally acceptable and economically viable way to help nonpublic schools?
6. What should the nonpublic school community do for itself?
7. What criteria are most relevant when Americans engage in the debate on the future of American education?

Answers to these questions are governed by facts and conditioned by beliefs. How the Panel's conclusions have been affected by its basic philosophy may be best perceived through a straightforward statement of its own credo.

## B. Basic Beliefs

When a child is born, one cycle in the miracle of human love and human need ends. Another begins. The new cycle involves questioning and answering. Because the infant is totally dependent, it becomes the task of others to answer by word and deed the two most profound questions any society faces:

What is a *human* being?  
What is *being human*?

The first query relates to fact: someone exists; the second relates to fulfillment: existence is growth. Growth requires nurture and direction, which are, in turn, the basic ingredients of the learning process.

From such elementary observation emerge profound implications dealing with the sanctity of individual life, the inviolability of each

person, the child's dependency on others for fulfillment, the primacy of the parental role, the necessary supportive involvement of society through its school systems, the large uncertainties on how growth and maturity are best achieved. Because various people read these implications in different ways, a summary of our convictions is appropriate. Our credo is easy to state, noble to contemplate, difficult to realize.

We believe that when parents send offspring to school, a unique kind of contract comes into being. Parents, literally and figuratively, ask the teacher: "Will you help our child learn?" They invite someone outside the family to participate in the quasi-mystical, highly intimate, and deeply reverent enterprise of launching a human being into the "*being human*" stream. Long before the child reaches adulthood, millions upon millions of stimuli (books and people, sights and sounds, tastes and touches) will pound and batter the youth. It is the teacher's function to help sort out and transmit proper signals; it is the teacher's role to share in the parental responsibility. Home and school unite in a sacred trust!

We believe nonpublic schools, in their variety and diversity, offer important alternatives to state-run schools. It is conceivable that in years to come a larger degree of diversity will become characteristic of the public school system. But until public schools offer wider alternatives, it is not only legal but right that nonpublic options be available. Whether these nonpublic schools be rich or poor, traditional or experimental, boarding or day, church-related or not, they have been, are, and should continue to be important parts of the varied American educational scene.

We believe that men do not live by knowledge alone. They also live by a set of human values—ethical, moral, and religious. The nonpublic schools consciously seek to explore the utmost reaches of these values and to inculcate in the young a respect for them. The secular underpinning for these values is found in the seedbeds of Greco-Roman civilization; the spiritual base rests chiefly on a Judeo-Christian religious tradition. The resulting amalgam constitutes our democratic and American values. Some two centuries have not eroded the importance of what a 1781 charter of a nonpublic school said so well:

Goodness without knowledge is weak and feeble; knowledge without goodness is dangerous. Both combined form the noblest character and lay the surest foundation of usefulness to mankind.<sup>1</sup>

We believe a major purpose of education is to increase the individual's capacity for the generous enjoyment of life and the generous

<sup>1</sup> John Phillips, 1781.



sharing of his gifts; consequently, there must be realistic choice—choice of job, choice of church, choice of neighborhood, choice of school. Nonpublic school supporters, while understanding the tremendous burdens placed on public schools, must continue to offer a varied educational experience, use their freedom wisely, merit their tax-free status, and earn a just measure of public support. They must beware of frills, be willing to “make-do,” and be eager to cooperate at every possible opportunity with other schools.

We believe that the true vision is not of schools, but rather of the individual child for whose growth the school shares responsibility with parents, church, and community. Nonpublic schools accept this vision, and their record shows a continuing concern for the education of enterprising, creative, and compassionate human beings—a resource on which the future of the Nation depends. It matters little that their numbers are small, but it matters ever so much that their quality is high, their contributions distinctive, their clients committed. They must not only survive; they must flourish.

We believe that, as they flourish, they must ceaselessly remind their patrons to do everything possible to assist the public schools which themselves confront serious problems. The following quotation from a nonpublic school principal's letter to parents of his students illustrates a point the Panel wholeheartedly endorses:

While you pay tuition at this school, you also pay taxes for the support of your public schools. But paying taxes is not enough. Parents of children in private schools owe concern and time to the tax-supported schools. We are independent of many of the pressures to which they are subjected, and we must use whatever influence we have to support them in their monumental task.<sup>2</sup>

The Panel's premise is clear: there is an interlocking set of relationships between all schools, and failure to recognize this elementary fact can only resurrect or perpetuate narrow partisanship which ill serve the Nation's children.

It is from these philosophical perspectives that we judge. It is for others to determine whether such perspectives make sense, and if they do make sense, to help translate them into reality.

<sup>2</sup> Phillips Exeter, 1952.

## CHAPTER II

### THE NONPUBLIC SCHOOLS: A NATIONAL ASSET

A BRIEF DESCRIPTION OF NONPUBLIC SCHOOLS as revealed in their variety, their current status, and their future will serve as a helpful background for this study.

#### A. Varied Enterprise

While it is commonplace to divide nonpublic schools into two basic types—independent and church-related—generalizations about them, even when so classified, can be dangerously misleading. Some are young institutions struggling for survival, and others are venerable institutions with origins dating to early colonial days; some offer revolutionary new curricula, while others are content with traditional approaches; some are in great demand, while others face a threatening future.

The ten percent of total enrollment now included in nonpublic schools does not suggest, at first blush, any considerable figure, but this percentage represents 5,282,567 students. This number exceeds by nearly 650,000 pupils the total public school enrollment in the Nation's largest State (California) and surpasses by 1,800,000 pupils New York's total public school enrollment. It is indeed a very substantial enterprise.

During the seventeenth and eighteenth centuries nonpublic schools were chiefly small academies, seminaries, or dame schools. Beginning in the nineteenth century and continuing into the twentieth, increasing numbers have been church-related. Some 3,200 independent schools now range in kind from kindergartens to military schools, from boarding (boys, girls, and coeducational) to country day schools, from traditional and highly structured schools to freedom schools characterized by innovation. Some recent additions, like the Street Academies and the Harlem Preparatory School, have sprung up to meet minority needs and aspirations.

Far more numerous than the independents are the church-related institutions, Catholic, Protestant, and Jewish. There are over 18,600 such establishments, the largest of which is Roman Catholic, whose 12,000 schools enroll 4.37 million pupils, constituting eighty-three percent of the total nonpublic school membership.

The long history and multiple types of nonpublic schools make several things clear: variety is as stimulating for education as for other spheres; freedom to form such schools is highly esteemed; and alternatives to public education are encouraged. By and large, the support base does not rest on people of wealth but on working families who have paid taxes to sustain public schools and who have paid tuitions to nonpublic schools because they have seen in them the kind of institutions best suited to their children's needs.

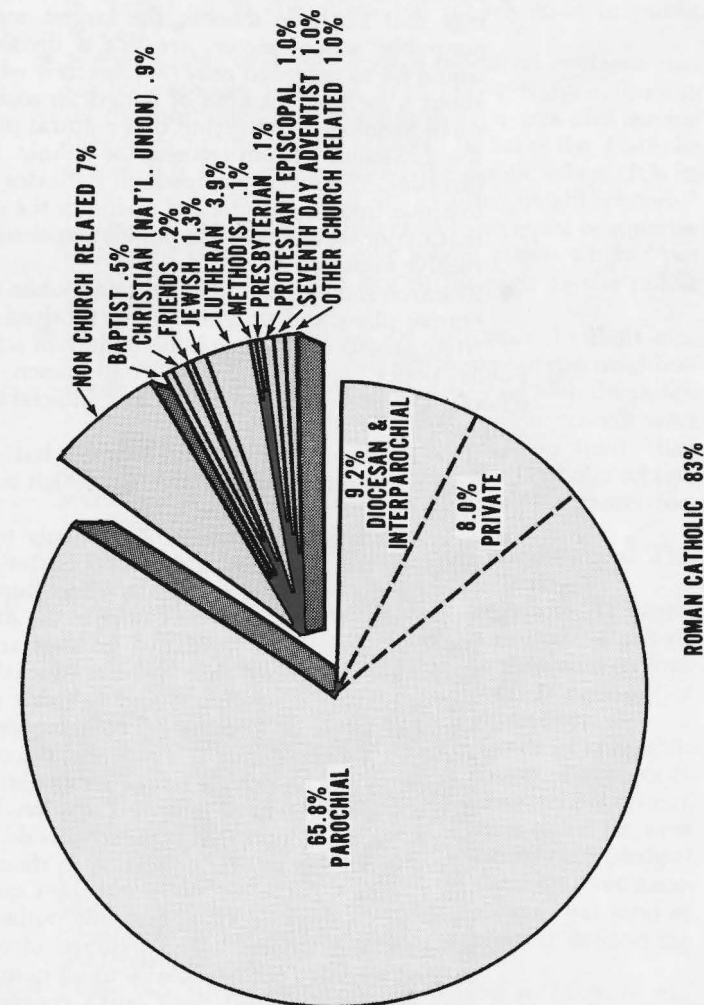
## B. Current Status

From research, recorded testimony, and distillations of its own experiences, the Panel defines the present status of these schools in the following terms:

1. The enormous potential of parent power is effectively harnessed.
2. Their teachers and students play a large part in decision-making.
3. Many are committed to experimentation.
4. Independent study and individual attention to students hold high priority.
5. Special opportunities for improved education of American Indians, Black Americans, Spanish-speaking Americans, and other ethnic groups are being furthered. They will continue to offer the children of both new and old Americans an opportunity to be educated as patriotic citizens, while, at the same time, they maintain a link with the rich heritage that is uniquely theirs.
6. Many free or community schools are working toward the kinds of life style and education that parents and their children increasingly seek. Respect for the whole person and for warm interpersonal relationships is a factor of increasing importance.
7. Most people no longer see nonpublic schools as a divisive force or as a threat to the public schools, but rather as an integral part of American education, as partners with public schools, and as a necessary witness to the values of voluntarism, pluralism, and diversity in American education. This attitude becomes more evident in considering the following items:

- A Gallup survey put the following question to a representative sample of the American public: "As you know, there is talk about taking open land and building new cities in this country. New cities, of course, would include

## Nonpublic School Enrollment Distribution



people of all religions and races. If such communities are built, should there be parochial and private schools in addition to public schools?" Seventy-two percent responded yes, twenty-three percent no, and five percent no answer. Respondents in areas where there are both public and parochial schools answered eighty-four percent yes, twelve percent no, and four percent no answer.<sup>1</sup>

- Recent research has confirmed the Greeley-Rossi<sup>2</sup> findings that Catholic schools, the largest segment of the nonpublic school sector, are not a divisive force and would be so regarded only by those few who still dream about a melting-pot kind of American society at a time when sociologists are saying that cultural pluralism urges the conscious encouragement of ethnic and religious diversity. Moreover, our research indicates there is room to argue that the freedom to maintain the distinctiveness that major segments of the population desire defuses disruptive impulses.
  - Research shows that public and nonpublic schools' cooperative plans and programs have received solid support from parents of children in both kinds of schools.
8. Public policy generally favors continuance of nonpublic schools. The executive, legislative, and judicial branches have spoken:
- The President of the United States has declared nonpublic schools "provide a diversity which our educational system would otherwise lack."<sup>3</sup>
  - Acknowledging that nonpublic schools serve a public purpose, the Congress and several States have enacted laws for the benefit of nonpublic school pupils.
  - The United States Supreme Court, in the *Allen*<sup>4</sup> textbook decision, noted that legislative findings and court decisions have recognized that "private education has played and is playing a significant and valuable role in raising national levels of knowledge, competence, and experience. . . . Considering this attitude, the continued willingness to rely on private school systems strongly suggests that a wide segment of informed opinion, legislative and otherwise, has found that these schools do an acceptable job of providing secular education to their students." In the *Lemon*<sup>5</sup>-*DiCenso*<sup>6</sup> decisions, the Court did not reverse its findings in *Allen*, but only outlawed the Pennsylvania and Rhode Island patterns of aid to church-related schools (not necessarily to all nonpublic schools) because they involved the Court's conception of illegal "entanglement" of Church and State.

<sup>1</sup> "How the Public Views Nonpublic Schools," 1969.

<sup>2</sup> Andrew W. Greeley and Peter F. Rossi. *The Education of Catholic Americans* (Chicago: Aldine Publishing Co., 1966.)

<sup>3</sup> President Richard M. Nixon, "Message on Education Reform," March, 1970.

<sup>4</sup> *Board of Education v. Allen*, 392 U.S. 236, 243 (1968).

<sup>5</sup> *Lemon v. Kurtzman*, 398 U.S. 569, 570 (1971).

<sup>6</sup> *Early v. DiCenso*, 398 U.S. 89 (1971).

9. Nonpublic schools are rendering meritorious service in inner-city areas where their continuance is crucially needed for the education of economically disadvantaged children. For this the following investigations offer buttressing data:

- A research study in Michigan has revealed that there is "more evidence of equality of opportunity in the church-related than in the public schools." In terms of "educational advantages," a child in a "low status" community is "better off in church-related schools than in public schools."<sup>7</sup>
  - A comparable study in Chicago produced evidence that Catholic schools "were not, as had been charged, filtering off the most intelligent students in each area and leaving the dregs in the public schools. In fact, the Catholic school IQs fell farther behind the public school IQs in poor neighborhoods than in wealthy neighborhoods." Catholic school pupils' achievement was equal or superior to that of comparable public school pupils where "per pupil cost was only 59.8 percent as high as the public school expenditure level."
  - In Chicago, "dollar outlays for instruction by the Catholic schools were more evenly distributed across neighborhoods of varying wealth than was the case with the public schools." It was also reported that "public schools were benefiting wealthy and white communities more than poor and Black communities, while the Catholic schools were benefiting poor and Black communities more than wealthy and white communities."
10. The national mood favors voluntarism in education. This assertion is made in light of these considerations:
- A nonpublic school is a voluntary enterprise. It begins when a community of people decides to make a private investment in nonpublic education. It continues as long as the community maintains its support. It goes out of business when its backers withdraw their support.
  - The American investment of private funds in nonpublic schools is unparalleled in any other nation of the world. For example, in the Chicago Archdiocesan school system, parents of about 20,000 eighth graders enrolled for next September's Catholic high school freshman class pledged to spend in excess of \$32 million for their children's secondary education over a four-year period. That kind of investment in private education is unheard of beyond the borders of our Nation.
  - There is a strong sentiment developing in favor of options, for example, the choice of one of several public schools within a system or the choice of a public or nonpublic school by way of a voucher plan. It would be utterly cynical to presume that all this interest in options

<sup>7</sup> All quotations in item 9 are taken from Donald A. Erickson and George F. Madaus, *Issues of Aid to Nonpublic Schools, Summary Analysis*: Center for Field Research and School Services, Boston College, Boston, Mass., September 17, 1971.



is motivated only by racial considerations though, unfortunately, racial prejudice of one kind or another is effectively holding up general plans for options based entirely on educational considerations.

### C. A Posture for Confidence

In addition to the positive aspects recorded above, there are other grounds for optimism. Because 1971 brought Supreme Court decisions that created considerable disappointment among nonpublic school adherents, there is a tendency to view the recent past as one of unrelieved gloom. A broader perspective leads to different assessments. In point of fact, the year brought these five quite remarkable developments which will be discussed individually:

1. The *Serrano*<sup>8</sup> decision in California (August 30, 1971);
2. The Washington Seminar for Nonpublic School Leaders (May 19-20, 1971);
3. Response by the U.S. Office of Education to a Panel recommendation of February 12, 1971;
4. The Airlie House Conference in Virginia (November 15-17, 1971);
5. The statement of the President's Commission on School Finance (March 6, 1972).

#### 1. The Serrano Decision

The *Serrano* decision is of more than casual interest. Handed down on August 30, 1971, by the Supreme Court of California, the ruling declared that the State's funding system, with its heavy reliance on local property taxes, generated excessive variations of expenditures per pupil among districts. Californians were being classified according to wealth; and classification by wealth, said the Court, is intolerable when it interferes with the "fundamental" interests of individuals. Education is a fundamental interest.

The Panel, impressed by the Court's high sensitivity to the concept of equity, asserts its dedication to the same high ideal and feels that *Serrano* (plus subsequent decisions in Minnesota, Texas, Arizona, and New Jersey) signals important advances in asserting the rights of all children to a fair share of tax resources.

Related to *Serrano* is a Texas ruling by a panel of three Federal judges. The Edgewood Texas School District (with a poor and predominantly Mexican-American population) had a per pupil expenditure of less than \$300, as contrasted with \$5,334 for the richest Texas district. As the *New York Times* editorialized on December 25, 1971, "When the difference in financial support is almost 2,000 percent, the result is a Tale of Two Schools that makes a mockery of equal protection." The Panel's

<sup>8</sup> *Serrano v. Priest*, (Cal. App.) 89 Cal. Rptr. 345 (1971).

concern with the right of every child to equal opportunity and equal protection of the laws under the Fourteenth Amendment explains its interest in—and approval of—the equity principle expounded in these decisions.

#### 2. The Washington Seminar for Nonpublic School Leaders

Another positive note was the immediate and affirmative response to a recommendation made by the Panel, in its first interim report (February 12, 1971), that there be held a high-level meeting in Washington to review the nonpublic school crisis in all its dimensions. As a result, forty-four leaders, representing five million youngsters enrolled in nonpublic schools, gathered in Washington on May 19-20, 1971.

The Panel shared in these historic discussions out of which emerged a decision to form a new organization called the Council for American Private Education. CAPE, as it is familiarly known, is a fledgling organization whose potential is yet to be realized. To its credit, it has already undertaken serious efforts to eliminate the insulation which has existed heretofore among components of nonpublic school systems; and its charter incorporates a philosophy of cooperative relationships with major public school organizations, such as the National Education Association. Its determination to tell the story of nonpublic education is commendable.

The Panel judges these to be important steps. It renders this judgment because any review of school history demonstrates that internecine rivalries—often petty and parochial in nature—have worked to the detriment of children. The widely held and misguided philosophy that what was done for one system must invariably hurt the other will crumble only as common efforts are made to enlist the support of all people at this critical time in American education. CAPE's founding requires CAPE's funding, and the Panel urges its financial support to major foundations and sponsors of nonpublic schools.

#### 3. The USOE Bridge

One of the Panel's first recommendations called for creation of a new structure within the U.S. Office of Education "to deal directly with nonpublic schools and to make effective recommendations to top officials in the Department of Health, Education, and Welfare." The Panel was led to this view by testimony that the nonpublic sector was virtually ignored by public officials: data were inadequate, liaison almost nonexistent, distrust evident. It was the view of Commissioner Sidney Marland that the proposed reorganization might prove dysfunctional and that the proper response was rather a broadening of the Department's vision to embrace the entire educational system, including the previously neglected nonpublic sector. To that end, a coordinator for nonpublic educational services has been named to provide a direct link between the Office of Education and nonpublic schools.

This response is reasonable, and time must be allowed to demonstrate its value. Appraisal should be undertaken and publicly reported no later than December, 1974.

#### 4. The Airlie House Conference

The U.S. Office of Education sponsored a historic meeting at Airlie House in Virginia on November 15-17, 1971, which brought together approximately seventy educational leaders: over thirty superintendents from large urban public school systems and their nonpublic school counterparts. No such meeting had been undertaken previously. It was encouraging to note that common concerns for quality education permeate the leadership of both the public and nonpublic schools. Even in a group discussion on financing public and nonpublic education which produced the most spirited and most divergent views, the conference summary recorded these telling points:<sup>9</sup>

- a. Plural school systems are generally favored by everyone.
- b. The problems of public and nonpublic city schools are much the same, that is, eroding tax base and flight to the suburbs.
- c. There is some evidence that funding and providing services to nonpublic schools help support public education. The more people involved, the broader will be the support of all education.
- d. Nonpublic schools would be willing to submit to reasonable regulations if they use public funds.
- e. To help solve urban problems, a new coalition of superintendents, mayors, and union leaders needs to be formed.

The U.S. Office of Education is to be commended for this effort, and the Panel recommends the sponsoring of similar conferences. Initially, meetings of this sort cannot be expected to produce blueprints for action, but they can go a long way toward providing an atmosphere for constructive cooperation.

#### 5. The Report of the President's Commission on School Finance

In its final report the President's Commission on School Finance adopted the following positions:

- a. *The Commission recommends that local, State, and Federal funds be used to provide, where constitutionally permissible, public benefits for nonpublic school children, e.g., nutritional services such as breakfast and lunch, health services and examinations, transportation to and from schools, loans of publicly owned textbooks and library resources, psychological testing, therapeutic and remedial services, and other allowable "child benefit" services.*
- b. Aware that the provision of child benefit services alone will not make a substantial contribution toward the solution of the nonpublic schools' financial crisis, *the Commission further recommends that governmental agencies promptly and seriously consider additional and more substantive forms of assistance, e.g., (1) tax credits, (2) tax deductions for tuition, (3) tuition reimbursement, (4) scholarship aid based on need,*

<sup>9</sup> USOE: *Conference Summary, 1971.*

*and (5) equitable sharing in any new federally supported assistance programs.*

- c. Evidence is inconclusive in regard to the amount of program participation that nonpublic school children are receiving under Federal education programs for which they are legally entitled. The Commission urges that the Federal Government take action to guarantee to nonpublic school children equitable participation in all Federal programs for which they are eligible. Though these programs would continue to be administered through public school systems, such action would insure that all eligible children attending nonpublic schools participate in federally aided programs.

Neither rhetorical flourish nor desire for self-fulfilling prophecy prompts the Panel to welcome the Commission recommendations as historic ones. The fact speaks for itself. When the Commission began its deliberations, it was difficult for the Panel to anticipate that such support would have been achieved on these delicate points. The action has been taken. The recommendations are going forward to the President and to the Congress. The points for well-tempered optimism are solid. The possibility of imaginative and constructive action now lies before us.

## CHAPTER III

### THE PUBLIC PRICE FOR PRIVATE FAILURE

LIKE OTHER SIGNIFICANT VOLUNTARY ENTERPRISES in America, nonpublic schools came into being to fill an important need not met by a public agency. They operate under the constant and pervasive challenge of the market: if they fail to measure up to client expectations or if a public agency better serves the purpose, they cease to exist.

But education is not a genuinely free market because the public sector holds a preponderant position which is buttressed by over \$45 billion of tax money. If a difference in the resource base makes the existence of nonpublic schools precarious, the situation is rendered more vulnerable because winds of change are sweeping every major contemporary institution. Nonpublic schools feel the full constraint of, but do not enjoy the full benefit of, the market system.

A Rand Corporation report to the Commission noted that the public school establishments of large cities exhibit an incapacity to adjust and that outside pressures are required for innovation. Despite this alleged inability to respond effectively, public school enrollments have increased twelve percent since 1965, while nonpublic enrollments have decreased by twenty-three percent. Possibly a paradox is in the making. It is clear, however, that the public interest is related to the all-important question: **if nonpublic schools do not survive, what consequences follow for public schools and for American society?** Three major conclusions must be considered in rendering a proper answer.

*A. Public schools least able to accommodate additional pupils would be the ones generally hardest hit by the tide of transfers.*

*B. Municipalities, already heavily burdened with rising taxes for projected public education needs, would confront militant demands for even higher tax rates to sustain crowded public schools.*

*C. Social costs may prove to be even higher than economic ones. For larger cities, closing nonpublic schools would have marked impact on housing patterns, unemployment ratios, and racial stability.*

1. *Housing patterns* are altered because people with sufficient money flee from overcrowded schools and leave the poor to endure deteriorating neighborhoods and schools.

2. *Unemployment ratios* between rich and poor, black and white become further distorted because overcrowded schools have a higher proportion of dropouts.

3. *Racial stability* is most threatened where most needed because neighborhood nonpublic schools are frequently the major reason for holding whites in the area.

Prudent policy-making requires analyses of major possible alternatives. If the accepted hypothesis is wholesale closing of nonpublic schools, analysis of State and urban enrollment patterns, respectively, reveals important conclusions. Modifications of estimates obviously qualify the conclusion, and the following analysis draws heavily on research authorized by the President's Commission on School Finance.

### A. State Nonpublic Enrollment Patterns

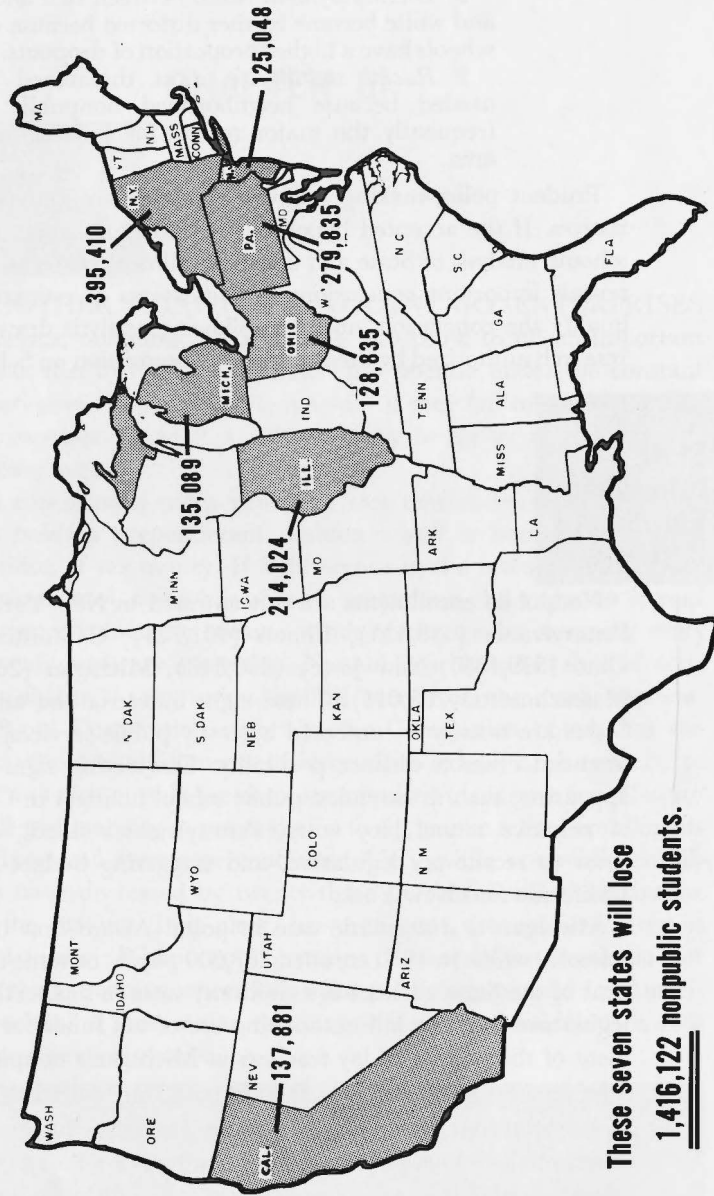
Nonpublic enrollments are concentrated in New York (789,110), Pennsylvania (518,435), Illinois (451,724), California (398,981), Ohio (339,435), New Jersey (298,548), Michigan (264,089), and Massachusetts (205,011). These eight industrialized and urbanized States are heavily encumbered by costly public services, with serious financial crises a distinct possibility. Disquieting signs are already appearing, such as extended public school holidays in Ohio because of negative school levy votes, Pennsylvania's fiscal brinkmanship prior to recent tax legislation, and staggering budget demands on California and New York.

Michigan is a dramatic case in point. Aware that its nonpublic schools (which in 1970 enrolled 287,000 pupils, or some fourteen percent of the State's school-age children) were in financial trouble, the legislature passed a bill authorizing use of tax funds for partial payment of the salaries of lay teachers in Michigan's nonpublic schools. The amount authorized for this purpose was limited to two percent of the total State outlay for education. In effect, the law brought aid to nonpublic school pupils at an annual rate of about \$130 per pupil, much less than the annual rate of \$843 per public school pupil.

In November, 1970, the Michigan plan was overturned by voter approval of a constitutional amendment. Subsequent court action sustained the voters' veto. Repercussions from Michigan were felt across the Nation. Word reached the Panel that some nonpublic



## Projected Concentration of Nonpublic Enrollment Losses 1970 to 1980



**These seven states will lose  
1,416,122 nonpublic students.**

school leaders in Michigan were considering a total shutdown of their systems and that public school authorities were bracing for an avalanche of transfer students from closed nonpublic schools. Further reports indicated that parents of nonpublic school children were organizing a "vote no" crusade to defeat proposals for millage tax increase to pay public school bills and that some parishioners were strongly objecting to announcements of tentative plans to shut down parish schools.

Because of the nature of this crisis and its possible meaning to other States, the Panel met in Lansing on May 24, 1971, with a number of business, education, and government leaders. After its investigation, the Panel concluded: that the school controversy had left a large segment of Michigan citizenry frustrated and, indeed, bitter; that Michigan's leadership in quality nonpublic education had been seriously impaired; that the large and financially hobbled urban centers, notably Detroit, would have to provide facilities for a substantial number of transfer students; that the white ethnics and Blacks in Detroit who prized their nonpublic neighborhood schools faced the dismal prospect of losing such facilities in the near future; and that projections for the State's educational budget suggested an increase from \$1.9 billion in 1970 to \$3.7 billion by 1975—an increase that could outstrip revenue by some ninety percent.

The inescapable conclusion is this: the prospect of massive dislocations exists in eight of the Nation's most populous States.<sup>1</sup>

### B. Urban Impact

The significance of nonpublic school enrollment for metropolitan areas is suggested by a simple statistic: eighty-three percent of such enrollment is found in these regions. *In the twenty largest cities, nearly two out of five school children are enrolled in nonpublic schools.* The top fifteen cities have the following enrollment figures, which reveal, interestingly enough, that ninth-ranked Buffalo and last-ranked St. Paul have percentages approximating that of Philadelphia, where nonpublic schools enroll one of every three students.

<sup>1</sup> *Economic Problems in Nonpublic Schools*, p. 326.

City	Nonpublic enrollment	Percentage of total
New York City.....	358, 594	24. 3
Chicago.....	208, 174	27. 3
Philadelphia.....	146, 298	33. 6
Detroit.....	58, 228	16. 5
Los Angeles.....	43, 601	6. 3
New Orleans.....	41, 938	27. 2
Cleveland.....	36, 922	19. 4
Pittsburgh.....	36, 661	19. 4
Buffalo.....	36, 623	33. 8
Boston.....	35, 237	27. 1
Baltimore.....	33, 833	15. 0
Cincinnati.....	32, 653	27. 4
Milwaukee.....	32, 256	19. 8
San Francisco.....	29, 582	23. 9
St. Paul.....	22, 267	30. 3

In changing neighborhoods of such cities exist balances so delicate that access to a school of choice affects a decision to move or to stay; in the cities, too, are found other changing balances because unemployment, poor housing, infant mortality, and crime hit the poor with vengeance. For example, a statistical sampling of county unemployment rates, welfare case loads, and housing vacancies as these affect Chicago, Detroit, and Milwaukee reveals a consistently higher city rate than found in adjoining communities. The obvious conclusion is that if the Nation needs vigorous cities, vigorous cities need their nonpublic schools.

It is from these perspectives that a realistic assessment of the nonpublic school condition must be undertaken. The strength of the social fabric is at stake, and schools—all schools—are an essential strand in that fabric. If the strand is weakened or severed, the unravelling process will accelerate with potentially disastrous consequences for the Nation. A weakening is at hand.

For the past five years, nonpublic school enrollment has been moving downward at an alarming six percent annual rate. If this trend continues, enrollment will be about twenty-five percent less in 1975 than in 1970. The presently distressed area is Roman Catholic, where exists a distinct possibility that within a fifteen-year period, 1965–1980, enrollment may drop by almost sixty-five percent. Multiple factors are at work, among which are:

1. Movement of children from neighborhoods where there are nonpublic schools to neighborhoods where there are none;

2. Closing of nonpublic schools with resultant transfers to public schools;
3. Parents' reluctance to send children to financially troubled schools;
4. Parental decisions to avoid high tuition rates;
5. Parents' failure or inability to perceive any special educational and/or religious values in a particular school;
6. Lack of uniqueness;
7. Changing religious and cultural mores among parents in suburban areas;
8. A lower birth rate in a particular locality.

It is simplistic to conclude from research on enrollment trends that any single factor is so overriding that others can be discounted. Indeed, for city families with marginal disposable incomes, the cost may loom largest; whereas for suburban parents it may be distance to the nearest nonpublic school, new mortgage responsibilities, or secular attitudes.

While attention has been focused on Roman Catholic schools because they represent the largest and hardest-hit nonpublic segment, the problem is not exclusively theirs. During the past two years, enrollments in independent schools have declined about eleven percent; at military schools, ten percent; at boarding schools, four percent. Despite present rates for boarding students in excess of \$4,000 a year, costs continue to outrun income. Ten years ago, only a quarter of the Nation's independent schools were operating with deficits; by 1971 the figure had doubled, and about twenty-five private schools have closed doors since 1968. As *Newsweek* (January 31, 1972) noted, "Most have been caught in a vicious circle: rising costs dictate increased tuition which, in turn, serves to deflate enrollments."<sup>2</sup>

### C. Transfer Costs

Estimating cost of transferring all nonpublic school pupils to public schools is exceedingly difficult. A research team from the University of Notre Dame developed three categories, described as: (1) low excess capacity formula, which assumes a decrease in public schools' pupil/teacher ratios; (2) crude excess capacity formula, which assumes no change in pupil/teacher ratios; and (3) high excess capacity formula which assumes that the pupil/teacher ratios will rise to the highest level experienced during the past six years. Using these formulas, the researchers estimated the total cost in a range from approximately \$7.7 billion (low excess capacity formula) to approximately \$4 billion (high excess capacity formula). The Panel believes

<sup>2</sup> More complete data may be available in a report prepared by USOE. Staff efforts to secure this so-called Kossoy Study were unsuccessful.



the higher estimate is more realistic in view of the trend to reduce rather than to increase pupil/teacher ratios in public schools.

The problem would vary from State to State. In the rural and less densely populated States of the South and West, nonpublic school closings would have little effect. On the other hand, seven populous industrial States (New York, Pennsylvania, Illinois, New Jersey, California, Ohio, and Michigan) would be called upon to absorb seventy percent of the costs associated with the transfer of nonpublic school pupils to public schools.

These seven States would face a severe economic impact because: (1) public school costs are already high in these areas; (2) public school enrollments have not fallen as much as in other parts of the Nation so that the capacity to absorb more students is restricted.

Even more than the State burden would be the city crisis. To give this greater specificity the Panel considered results from research by the School of Education of the University of Michigan. These researchers sought to draw an "urban financial profile" and used Chicago, Detroit, Milwaukee, and Philadelphia for their laboratories.

The question was this: Can the public school systems of these cities, without securing additional facilities, absorb the pupils now attending nonpublic schools if all the nonpublic schools were closed? The researchers took into special account the Catholic schools, which enroll the largest number in each of these cities. Important variations exist.

In Chicago, A. Epstein and Sons, Inc., estimated rehabilitation and replacement costs for the public schools and concluded that \$1,103,113,846 would be required, at current prices, to bring Chicago school facilities into good condition. But the University of Michigan researchers added:

If, in addition, it were necessary to provide facilities for approximately 85,000 elementary pupils from the parochial schools and 45,000 secondary pupils, it would be necessary to increase this budget by at least \$464,000,000. This would increase the total to approximately 1.6 billion dollars.<sup>3</sup>

For Detroit, a building program to house adequately all public school pupils would require a minimum expenditure of \$234,000,000. If all the Roman Catholic schools of Detroit were closed at once and their students were to be housed by the Detroit schools, an additional \$174,500,000 would be required. The research report also noted that if a massive shutdown of Detroit's nonpublic schools were to precipitate a large exodus of families from the city, "Closing non-

<sup>3</sup> *The Financial Implications of Changing Patterns of Nonpublic School Operations in Chicago, Detroit, Milwaukee, and Philadelphia*, p. 97.

public schools might have greater financial implications for fringe suburban areas than for the Detroit public school system."<sup>4</sup>

Closing of Roman Catholic schools in Milwaukee would add \$47,800,800 in construction costs to the \$76,000,000 program which has been authorized.<sup>5</sup>

The summary of the University of Michigan for the three cities was stated this way:

It has been projected that if all the nonpublic schools which are experiencing financial difficulties, including many Roman Catholic schools, were to be closed immediately, the additional cost of housing pupils now in attendance would be as follows: Chicago, \$464,000,000; Detroit, \$174,500,000; and Milwaukee \$47,800,000. These funds (\$686,300,000) would be in addition to resources required to fund the long-range construction programs for each of these cities.

If nonpublic schools in these three cities closed over a longer period of time, the result would be that projected decreasing public school enrollment might be correspondingly replaced by transfer students from nonpublic schools. Slowly declining nonpublic school enrollments might make it possible for the central city public school systems, together with the public school systems of the surrounding suburbs, to absorb substantial numbers of the nonpublic school pupils. While the additional cost for capital outlay and operation would be much the same whether students transferred to the city schools or to their suburban counterparts, the financial impact would be distributed over a much greater area and a larger number of taxpayers. But the eventual impact is real and very substantial.

Philadelphia would be in more serious straits. The University of Michigan report indicated that between 1965 and 1971 the Philadelphia school district spent \$381,163,000 for capital improvements, but despite these herculean efforts the remaining capital program proposed for 1972-77 still carried an estimated price tag of \$339,244,000. An additional \$60,000,000 would be required in 1978, and annual expenditures of \$40,000,000 for 1979-80 would be needed to complete the currently envisioned capital program. Total cost of all phases of the school building effort would reach \$880,400,000. With inflationary pressures, the total cost could be over \$1,000,000,000.

The University of Michigan researchers further reported that:

Accommodating the 136,500 pupils now in the Roman Catholic schools of Philadelphia in accordance with the goals and priorities set forth would require a necessary additional expenditure of almost \$600,000,000. Housing the 58,900 secondary pupils will require about \$290,000,000 and the 77,300 elemen-

<sup>4</sup> *Ibid.*

<sup>5</sup> *Ibid.*

tary pupils approximately \$310,000,000 with no allowances for inflation.

To consider adding a capital program of \$600,000,000, even if spread over the next decade, in the existing long-range capital program for the Philadelphia area seems outside the range of credibility, because 1971 has been a year of crisis for the capital program of Philadelphia public schools. In July 1971, the capital program was halted with the Board of Education announcement of the suspension of 28 projects which were to have been completed during the next five years.

Even with the gradual phasing out to permit incremental absorption of nonpublic school pupils into the Philadelphia public schools, "it would still be impossible for the public schools to provide for them adequately in the existing facilities or with facilities now projected. Even though fifty percent of the nonpublic school pupils were to transfer to suburban schools outside Philadelphia, it would be impossible for the public schools of Philadelphia to absorb the remainder without incurring a crushing financial burden. The present financial crisis has been brought on in part by the necessity of the public school systems to rebuild the entire school plant, after years and years of neglect."

A blue ribbon task force, consisting of thirty-one prominent Philadelphia businessmen (Jews, Protestants, and Catholics), has just completed its analysis of the Archdiocesan schools and declared that by 1975 the cumulative deficit will reach \$55.4 million—even though projected per student cost for 1975 is \$478, as contrasted with 1971-72 per student costs in Philadelphia public schools of \$1,027. Transfers may help the financial status of public schools if State aid increases, but even this prospect is inadequate. Commenting on the task force report, School Superintendent Matthew Costanzo observed that "if we had to take on the number of youngsters they say they will drop, we'll be in dire straits."

The overall dimensions of construction costs are summarized in a report by the National Educational Finance Project, which declared:

The school building shortage is a reality which cannot be overlooked in school finance programs. Even with the unprecedented increase in school construction since World War II, a deficit of 500,000 classrooms remained in 1968. This backlog of needed construction accumulated during the Depression years and World War II. **Especially in urban districts antiquated and educationally obsolete classrooms which normally would have been replaced have remained in use.**

Between 1948 and 1968 the number of classrooms constructed each year increased from 30,900 to 75,400 and the average expenditure per classroom increased from \$32,815 to an estimated \$67,432. . . . In the decade of the 1970's the Nation will need approximately 120,000 classrooms per year at an estimated annual aggregate cost of \$7.8 billion in 1968-69 dollars. . . .

If these new construction needs are accurate, positive action must be taken to provide the needed funds or a moratorium on construction will result with millions of school children being ill-housed and ill-educated.<sup>6</sup>

The Panel is persuaded that just to meet normal projections of public school enrollment, the public burden will become heavy and can become crushing if large numbers of nonpublic school pupils are transferred into public schools. Apropos is the following statement of the Commission on School Finance:

Cost projections are startling. Outlays for education will rise substantially during the next decade if present trends continue.

Total expenditures of public school systems during the 1970-71 school year came to approximately \$45 billion. During 1975-76, according to projections provided to the Commission, expenditures are estimated to reach \$60 billion, and will continue climbing to the end of the decade, so that in 1980-81, they will come to some \$64 billion. This is in 1970 dollars. If we assume that price increases at an annual rate of three percent, these figures will be approximately \$69 billion for 1975-76 and \$86 billion for 1980-81. Paying for education is going to place enormous strains on the Nation's taxpayers. What is more, the cost of other public services are going to climb at least as much if not more.<sup>7</sup>

In the Nation there are now 17,498 school districts, which vary enormously in size and in resources; there are over 46,000,000 children in the public schools alone, and the cost of education in these schools will be slightly over \$1,000 per child this year, compared with half that sum just ten years ago. The Panel concurs with a *Washington Post* editorial of January 23, 1972: "Any new Federal fundings sufficient to make any real differences to the local school districts will have to run, in national total, to many billions of dollars. It is hard to think of any other public responsibility that is simultaneously so massive and so intricate." Any serious thought about this massive and intricate responsibility must include attention to the fiscal consequences of widespread closing of nonpublic schools.

It is clear to the Panel that most public school budgets, already heavily burdened by soaring costs for present and projected programs, would have to be drastically revised if thousands of nonpublic school pupils were added to public school rosters. Budget adjustments might require double-shift classes, shortened calendars, cuts in enrichment programs, and other reductions in quality. Yet, some public school systems already are confronted with the prospect of having to retrench on important programs for their present student body. Additional students at this time would not lessen the difficulty of giving adequate education to presently enrolled pupils.

<sup>6</sup> *Future Directions for School Financing*, National Education Finance Project, pp. 29-30.

<sup>7</sup> *The President's Commission on School Finance*, pp. 11-12.

With recommendations from various groups for early childhood education, programs for exceptional children, vocational and adult education at all levels, and for the special needs of the inner-city schools, it is apparent that the magnitude of the challenge—when put in the context of the rising cost of other social services—is tremendous.

Not unrelated to the total problem is a disinclination of the American people to ratify and support additional revenues for the schools. In 1965 approximately three of every four bond issues received public support; in 1971 less than half were ratified.

The following table reveals a melancholy story:

BOND ISSUES			
Public elementary and secondary school bond elections held, with number and percent approved, 1965 to 1971			
Fiscal year ending	Number of elections		Percent Approved
	Total	Approved	
1965.....	2,041	1,525	74.7
1967.....	1,625	1,082	66.6
1969.....	1,341	762	56.8
1971.....	1,086	507	46.7

In summary the Panel concludes:

1. Projected costs to maintain the present level of public education and to meet urban school construction needs are prohibitive.
2. The history of rejected school bond issues is not encouraging.
3. The burden for transferring nonpublic school students to the public sector will fall most heavily on States and center cities which already carry heavy financial loads.
4. Collapse of the nonpublic schools in these areas may well prove disastrous.
5. The social costs could prove more onerous and dangerous than the economic burden.

The American people thus face two basic choices:

1. Stand by passively while nonpublic schools decline and accept the inevitable consequences of further increased taxes occasioned by the transfer problem, or
2. Act on the premise that wise public policy requires intervention at critical points to sustain a system which educates over five million youngsters, evokes a multi-billion dollar private investment effort, and provides for parental choices.

The Panel concludes that public action is required, but this raises very complex legal issues.

## CHAPTER IV

### CONSTITUTIONAL FOUNDATIONS FOR A PUBLIC RESPONSE

**B**ECAUSE NONPUBLIC SCHOOLS MUST MEET both Federal and State legal requirements and because at times sharply different emphases separate the two, the question of aid to pupils enrolled in these institutions involves complex issues of constitutional law.

#### A. The Federal Framework

Although the American Constitution is silent regarding education, court interpretations of the First and Fourteenth Amendments have developed a legal matrix wherein certain rights and limitations are reasonably defined. Most basic is the parental right of choice of a school for their children—a right safeguarded by the Supreme Court's *Pierce*<sup>1</sup> decision, handed down forty-seven years ago in the Oregon school controversy occasioned by that State's effort to compel parents to send their children to public schools. Although the decision in the 1925 *Pierce* case was keyed mainly to the confiscation of private property without due process (the Oregon statutes would have put all nonpublic schools out of business), the *Pierce* decision did give legal sanction to a parent's choice of nonpublic school for State-mandated schooling.

In subsequent decisions, the Court removed any lingering legal doubts regarding the parents' right to send their children to a nonpublic school. The Court's latest thinking will be revealed in a forthcoming decision involving Amish parents in Wisconsin who have pleaded that they should not be required to send their children to high school because formal education beyond the eighth grade is inconsistent with Amish religious tradition. The case involves profound questions about the public good, the State's role as *parens patriae*, parental rights, and religious freedom.

<sup>1</sup> *Pierce v. Society of Sisters*, 268 U.S. 510 (1925).



It is one thing to assert parental rights over the education of children and quite another to protect such rights when the exercise thereof—partly in response to State requirements—is crippled for social, religious, or economic reasons. Consequently, the Supreme Court has been asked over the past 25 years to create a body of law through interpretations of the First and Fourteenth Amendments, with practically all cases hinging on the constitutionality of using public funds for the benefit of pupils enrolled in church-related schools. From these cases have come ground rules which affect every recommendation for government action.

In the 1947 *Everson*<sup>2</sup> decision, the Court upheld the constitutionality of a New Jersey law which provided tax-supported transportation for nonpublic school children on substantially the same basis as for public school pupils. The key to this decision was that the law could not deprive a citizen of a public service either because of his faith or his lack of it. The Court, however, also ruled that the First and Fourteenth Amendments prohibit tax aid for the direct benefit to a church-related school. In effect, the *Everson* decision closed the door to proposals for tax support of nonpublic schools but opened it to a variety of tax-financed child-benefit services. In somewhat oversimplified terms the judicial maxim was that aid to the nonpublic school child is legal, but aid to the nonpublic school is illegal.

In 1968, the Court was asked in the *Allen* case to rule on a New York law which authorized the loan of publicly owned textbooks to nonpublic school children. Evidence during the case was presented to show that loaned textbooks, at least indirectly, helped nonpublic schools by relieving them of expenses which would have been passed along to parents. In a decision with far-reaching implications, the Court ruled that the constitutionality of the statute did not revolve primarily around the question of whether a church-related school was aided in some way, but of whether the statute had (a) a secular purpose, (b) a secular effect, and (c) neither aided nor inhibited religion. The Court ruled that the New York textbook law complied with these criteria.

In 1970, the Court took jurisdiction in the *Walz*<sup>3</sup> case in which the constitutionality of tax exemptions for church-owned real estate was challenged. The Court conceded that tax exemption is surely a form of substantial indirect aid to church institutions but that it was preferable to taxing their properties because taxation would entangle the State in church matters in ways not permissible under the First Amendment. Thus was added the criterion of "excessive entanglement."

<sup>2</sup> *Everson v. Board of Education*, 330 U.S. 1 (1947).

<sup>3</sup> *Walz v. Tax Commission*, 397 U.S. 664, 674 (1970).

In 1971, the Court ruled on three separate cases which were, however, consolidated for oral argument and were closely associated in the Court's verdict. The first (*Tilton v. Richardson*) involved the constitutionality of the Higher Education Facilities Act of 1963, which provided Federal construction grants for colleges and universities as long as the facility was not used for religious worship or in connection with a divinity program. By a five to four vote the Court upheld this Act and added the proviso that buildings constructed with public funds could never be converted to religious purposes.

The other two cases (*Lemon-DiCenso*) related to religiously affiliated elementary and secondary schools. Involved in the *Lemon* case was the constitutionality of Pennsylvania's 1968 Act which authorized the Secretary of Education to purchase certain secular educational services from nonpublic schools, directly reimbursing those schools solely for teachers' salaries, textbooks, and instructional materials. Reimbursement was restricted to courses in specific secular subjects; textbooks and materials had to be approved by the Secretary, and no payment would be made for a course containing any subject matter expressing religious teaching, or the morals or forms of sectarian worship.

The *DiCenso* decision hinged on the validity of Rhode Island's 1969 Act which provided a fifteen percent salary supplement to teachers in those nonpublic schools where the average per pupil expenditure on secular education was below that of public schools. Eligible teachers were required to offer courses taught only in public schools, with materials used in public schools; further, teachers had to agree not to teach religion courses.

What did the Court decide? The following is apposite:

Every analysis in this area must begin with consideration of the cumulative criteria developed by the Court over many years. Three such tests may be gleaned from our cases. First, the statute must have a secular legislative purpose; second, its principal or primary effect must be one that neither advances nor inhibits religion; finally, the statute must not foster "an excessive governmental entanglement with religion."<sup>4</sup>

On the basis of failure to avoid excessive government entanglement with religion, the Court struck down the aid programs in Rhode Island and in Pennsylvania. The opinion, written by Chief Justice Burger, recognized that the Court's "prior holdings do not call for total separation between Church and State" and that "some relationship between Government and religious organizations is inevitable." The Court nevertheless declared that, unlike such neutral services as bus transportation, lunches, or textbooks, it could not "ignore the dangers that a teacher under religious control and discipline poses to the separation of the religious from the purely secular

<sup>4</sup> *Lemon v. Kurtzman*, 398 U.S. 569, 570 (1971).

aspects of the pre-college education. The conflict of functions adheres in this situation.”

In a concurring opinion, Justices Douglas and Black sounded a sharply different note. Because sectarian schools allegedly afford “the church the opportunity to indoctrinate its creed delicately or indirectly, or massively through doctrinal courses,”<sup>5</sup> such institutions come under pervasive religious control. Justice Brennan’s separate opinion ran along parallel lines. The practical effect was to have four Justices (Brennan, Black, Douglas, and Marshall) take the position that all direct aid to church-related schools, at whatever level and in whatever form, is unconstitutional. The majority was unwilling to accept this position.

In the Panel’s view the full Court had an inadequate perception of realities in parochial schools because it failed to pierce the institutional veil. The entire focus was on the powers of the hierarchy, the role of the pastors, and the teaching commitment of religious; ignored were parents, teachers, and pupils who are now cut off from certain forms of public assistance.

Others have launched sharper critiques. One such criticism holds that, by judicial fiat, there is now a virtual disenfranchisement of religiously committed people with respect to public policy questions about which their churches have a strong position. They ask whether the civil rights of Lutherans or Jews or Quakers are to be suppressed under the guise of “no religious division” in the same way that the civil rights of Negroes were curtailed by a Supreme Court ruling (*Plessy v. Ferguson*,<sup>6</sup> 1896) that “separate but equal” treatment was necessary for peace and order. Finally, it might be noted that some constitutional lawyers feel the time has come to challenge the denial of benefits to nonpublic school students on grounds that educational appropriations are public welfare benefits which should not be restricted by religious conditions. The challenge should be mounted.

Whatever legal opinions are involved, the Panel shares Mr. Justice White’s minority statement that not only has the majority decision ignored the evidence in the Rhode Island case (“on this record there is no indication that entanglement difficulties will accompany the salary supplement program”) but that—

The Court thus creates an insoluble paradox for the State and the parochial schools. The State cannot finance secular instruction if it permits religion to be taught in the same classroom; but if it exacts a promise that religion not be so taught . . . and enforces it, it is then entangled in the “no entanglement” aspect of the Court’s Establishment Clause jurisprudence.

Repercussions from this decision have been many. Michigan, Connecticut, and Ohio had plans to use State funds for teacher salary

<sup>5</sup> *Ibid.*

<sup>6</sup> *Plessy v. Ferguson*, 163 U.S. 537 (1896).

supplements, which have now been thwarted; plans for purchase of secular educational services in Illinois and New York have similarly fallen. Still to be decided are Maryland’s scholarship plan, tax credit plans in Minnesota and Hawaii, and Illinois’ multiple approach, which includes tuition vouchers for inner-city nonpublic school pupils.

In summary, the law is still being molded and shaped by both judicial philosophies and political events so that the final phase in the Federal drama over nonpublic school education is still to be enacted.

## B. State Requirements

Meanwhile, States labor with their special judicial problems. Under the Tenth Amendment to the Constitution, “powers not delegated to the Federal Government and not prohibited to the States are reserved to the States or to the people.” Under these residual powers, New York in 1894 adopted the Blaine Amendment, which effectively outlawed any form of public aid to nonpublic schools—a prohibition subsequently emulated in one form or another by over forty States.

Having taken such action, the States’ logical step was to provide free public school systems open to all—even though fiscal responsibility for meeting these prerequisites fell on local communities. Despite constitutional restrictions and uncertainties, States have continued to enact laws to provide tax-financed auxiliary services for nonpublic school children.

What emerges in States with a Blaine philosophy, however, is an approach toward nonpublic education that is more restricted than possible Federal initiatives; in other States the response is diluted by uncertainty over how far public authorities may legally go to foster the common good when church-related schools are involved. These facets have serious implications for the general-welfare clause of the Federal Constitution and for the level of possible public initiatives the Panel deems most appropriate. In the wind are significant straws which suggest enlargements in judicial constructions, and these will be noted by policy-makers. Some of these indications are worth noting.

## C. Latest Judicial Benchmarks

Developments in State courts and in lower Federal courts indicate that the “equal protection” clause of the Fourteenth Amendment will increasingly be called into play. While the full significance of the

*Serrano* decision is yet to be determined, it strongly suggests that the judiciary has not relinquished the task of social reconstruction begun in 1954 by the Warren Court. Citizens may soon have constitutional rights to demand adequate and fair expenditures for essential public services; hitherto these have been defined by references to such services as fire and police protection. Now the courts hint that welfare, clean air, and clean water may be conceived as "rights."

In the American context, the previous task of social reconstruction has been involved heavily with indirect redistribution of wealth; if equality of treatment is supplemented by a due-process concept of adequacy of treatment, then a formidable new stage in social engineering awaits us. The Court has often shown itself responsive to public opinion and to the needs of the times. Since public opinion today is more aware of the importance of nonpublic schools, more aware of parental rights, and more concerned with mounting educational costs, there is a distinct possibility for a more commodious judicial interpretation of parent's rights over the education of their children.

Other peoples with democratic traditions have met the challenge, and it is difficult to believe that Americans will be less imaginative or less concerned with justice. Canadian law has long allowed religious minorities to maintain their own schools; its federal system leaves the bulk of educational questions to decisions by the several provinces. The effect is a variety of methods which result in substantial amounts of public funds for religious schools. Not unrelated is the Dutch experience in the public funding of educational alternatives. The Dutch have provided financial parity for public and private education for over a half century. The resulting system of "segmented integration" has served as a mitigating factor to restrain the social and cultural impact of modernization. The end result is a guarantee of the right to, and the possibility of, education for every part of the population according to its own belief and choice.

#### **D. The Constitutional Guidelines**

Though for the present the Panel must operate within a framework of existing judicial realities, it feels that forms of public support for nonpublic school students must reckon with the following:

1. All laws must be designed to further a public purpose, that is, to promote education.
2. All school pupils should be eligible beneficiaries of aid programs—preferably under a single statutory rubric.
3. Financial assistance rendered for the benefit of a nonpublic school pupil should be subject to review by public authority.

4. Systems of accountability for public benefits to nonpublic students must be balanced in ways which permit legitimate accountability while simultaneously avoiding excessive government entanglement.
5. Cash subsidies for direct aid to nonpublic schools should be avoided.
6. The academic integrity of nonpublic schools must be preserved.
7. While programs requiring day-by-day or week-by-week surveillance of nonpublic schools should be avoided, minimum public educational standards are reasonable.
8. Legislators must continue to wrestle with the paradox that aid for secular subjects must not be distinguished from aid for religious subjects; yet they must be constantly aware of the prohibition against the use of public funds for sectarian purposes.
9. Participation by nonpublic schools in a public aid program should be accompanied by signed compliance with Title VI of the 1964 Civil Rights Act, which outlaws discrimination on the basis of race, color, and national origin.



## CHAPTER V

### THE PUBLIC RESPONSE THROUGH LEGISLATIVE ACTION

SINCE THE PUBLIC INTEREST is deeply affected by the fate of nonpublic schools, it follows that the Government may not remain indifferent. The real question is whether the States, which have historically been held responsible for education under the Constitution, are equipped to meet the new challenge. Sufficient political, constitutional, and fiscal reasons exist to suggest that States alone are unprepared for this necessary task. In the following analysis attention will be given to specific legislative and administrative actions required for nonpublic school pupils in the public interest.

### A. Are Present Responses Adequate?

We have recorded the fact that State responses to the needs of nonpublic school youngsters depend on: (1) the percentage of nonpublic school enrollment; (2) the constitutional flexibilities or inflexibilities; (3) the wealth of the citizenry and their willingness to be taxed for social purposes; and (4) the backlog of unmet needs. Even where fresh plans have been launched to reflect a State's special circumstances, uncertainties persist. Some have been ruled unconstitutional; others are pending in court; several have been enacted into law but not implemented.

In its final report, the President's Commission on School Finance made full State funding of education a pivotal recommendation when it urged States to shift major financial responsibility from local communities to State governments. Federal incentive grants have been proposed as a means to stimulate development of comprehensive plans toward this objective. This advocacy of full State funding, projected almost totally in terms of public schools, raises a very seri-

ous question: Will nonpublic school pupils be placed in a seriously disadvantaged position?

In light of current constitutional and fiscal matters, it is the Panel's considered judgment that public interest requires *the Federal Government to take major initiatives toward a solution of the financial crisis in nonpublic education*. Staying well within the restrictions of the First and Fourteenth Amendments, the Federal Government can enact legislation for the general welfare by providing legal forms of aid to nonpublic school pupils and to their parents. Further, because it is in a position to see the full picture, the Federal Government can perceive interrelationships between all facets of schooling, including the special financial problem in the nonpublic sector. Seeing problems as they really are is the first step toward solution.

The Federal Government not only has the resources to take this step but already has a record of achievement in the Elementary and Secondary Education Act adopted in 1965. ESEA, as it is commonly called, heads the list of Federal programs which have benefited nonpublic school pupils to a significant degree. This law was developed from a valid presumption that inclusion of nonpublic school pupils is required both in the interest of equity and in the interest of securing the political support needed for enactment of Federal aid legislation for public schools. ESEA still stands as the Federal Government's first major legislative achievement which constitutionally and effectively benefits all children.

Appreciation of ESEA's solid accomplishment does not preclude new legislation adequate to cope with the present crisis. More is required than existing special child-benefit services under public school auspices. What is needed is a constitutional and efficacious plan which permits parents to exercise choice without forcing them to assume impossible or unreasonable financial burdens.

Research has revealed that outside help from churches, philanthropies, foundations, and individual donors is not keeping pace with nonpublic schools' escalating expenses; for the foreseeable future, therefore, most additional costs will be passed along to consumers. Many parents, already hard pressed by pleas for more donations to nonpublic schools (notably church-related ones), by higher tuition and fees, by rising taxes (property, income, sales, and other) for public education, feel the limit has been reached. Clearly, any exorbitant increase in tuition and fees leaves parents with little choice but to transfer their children to a public school. In that sense, financial difficulties may be said to be at the heart of the crisis. But in a real sense the burden varies according to spatial distribution. For the inner-city poor the weight is crushing; for middle Americans in the \$7,500-\$15,000 levels (and especially for those at the low end), the load is significant; for young suburbanites with new homes, new

mortgages, and possibly new value orientations, the encumbrance is more marginal. There are nonpublic schools in the central city which go unused by many who want and need them, but cannot afford them; there are nonpublic schools in metropolitan regions which are under utilized because parents are unsure of their ability to meet expected tuition increases or uncertain of the school's ability to survive financially; there are, relatively speaking, negligible numbers of nonpublic schools in new suburbs because private construction has come to a virtual halt.

Because parents within various socioeconomic groups experience different handicaps in exercising their right of educational choice, public policy is challenged to provide relief from excessive burdens in different ways. Furthermore, simply trying to envision how these needs will be satisfied during the critical five-year span ahead suggests that the Federal Government will become more deeply involved in long-range educational programs.

## **B. Major Recommendations**

The Panel, therefore, proposes four major recommendations:

1. *Federal assistance to the urban poor through: (a) supplemental income allowances for nonpublic school tuitions for welfare recipients and the working poor; (b) experiments with vouchers; (c) full enforcement of ESEA provisions entitling nonpublic school pupils to certain benefits; and (d) an urban assistance program for public and nonpublic schools.*
2. *Federal income tax credits for part of nonpublic school tuition.*
3. *Federal construction loan program analogous to the F.H.A. instrumentality for home buyers.*
4. *Tuition reimbursements to insure equity for nonpublic school children in anticipated long-range programs of Federal aid to education.*

Each of these recommendations calls for detailed analysis.

### **1. Federal assistance to the urban poor**

It is grossly misleading to presume that the inner-city poor are a nondescript mass of culturally, socially, intellectually, and economically disadvantaged people. These people are individuals, each with talents and aptitudes, hopes and dreams, determinations and drives to make life worthwhile despite job discrimination and other prejudices.

Studies on urban education offer incontrovertible evidence that thousands of children in the heart of large cities are locked into a cycle of unending deprivation which starts with substandard hous-

ing, insufficient diets, and inadequate schools. Retarded in basic skills by the end of the third grade, unable to undertake creative work in intermediate grades, and frustrated by their growing inability in the upper grades, thousands start high school with a self-fulfilling prophecy that they will be on the drop-out list at age sixteen—idle, unwanted, and unemployable.

Better schools alone will not solve inner-city problems; nor will huge sums of additional money break the awful cycle of poverty. Nevertheless, a comprehensive Federal urban assistance program can be used to restructure urban education so it will meet more effectively the needs of the urban poor. Frustration has been generated by the needless complexity and seeming aimlessness of a multiplicity of well-intentioned but poorly designed Federal programs.

The urgency of Federal assistance to the poor in urban public schools is evident, but equally in need are these same children in nonpublic schools. These pupils, too, need experienced and devoted teachers as well as a curriculum designed for inner-city conditions, psychological testing and remedial services, a full range of audio-visual equipment and supplies, health and nutritional programs, counseling for their parents, safe and clean school buildings, and a rich extracurricular program. Many are not receiving all these special services because their schools are generally on an austerity budget, with some on the verge of closing this June.

Inner-city church-related schools face difficult financial problems because: (a) their revenues are derived from low-income clientele; (b) parishes, the chief contributors to the schools, now in the changing neighborhoods count few adherents; (c) the increasing membership in Spanish-speaking parishes are usually very poor; (d) present school buildings are old and expensive to maintain; and (e) instructional costs have increased because more lay teachers are required.

These schools manage to survive because their teachers usually live where they teach and practice what they preach; having voluntarily accepted poverty as a way of life, they are natural neighbors to the poor and create a climate of trust. They deeply feel that their pupils deserve a full program, with all the advantages afforded children who live outside the poverty belt. More help to these children is an imperative.

To achieve this objective the Panel recommends a four-point Federal program which includes: (a) supplemental income allowances for nonpublic school tuition to public welfare recipients and to the working poor; (b) voucher plan experiments; (c) full enforcement of the Elementary and Secondary Education Act entitling nonpublic school pupils to benefits; and (d) an urban education assistance



program for both public and nonpublic schools. A brief analysis of each point will elucidate this recommendation:

**a. The Panel recommends that welfare reform legislation should include provisions for a supplemental budget allowance for reimbursement of nonpublic school tuition to (1) parents of a child eligible for aid to dependent children, and (2) to parents in the category of the "working poor."**

This recommendation is consistent with the objectives of welfare reform, is moderately expensive, and is a practical way to allow the poor to exercise real choice of schools. Indeed, welfare reform rests on the premise that in an affluent nation, citizens should be able to support themselves without relying on monetary aid from the Government. This is why most welfare reform plans include a provision for incentive allowances to welfare recipients pursuing an education, training, or rehabilitation to render themselves economically self-sufficient.

The Panel is convinced that many welfare parents want self-dependence for themselves and for their children; they see in the nonpublic schools a high quality, firmly disciplined, and richly productive education. Welfare mothers have been known to cut back on their food to pay nonpublic school tuition. These parents say to their children that although they depend upon public welfare for food, on public housing for home, on public clinics for health care, their chosen nonpublic school is their oasis in the midst of impersonalism. Indeed, welfare allowances as reimbursement for nonpublic school tuition would also be an incentive to other welfare recipients to sacrifice for nonpublic school expenses beyond tuition.

The proposal's cost is modest. An unpublished staff study of the Joint Committee on Internal Revenue Taxation (February 10, 1972) is the basis for the Panel's estimate that supplementary payments toward tuition costs for welfare recipients and for the working poor would not exceed a total maximum of \$30 million a year. This total presumes that about 370,000 children from approximately 175,000 families with annual adjusted gross incomes less than \$5,000 would be eligible and that the average tuition allowance would be somewhat less than \$100 per child. This means that extra funds would have to be raised from church donations and other sources.

**b. The Panel recommends experimentation with the voucher plans which afford parents of inner-city children genuinely free choice between public and nonpublic schools.**

There is a pressing need to determine whether inner-city parents with vouchers in hand could bring about improvements in both public and non-public schools. In a laudable effort to help the poor, reforms are often conceived by public officials and implemented by pub-

lic officials as they perceive the needs of the poor, not a few of whom, however, would like less service and more freedom. The voucher plan is a step in that direction.

**c. The Panel recommends full enforcement of the Elementary and Secondary Education Act which entitles nonpublic school pupils to certain benefits.**

At present, Title I of ESEA is the Federal Government's largest assistance program for urban poor school children. It requires State and local public school authorities to arrange for nonpublic school pupils to receive a wide variety of auxiliary school services under public school control. While fairly effective, these arrangements have been so involved in some places that for all practical purposes nonpublic school pupils have been denied their rightful benefits. The Federal Government should therefore insure full compliance.

**d. The Panel endorses the recommendation of the Commission on School Finance for the "initiation by the Federal Government of an Urban Education Assistance Program to provide emergency Federal aid on a matching basis, over a period of at least five years, to help large central city public and nonpublic schools finance such programs as (1) development of experimental and demonstration projects on urban educational problems; (2) replacement or renovation of unsafe, unsanitary, or antiquated school buildings and equipment; (3) addition of remedial, bilingual, and special teachers and professional personnel; (4) addition of teacher aides and other supporting personnel, and provision of instructional materials and services."**

This proposal recognizes the urgency of the inner-city problem and the necessity to maintain an effective partnership between public and nonpublic schools. Some formidable obstacles exist, however, for the nonpublic schools. For one thing big-city public-school officials do not favor funding nonpublic schools. According to one Commission-sponsored study, "these administrators do not accept the argument that the taxpayers would get a better break by supporting the nonpublic schools *before* they close rather than paying for the absorption of these students into the public schools if or when they close."<sup>1</sup> A like reaction to this problem is seen among State legislators. In another Commission report, "a majority (58%) disagreed that a school-aged child is entitled to State support of his education regardless of the school attended."<sup>2</sup> The Commission itself obviously viewed the situation differently, as does the Panel, which recognizes the subtle difference between the public and the vested interest.

<sup>1</sup> *What State Legislators Think About School Finance*, p. 25.

<sup>2</sup> *Big City Schools in America*, Ch. VII, p. 27.

In addition to the political and psychological obstacles there is another rooted in constitutional complications. Due note has been taken of court interpretations which bar direct aid to church-related schools, but the Court must now be asked to face the real-world situation where nonpublic schools provide sound education, generally across sectarian lines, in areas where public schools are often overcrowded and understaffed. Presently the poor have little or no choice, and this poverty factor could make a difference in judicial reasoning regarding aid to a church-related school. In the Panel's judgment it should make a difference.

Constitutional considerations may ultimately require inner-city, church-related schools to alter their corporate structure in order to receive government funds essential to their survival. For example, they may have to be legally separated from the parish; while such a requirement could be regarded as an intolerable form of governmental intrusion, virtually any adjustment to legal conditions is preferable to closing any inner-city church-related schools. In short, the Panel beseeches the Federal Government and the churches to spare no effort to preserve these schools, schools which the poor support out of their meager resources.

To the poor, this Nation should declare: *No more closings of inner-city nonpublic schools!*

## 2. Tax Credits

**The Panel recommends prompt enactment by Congress of legislation to authorize Federal income tax credit to parents for part of tuition payments to nonpublic elementary and secondary schools.**

Colloquies with leaders representing a broad spectrum of nonpublic education and dialogues with distinguished experts on constitutional law have encouraged the Panel to make tax credits another specific and urgent recommendation. Under a Federal income tax credit plan, parents of a non-public school child could deduct from their final tax liability (not from their gross income) an amount equal to part of their tuition to a nonpublic school.

The Panel is confident that tax credit legislation will: (a) meet constitutional criteria, (b) promote the public good by sustaining the current private investment in nonpublic education, (c) elicit public support, and (d) bolster the morale of parents of nonpublic school children. A comment on each is in order.

### (a) Constitutional criteria and tax credits

Federal income tax credits have a strong probability of meeting constitutional criteria. Because the Supreme Court has only recently ruled that legislation "excessively entangling" church and State is unconstitutional, tax credits avoid forbidden entanglement because

under the plan: (1) the taxpayer, not the school, is subject to audit, and (2) the prime beneficiary is the parent who exercises a constitutionally guaranteed option of enrolling his children in a nonpublic school. Also, the charge that tax credits are of indirect aid to a nonpublic school can be countered with the argument that they parallel the kind of indirect assistance which comes from any form of tax exemption—a tax provision held constitutional in the *Waltz* decision.

Equally relevant are these facts. Tax credit legislation imposes no administrative burden on public school agencies, requires no public school system to share its resources with nonpublic schools, and engenders no competition between public and nonpublic interests for funds appropriated for the benefit of all school children. The public schools would continue to receive their subsidies and run their programs as they see fit.

Two important issues remain: whether constitutional criteria require tax credits to apply (1) to school expenses other than tuition, such as fees or textbooks, and (2) to both public and nonpublic school expenditures. The first issue presents little difficulty. No constitutional reason obliges Congress to authorize tax credits for school expenses other than tuition. The second provokes divergent opinion among experts. The Panel perceives nothing inherently unconstitutional in a tax credit plan covering only nonpublic school tuition payments; at the same time, it acknowledges the advantages of integrating tax credit legislation with other laws for the general welfare of American education. Actually, this integration may present no great problem because it now appears that the Federal Government may move in the direction of a general aid formula which allocates funds to the States on the basis of their total school-age population.

Recognizing that legislation should be governed by principles of simplicity, clarity, and enforceability, and should leave no loopholes for abuses, the Panel sees merit in limiting the tax credits to tuition only—an expense which is readily verifiable for auditing purposes and therefore meets the requirements for good law.

### (b) Tax credits serve the public good by promoting justice and by encouraging private investment in nonpublic education.

Under the Internal Revenue Code, deductions and credits are intended to establish greater horizontal equity by affording allowances for special burdens and to encourage private investment in activities which serve the public good.<sup>3</sup>

Examples of allowable deductions for special burdens are medical expenses, casualty losses, State and local taxes, and interest payments. Examples of tax incentives are deductions for donations to religious, charitable, and educational institutions, as well as investment and

<sup>3</sup> The Panel's study is drawn from Roger Freeman, *Income Tax Credits for Tuitions and Gifts in Nonpublic Education*, which was prepared for the Commission.



retirement credit respectively. These adjustments are allowed for any number of voluntary decisions. The State and local taxes a person pays depends, in part, on a personal decision regarding his place of residence, standard of living, investments, choice between taxable and nontaxable securities, and the like. If a justifiable reason exists for a taxpayer to assume a particular obligation, such as the adoption of a child, he is entitled to a tax adjustment. The same holds true for a voluntary donation to a college, a hospital, or a church.

It is logical to conclude that tax credits for nonpublic school tuition will, as have comparable adjustments, (1) sustain private investment, (2) relieve the burden of millions of Americans who exercise choice in the education of their offspring, and (3) lessen the likelihood of further burdening the taxpayers if nonpublic schools close.

Private investment in nonpublic schools can only be approximated. One U.S. Office of Education study estimated the nonpublic schools' total annual operating costs at \$4.7 billion,<sup>4</sup> while a conservative staff figure was less than half that amount. What makes precise recording difficult is that many nonpublic schools, particularly those whose expenses are included in a general church budget, have not kept strict accounting records which isolate school expenses. The actual replacement value or market value of nonpublic school buildings is also difficult to appraise because there is no wide demand for school property.

It is logical, however, to conclude that if taxpayers could be assured that part of their tuition payments could be used as offset to their Federal income tax, they would be willing to maintain and eventually increase their investment in quality nonpublic education. Every dollar of tax credit allowed for nonpublic school tuition will be matched by a dollar or more of private money invested in American education. The alternative to no credit could be a diminution of private investment to the point where virtually all American education would have to be publicly financed.

#### **(c) Tax credits will elicit public support**

Tax credit legislation need not arouse the highly emotional disputes which have beleaguered various proposals for direct Federal aid to nonpublic schools, notably to church-related schools. Testimony from many sectors encourages the Panel to believe that enlightened public discussion of tax credits will lead to these conclusions: (1) they can relieve the complex financial crisis in nonpublic education; (2) they will cause no difficulty for public education; and (3) they will maintain a healthy pluralism. Major opposition will come from those anxious to see nonpublic schools disappear altogether or so reduced in numbers that they count for nothing in American education.

<sup>4</sup> Projections of Educational Statistics to 1979-1980, USOE, 1971.

#### **(d) Tax credits will have a healthy psychological effect on nonpublic school patrons.**

Many parents, depressed about the future of nonpublic education, are understandably fearful that financial difficulties may tempt school authorities to cut corners in the academic programs, with resultant harm to their children's scholastic progress. Toleration of mediocrity has sharp limits among those able to make a choice. Now is the time for government responses which can have multiple psychological effects in restoring parents' confidence in the viability of nonpublic schools. Suggestion of such governmental action provokes consideration of the nature of the required legislation and the cost of its implementation.

While the Panel has not endorsed a particular bill, it concludes that a satisfactory statute should include these salient features:

1. Restriction of tax credit to tuition paid to nonprofit nonpublic schools which are in full compliance with Federal civil rights requirements;
2. Limitation of tax credits to a fixed percentage of the tuition paid for nonpublic elementary and secondary school education (some pending bills set the percentage at fifty percent);
3. A maximum tax credit per child, set at a figure which provides substantial aid for parents without subjecting the Federal Government to an excessive loss of tax revenue (some pending bills have set the maximum at \$400 per child);
4. A reduction in credit for high-income families.

#### **The Cost**

Estimating the costs for the total amount of tax credit which parents of nonpublic school pupils could claim under proposed legislation is difficult. An unpublished staff study of the Joint Committee on Internal Revenue Taxation, dated February 10, 1972, has the latest and probably the most reliable estimate. By considering both low-income families whose tuition payments exceed their tax liability and high-income families whose credit would be reduced under the proposed legislation, this study estimates the cost to the Federal Government at approximately \$500 million.

Clearly, if tuitions rise and enrollments remain constant, the cost would increase, but relatively few schools levy tuitions at the \$800 level which would be required to reach the suggested \$400 maximum credit. Further, parents would still be required to pay at least half the tuition so that demand will afford some restraints on pricing in the educational market; finally, even with increases, the tax money denied the Treasury would be substantially less than the total amount of tax funds required to accommodate nonpublic school pupils in public school.

### 3. Federal construction loan program

**The Panel recommends legislation leading to the establishment of a Federal construction loan program analogous to the F.H.A. instrumentality for home-buyers.**

The Federal Government has a successful history of substantial loans for construction of educational facilities and further precedents in the National Defense Education Act, where NDEA loan programs have helped millions of American students. Certain nonpublic school enrollment losses have been attributed to a combination of mobility and resulting opportunity loss; when families with children enrolled in nonpublic schools move from one place (usually urban) to another (usually suburban), they find nonpublic education is not available. In the new area the first hurdle to alternative education is the construction cost, which, incidentally, tends to run higher in the very areas where many church-related schools have placed greatest emphasis.

Completely modern and permanent new plants can be prohibitively expensive to sponsors. In a following chapter the Panel recommends experiments with mobile, low-cost units.<sup>5</sup> Initial programs, supported through joint ventures with the U.S. Office of Education and the Department of Housing and Urban Development, may have great utility for school construction in new towns (a growing phenomenon) and for replacement of obsolete inner-city buildings.

Predictions for any widespread use of such loans cannot be made, but here again innovative government penetrations can test the market, analyze the results, and make proper assessments of such a program's long-range practicality. This recommendation is consistent with the Panel's philosophy to encourage private investment efforts and to build on successful government precedents.

### 4. Tuition reimbursements

**Convinced that the Federal Government will be more deeply involved with long-range programs of Federal aid to education, the Panel recommends a tuition reimbursement process for nonpublic school children to assure full equity in all such undertakings.**

While the Commission on School Finance expressed the view that the Federal Government should only play a role supplementary to the States in financing school costs, it also recommended Federal incentive grants to reimburse States for part of their costs of raising the State's share of total State and local educational outlays

<sup>5</sup> Chapter VI, A, 7.

above the previous year's percentage. Between \$4 and \$5 billion would be required over a five-year period to provide incentives for full State funding.

In an understandable desire to avoid needless control over the States, the Federal Government may simply allocate Federal funds on the basis of a State's total school population. This question then arises: will nonpublic school pupils who are counted in by the Federal Government for the purpose of allocating funds to the States be counted out by States when actual benefits are distributed? If this should occur, nonpublic school children would be victims of an intolerable injustice. Yet such a possibility exists because of State constitutional restrictions or because of indifference in State capitals to nonpublic school pupils' needs. *The Panel therefore recommends that every plan for general Federal aid to the States include a provision which guarantees nonpublic school pupils' equal participation. This guarantee can readily be accomplished by a tuition reimbursement process or a withholding provision.*

Under a tuition reimbursement process, every State receiving Federal funds allocated for all school children in that State would be required to establish a special account which, under State control, would be so administered that parents could claim reimbursement for nonpublic school tuition up to the full cost of tuition or the full Federal per capita allotment—whichever is lower. Pennsylvania and Ohio have already embarked on the reimbursement route, and therefore on-going programs exist to provide guidance for the Federal effort.

The Panel, aware of possible constitutional difficulties with the tuition reimbursement process, nevertheless recommends its inclusion in Federal legislation so that eventually it can be tested in the courts. The alternative is to exclude nonpublic school pupils from the Federal program. Such exclusion the Panel firmly rejects.

The withholding provision could be employed when a State is forbidden by its own constitution to administer Federal funds in aid of nonpublic school pupils. The Federal Government would then withhold a pro rata share of the State's allocation and administer such funds through the process of tuition reimbursement for the parents of nonpublic school pupils in that State. The withholding provision is a process which has guaranteed nonpublic school pupils' participation in the national school lunch program and in several ESEA programs.

## C. Funding New Programs

Newspaper accounts have reported that a Federal value-added tax might replace the local property tax. Since there are 17,000 school districts which levy property taxes for their schools, it is clear that considerable time will be required to allow substantial adjustments.

The value-added tax is presently employed in most of the Common Market countries of Europe and can generate, according to published estimates, amounts in the neighborhood of \$15 to \$20 billion annually. It is a form of national sales tax imposed on manufacturing and distribution. Cost of the tax to the manufacturers is passed on to the ultimate consumer in the form of a price increase. Various reports indicate that government officials feel that a value-added tax would encourage American exports to Europe. The Advisory Commission on Intergovernmental Relations has been asked by the President to study the value-added tax proposal in detail, and the Panel feels it inappropriate to duplicate efforts.

It only notes that the proposed value-added tax embodies an element of regressivity. No tax should be imposed which places a disproportionate burden on the poor or low middle class. It may be possible, however, to provide for certain exemptions (food and medicine) and to incorporate certain devices (negative credits for those who pay no taxes or are in low-tax categories) to mitigate the more obvious disadvantages of the value-added tax.

The Brookings Institution (through the studies of Joseph Pechman and Benjamin Okner) has presented evidence to two Congressional Committees which rejects the value-added tax in favor of comprehensive income tax reform. The Brookings' proposals would reduce the average tax payments for families with incomes below \$25,000 and would sharply increase taxes for the higher-income families. All options will be explored, and the Panel welcomes these undertakings.

## D. Conclusion

The Panel believes that contemporary America—with its high mobility, its State and regional economic interdependencies and disparities, its need for trained manpower, enlightened citizenry, and

cultivated human beings—requires greater Federal concern for education. We believe the Federal Government has the resources to work with the States in providing equitably for *every* child's educational need, has the capacity to create mechanisms to stimulate both private and public efforts to offer quality schooling, and has the ability to engineer techniques for disbursements that insure efficiency, accountability, equity, and non-entanglement.



## CHAPTER VI

### THE PRIVATE CAPABILITY

THROUGHOUT THIS REPORT have run reinforcing themes. If the poor are to get educational choices and if the middle class are not to lose theirs, the Federal Government must help. At no time, however, was entertained the notion that the nonpublic school community would be, or should be, rescued totally by a public effort. The maxim that "God helps those who help themselves" has this secular variant: "When the going gets tough, the tough get going."

That times are tough is made clear in Commission-financed research on the economic and social dimensions of the nonpublic school crisis. These studies blend quantitative data, facts, digests of secondary research, generalizations, projections, opinions, and suggestions, and could leave the impression that nonpublic schools are so hopelessly situated an immediate call to abandon ship is the only sensible course. Produced by competent scholars under contract with the Commission, these findings must be critiqued by other experts before being accepted as the only policy-relevant body of information. No matter how the research is analyzed, it is clear that herculean measures and heroic self-sacrifice are called for.

This message, addressed to the nonpublic school community, is premised on both a fact and a value judgment. The stark fact is this: given the enormous demands on the public purse, no government instrumentality is able to provide full funding for private educational ventures over the next critical five-year period. The value judgment holds that a substantive voluntary commitment of both financial and human resources is essential to the vitality and quality of the nonpublic school enterprise.

Before delineating specific recommendations, however, the Panel wishes to reemphasize some very positive developments:

- Significant self-assessments leading to corrective action are taking place in many systems. Highly competent groups of externs have just completed two exhaustive studies for parochial schools in Washington and Philadelphia.
- A growing conviction exists that what was done fairly well by poor immigrant groups can be better done by today's affluent society.

- Because traditional values and conventional wisdom are under assault, more urgently needed than ever are schools which teach certain objective, moral and spiritual standards. As bioengineers learn more about human conception and human growth, the greater will be the pressures for social decisions relating to the individual's right to life, his relation to death, his sexual rights and duties, and the like. Today's debate on public attitudes toward abortion is simply a prelude to the whole issue of social control over individual life. Other questions impinge on the morality of war as an instrument of national policy, the priority of conscription, the traditional work ethic, the dimension of international justice, and the very concept of an all-sovereign Nation-State. Church-related schools also wrestle with situationist ethics, the nature of a faith commitment, the God-man relationships, authority, and the like. If the old challenge to sponsors of church-related schools was the preservation of the faith, the new challenge embraces the whole panorama of basic tenets on which a free society rests.

### A. Recommendations

If the need for nonpublic schools is apparent and if combined public and private resources can be accumulated, the remaining ingredient is the will to put the nonpublic house in order. As a step in this direction, the Panel recommends that each nonpublic school undertake the following:

1. *Clarify its unique identity as a voluntary enterprise by setting forth its particular goals and objectives within the context of its resources and commitments.*
2. *Increase its association with all private and public schools in the locality.*
3. *Practice a policy of broad-based accountability—fiscal, professional, academic, and civic.* Nonpublic schools should lean over backwards to let the world know what they are doing.
4. *Accept a component of greater risk.* The risk will vary from school to school. One may face bankruptcy as an alternative to closing because of immediate financial pressure; another may endure public misunderstandings of its highly innovative academic programs; another may alienate clientele or financial backers because of a commitment to racial integration; and still another may opt to stay in a troubled neighborhood when opportunities beckon elsewhere. The future belongs to these nonpublic schools which dare to be exceptionally right.
5. *Break the problem-psychosis web which has created an unfortunate image of the Nation's nonpublic schools.* That nonpublic schools face a crisis is obvious, but a world of difference exists in perceiving the crisis as a challenge to do better or as a prelude to inescapable disaster.
6. *Embark on vigorous recruiting programs.* The seller's market has ended. Parents who, a few years ago, were willing

to pay a premium to enroll their children in a nonpublic school are "shopping" for the best school. It now is a buyer's market where children will be in short supply to a degree contradicting predictions made only three or four years ago. Most institutions will have to move competitively to maintain their membership.

If nonpublic schools are to operate at the full capacity necessary for financial health, their staffs, alumni, and sponsors must undertake aggressive recruitment effort. Certain prestigious academies and private universities with their systematic searches for qualified applicants have for years shown the way. In these efforts, it is common practice to involve not only professional recruiters, but alumni and faculty as well. If alumni and teachers stand by while enrollment drops, then who but themselves must carry a major burden for their institutions' crisis?

7. *Experiment with mobile units to minimize construction costs—especially in growing suburbs where needs for new public services are acute and public financial resources stretched.* Nonpublic school construction, a booming industry during the late fifties and early sixties, has come to a virtual halt, with the result that students who have moved from city to suburban neighborhoods are without choice. High construction costs deter churches and other traditional sponsors from going deeper into debt for new suburban schools. What occurs in the school is more important than what is put on the school. Mobile units can be easily dismantled when other facilities are required, when elements in the new community have resources for more permanent facilities, or, finally, when the same units are more needed to meet other changing mobility patterns.
8. *Pool resources with other nonpublic schools in a unified public relations project.* The advantages of such a joint enterprise are many. No public-relations program can be successful without the institution defining its image, and no package can be long sold unless realities match the claims. Schools must measure up to their stated ideals. Another by-product will be greater exchanges of information on curricula, teacher recruitment, staff salaries, budgetary operations, and the like. A knowledge of common problems may induce common solutions. And, of course, the ultimate goal of a more enlightened citizenry will be more fully realized.
9. *Exercise firm control over operating costs.* In this regard the Panel urges consideration of the following specific possibilities:
  - a. **Operate at full capacity.** Each school should determine the number of pupils it can recruit and service within the limits of its physical, financial, and personnel resources.
  - b. **Achieve payroll savings** which result from differential staffing, including employment of part-time teachers in special fields and paraprofessionals.
  - c. **Purchase equipment and supplies through cooperative agencies** which give the advantages of wholesale prices.

- d. **Take steps to give full-time employment** by means of the year-round school, and/or assignment to summer school. Supplemental employment may be one way to guarantee teachers an annual wage commensurate with their professional status and performance.
- e. **Use the services of non-salaried volunteers whenever possible.** A voluntary enterprise should welcome volunteered assistance.

10. *Intensify efforts to expand and improve all private income sources.* Potential for increased revenue from higher tuition and fees and from larger contributions is unclear. While there is evidence that raised tuitions cause no mass exodus, one study showed that objection to higher rates was the alleged reason for about twenty percent of the transfers from nonpublic schools.

A hard question for financially harassed nonpublic school administrators is whether the support level can be raised. When economists were asked how much more supporters of nonpublic schools can pay, they answered that the gross amount of money in the hands of the nonpublic school people is more than sufficient; but the real potential is inseparably linked with judgments on the worth of nonpublic education. Federal tax arrangements encourage voluntary support, and full use of such incentives should be made.

An average annual tuition of only seventy dollars for Roman Catholic elementary schools is so remarkably low that it can probably be raised without undue hardship. The figure, however, is misleading because the average includes a large number which for years have never charged tuition; consequently, the median figure for schools charging tuition is higher. Whether a school derives its chief support from tuition or from church contributions is immaterial in terms of the total need, but the pattern of finance does, of course, have implications for government programs described elsewhere in this report.

Without prejudice to its firm recommendations for government aid programs, the Panel proposes these avenues to increase private investment:

- a. For the support of church-related schools, encourage increased donations to the church, at least in proportion to inflationary trends. The income tax advantages should be made clear to all prospective contributors.
- b. Regular raises are recommended so that tuition income will not lag behind the higher prices being charged for the school's normal purchase of goods and services.
- c. To avoid "hand-to-mouth" financing and an atmosphere of constant crisis, nonpublic schools should have professionally prepared budgets developed after the widest possible consultation with the schools' patrons and benefactors. A major factor in the budget should be a long-term commitment to steady support.
- d. Full public accounting should be made of the revenues and expenses, with a view to publicizing both the gen-

erosity and the needs of those supporting and operating nonpublic schools.

- e. Within its own tradition, each school should take full advantage of all government benefits.
11. *Form partnerships wherever possible with institutions of higher learning and especially with those having the same sponsors.* Qualified interns and apprentices should be hired, and public regulations restricting their employment should be modified. Innovative arrangements with college and university faculty should be undertaken to the end that new and exciting teaching materials may be provided at low cost, consultant services offered on a sustaining basis, and other special skills acquired.
12. *Intensify the personal relationships between teacher and pupil.* One consistent result of attitudinal surveys offers evidence to show that supporters of nonpublic schools believe such institutions give more individual attention, maintain better discipline, and encourage an atmosphere of serious study. If this personal dimension is as crucial as research indicates, then the nonpublic schools must extend and reinforce that quality. Experiments which involve parents in the child's learning experiences could prove enormously advantageous.
13. *Embrace a full share of the moral and legal responsibility for integrated education.* Mere compliance with the minimum requirements of civil rights laws is not enough. The Nation expects its nonpublic schools to lead in discovering reasonable ways to advance the cause of racial integration. They should set a good example. Under no circumstances should a nonpublic school allow itself to become a haven for pupils in flight from public schools undergoing racial integration. It is useful to recall President John F. Kennedy's words at the time of the Birmingham crisis:

Laws alone cannot make men right—we Americans are confronted primarily with a moral issue. It is as old as the Scriptures and is as clear as the American Constitution. The heart of the question is whether all Americans are to be afforded equal rights and opportunities, whether we are going to treat our fellow Americans as we want to be treated. . . . It is not enough to pin the blame on others or to deplore the facts we face. It is time to act in our daily lives.

## B. Summary

The foregoing suggestions can only be made meaningful by the non-public school community itself. To that end the Panel urges CAPE to seek funding to support programs of self-help. The rescue operation must begin at home. The agenda for the rest of the decade is formidable. It is also exciting and attainable.

## CHAPTER VII

### TOWARD A MEANINGFUL PUBLIC DISCUSSION

FOUR YEARS FROM NOW, when the Nation celebrates its two-hundredth anniversary of independence, the fate of nonpublic schools, as they are known today, will have been largely determined. Wide discussion must precede public policy decisions regarding the future of pluralism in American education. The discussions will be lively and the conclusions fateful. The Panel suggests these key criteria for enlightened public debate:

#### A. The Criterion on Constitutionality

Even as schools struggle to further the ideal of a desegregated society, they concurrently face the task of reconciling religious freedom with the Non-Establishment Clause of the Constitution. New approaches should be undertaken in the light of recent decisions.

#### B. The Criterion of Opportunity

The basic premise for opportunity asserts that all children have a moral right to an education appropriate to their needs and potential. Obvious needs include education for competence in skills of reading, mathematics, and writing, and in such other civic-vocational skills that may constitute the individual child's specific interest. Beyond these informational areas are the *formational* needs, that is, grounding in moral and spiritual values, without which a free people cannot long exist.



### C. The Criterion of Choice

Primary responsibility for education rests with the parent, not with the State. The fundamental expression of such obligation is the capacity of parents to select the school which they deem best accords with their child's needs. Rejected is the notion that a State, because it depends on an enlightened citizenry for its survival, should insure it by legislation which eliminates the parental role. In exercising this right, quite obviously parents may not indulge in racial or other forms of social injustice.

### D. The Criterion of Quality

A school must be responsive to the varying needs of different children. While research on educational effectiveness is very extensive, the findings are neither consistent nor policy-relevant. This holds true whether the research deals with: (a) *input/output paradigms*, in which achievement is determined by the largess of resources offered the student; (b) the *process* approach, in which achievement is related to student/teacher interaction; or (c) the *organizational* approach, in which schools with multiple goals have their success measured by bureaucracy. The Panel feels that one truism underlies all others: competent men and women teaching what they enjoy, where they wish, to students seeking to learn have a positive quality denied to educational enterprises lacking these basic conditions.

### E. The Criterion of Equity

No plan for educational reform should be encouraged if the net result is to diminish or obstruct the goal of a free, responsible, and integrated society, to place the heaviest financial burden on those least able to sustain it, or to deny access to schools favored by parents for their children. Equity, therefore, embraces not simply economic standards but psychosocial and moral qualities. While equity defies precise quantification, it will yield to rough-hewn norms for justice.

### F. The Criterion of Incentive

This criterion refers to mechanisms which encourage Americans to invest in education, to take an active role in its development, and to give freely and voluntarily to its support. Willingness to shoulder a fair tax burden is essential, but if willingness stops at this point, the country not only loses voluntary contributions to, and voluntary investments in, the education of its children but also departs substantially from those laudable voluntaristic efforts noted by de Tocqueville in his classic study, *Democracy in America*. Everything should be done to maintain and increase the multi-billion dollar investment in nonpublic school students. This investment is meaningful to the vitality of an American society and to over five million students enrolled in the privately-supported sector.

Not unrelated to private investment is private giving. Anything which encourages a donative policy, with the concomitant note of sacrifice, should be encouraged. Personal sacrifice contributes toward cementing a free society. Something important has been learned from civil rights legislation in terms of what the Government can do to foster and sustain a free society, namely, that without good will and voluntarism the most noble legislation will prove inadequate.

### G. The Criterion of Diversity

Part of America's genius has been to welcome people of richly variegated origins. Too often the ideal has been breached under the misguided view that "one nation indivisible" meant one homogenized citizenry. In truth, the United States is really a Nation-State composed of many national and cultural groups, with private institutions the practical means to reflect this diversity. But private institutions are in grave jeopardy. As Alan Pifer stated in his 1970 report to the Carnegie Foundation:

Unless this decline (in private institutions) is arrested and reversed, we and our children after us, will almost certainly be living in a society where the idea of private initiative for the common good has become little but a quaint anachronism largely associated with the mores of an earlier age. Perhaps at that time there will be Americans who are reasonably satisfied with the kinds of lives offered them by a society which functions solely through public institutions. But there may well be others with a great yearning for more variety, more choice, more

animation, and more freedom in their lives than such a system would be likely to provide.

Not all Americans will accept these criteria, and many who do accept them will give different interpretations on what they really mean and how they can best be implemented. The important thing is to place the criteria under critical judgment and to trust democracy's ultimate logic.

## CHAPTER VIII

### SUMMARY

THE FINAL BALANCE SHEET must, of course, include major findings of fact and the implications of these findings for the public good. A brief restatement of both provides appropriate prelude to the Panel's summation of recommendations for both public and private action.

### A. Findings of Fact

These are the finding of fact:

- Wide diversity of types exists within the nonpublic school segment.
- Enrollments are declining. Roman Catholic elementary schools lost 20.7 percent of their registrants between 1963 and 1969; the Missouri Synod of Lutheran Schools has also dipped in enrollment. But researchers reported, "*It seems likely that the storm now buffeting Catholic schools will soon affect most other nonpublic schools in the United States.*"<sup>1</sup>
- Factors explaining declines are so mixed that it is unwise to rely on a single-cause approach in developing policy recommendations.
- Costs are rising. This is especially true of teachers' salaries, which constitute about seventy percent of operation costs. The growth of nonpublic school salaries can be expected to keep pace with that of the public sector.
- Constitutional criteria are still fluid, even though direct aid to church-related schools is impermissible.
- Nonschool influences on learning are so powerful that solutions directed only toward school problems will prove inadequate.
- Widespread ignorance of the nonpublic school enterprise exists.
- Acceptance of nonpublic schools as necessary and non-divisive components of American education is growing.

<sup>1</sup> Issues of Aid to Nonpublic Schools, I, Ch. VII:2.



## B. Implications

### 1. For the nonpublic community:

- The days of an assured student demand and automatic support have ended.
- Overemphasis on problems, to the neglect of problem-solving, has created a poor public image.
- Insularity has impeded comprehensive reform because problems of one school were not perceived as potential problems for all schools.
- The public school crisis itself is so severe that demands for total public funding are presently unrealistic; therefore public support plans will still require enormous self-help.

### 2. For the public:

- Some \$3 billion of added operating costs could annually fall on the already heavily burdened public sector if nonpublic schools collapse.
- The heaviest burden will fall on seven industrial States and on major urban centers which desperately need stabilizing support from every source.
- The sociocultural costs may prove more prohibitive than dollar costs, especially for racially changing neighborhoods.
- Effective choices for alternative education are declining.

## C. The Public Interest

There is no doubt that educational pluralism is a force for good in American life. This view is fully shared by the Commission on School Finance, which concluded that nonpublic schools serve the public interest because:<sup>2</sup>

- They provide diversity, choice, and healthy competition to traditional public education.
- (They provide) the means for substantial groups of Americans to express themselves socially, ethnically, culturally, and religiously through educational institutions.<sup>3</sup>
- Inner-city religious schools may preserve a degree of ethnic and racial separation, but, at the same time, they also preserve at least a semblance of racial balance in these old neighborhoods.
- Urban nonpublic schools often enroll a significant number of children who are not adherents to their faith. This would

<sup>2</sup> *Schools, People, and Money*, pp. 54-6.

<sup>3</sup> The Ohio State University Research Foundation Report to the Commission concluded that "the current forms of urban educational governance makes little allowance for diversity." *Problems of Financing Inner-City Schools*, p. 52.

indicate that their parents consider these schools preferable in quality to public education available to them.

These are surely elements of consequence to the public purpose.

## D. Recommendations

### For the nonpublic school community:

- Sharpen identity by defining specific goals and objectives for each school.
- Associate with public and other nonpublic educational agencies.
- Practice broad-based accountability.
- Break the problem-psychosis syndrome.
- Recruit vigorously.
- Experiment with economical mobile school construction.
- Mount joint public relations projects.
- Keep tight rein on operating costs.
- Strive to reach all private income sources—tuitions, gifts, contributed services.
- Build partnerships with colleges and universities, especially with those maintained by the same sponsors.
- Intensify the personal dimension in teacher/pupil relationships.
- Involve parents.
- Be a dedicated partner in integrated education.

### For the public:

- Support Federal assistance programs for the urban poor.
- Grant Federal tax credits for nonpublic tuition costs.
- Extend Federal construction loan programs to nonpublic school sponsors.
- Provide participation to nonpublic school pupils on the same basis as for public school students in all future federal aid programs.

## E. Valedictory

The time has come for a bold new look at education. To look boldly requires avoidance of two evils: (1) of ignoring the past and inviting previous errors, or (2) of worshipping the past and clinging to molds now obsolete.

For future education, the greater threat comes from the second course. All too vivid are the successes rather than the shortcomings of the melting-pot theory; all too ingrained is the memory of early religious divisiveness rather than religion's unifying contribution; all

too stressed is the threat of the nonpublic schools to the establishment, and forgotten are the attacks on religious and ethnic schools, especially violent after World War I. Problems which divide us today are no longer rooted in religious prejudice. Race and ethnic identity, poverty and crime, drugs and pollution are now the Nation's domestic concern.

The country's needs have changed. The churches' needs have changed. The schools' needs have changed. And new needs raise new questions. Can evidence support the myth that a seventeen-year-old high school senior is being indoctrinated in a church-related school, but a seventeen-year-old freshman is being educated in a church-related college? Is a publicly funded church-related school which fulfills all State requirements an intrinsic danger to the separation of church and State? What religious sect espouses an established State church? This world of fantasy must end sometime.

When it does, genuine freedom of choice in education will be the possession of all Americans. A Bill of Educational Rights can make this Nation's 1976 anniversary truly meaningful. In a word, the challenge to the American conscience is simply how best to deal with consequences flowing from the moment—

**A CHILD IS BORN!**

NEWS RELEASE

*School Aid*

For Immediate Release

FROM: Rep. John W. Byrnes (R., Wis.)  
2206 Rayburn House Office Bldg.  
Washington, D. C. 20515

February 8, 1972

Congressman John W. Byrnes (R., Wis.) today introduced legislation providing a Federal tax credit to individuals for tuition paid for dependents to attend a private nonprofit elementary or secondary school. The Minority Leader, Congressman Gerald R. Ford (R., Mich.) joined Mr. Byrnes in introducing the bill. Congressman Byrnes released the following statement in connection with his introduction of the bill:

"Parents of private and parochial school children pay the cost of the public schools as taxpayers, while educating their children at their own expense outside the public school system. This dual burden is creating a crisis in private and parochial education clearly reflected in declining enrollments at the same time public school enrollments have been increasing.

In 1970, there were 1.4 million fewer students in parochial and private elementary and secondary schools than in 1963. During the same period, public school enrollment increased by nearly six million students. Our financially overburdened public schools would have spent approximately \$1.2 billion less in fiscal 1971 if private and parochial school enrollments had simply remained constant at their 1963 level instead of declining. The savings in public school expenditures would have been substantially greater if private and parochial schools absorbed a proportionate share of the growth during this period.

Corrective action is demanded. While the public schools provide the backbone of our educational system, private and parochial schools have traditionally played an important role consistent with the genius of American pluralism. The financial crisis private and parochial schools face threatens these values while imposing greater financial strains on the public schools and the general taxpayer.

My bill attacks this problem through a simple tax credit for tuition paid to a private nonprofit elementary or secondary school. Books, fees, supplies and similar items are excluded. The credit would be equal to one-half of the tuition paid up to an overall limit of \$400 per dependent. Additionally, the credit would be phased out gradually for taxpayers with incomes above specified levels.

This straightforward approach improves equity and provides needed financial relief within a framework of administrative simplicity. My bill will strengthen our entire system of elementary and secondary education in the United States, both public and private. It will provide direct and indirect tax relief to virtually all taxpayers."

92<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 13020

## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 1972

Mr. BYRNES of Wisconsin (for himself and Mr. GERALD R. FORD) introduced the following bill; which was referred to the Committee on Ways and Means

### A BILL

To amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That (a) subpart A of part IV of subchapter A of chapter 1  
4 of the Internal Revenue Code of 1954 (relating to credits  
5 allowable) is amended by redesignating section 42 as sec-  
6 tion 43, and by inserting after section 41 the following new  
7 section:

8 **“SEC. 42. TUITION PAID FOR ELEMENTARY OR SECOND-**  
9 **ARY EDUCATION.**

10 “(a) GENERAL RULE.—There shall be allowed to an  
11 individual, as a credit against the tax imposed by this

1 chapter for the taxable year, an amount determined under  
 2 subsection (b), for tuition paid by him to any private  
 3 nonprofit elementary or secondary school during the taxable  
 4 year for the elementary or secondary education of any de-  
 5 pendent with respect to whom the taxpayer is allowed an  
 6 exemption for the taxable year under section 151 (e).

7 “(b) Limitations.—

8 “(1) AMOUNT PER DEPENDENT.—The amount al-  
 9 lowable under subsection (a) for the taxable year with  
 10 respect to any dependent shall not exceed the lesser of—

11 “(A) 50 percent of the tuition paid by the tax-  
 12 payer during the taxable year for the elementary or  
 13 secondary education of such dependent, or

14 “(B) \$400.

15 “(2) REDUCTION OF CREDIT.—The aggregate  
 16 amount which would (but for this paragraph) be allow-  
 17 able under subsection (a) shall be reduced by an amount  
 18 equal to \$1 for each full \$20 contained in the amount by  
 19 which the adjusted gross income of the taxpayer (or, if  
 20 the taxpayer is married, the adjusted gross income of  
 21 the taxpayer and his spouse), for the taxable year ex-  
 22 ceeds \$25,000. For purposes of this paragraph, marital  
 23 status shall be determined under section 143.

24 “(c) DEFINITIONS AND SPECIAL RULES.—For pur-  
 25 poses of this section—

1 “(1) TUITION.—The term ‘tuition’ means any  
 2 amount required for the enrollment or attendance of a  
 3 student at a private nonprofit elementary or secondary  
 4 school. Such term does not include any amount paid di-  
 5 rectly or indirectly for meals, lodging, transportation,  
 6 extracurricular activities, supplies, equipment, clothing,  
 7 or personal or family expenses. If the amount paid for  
 8 tuition includes any amount (not separately stated) for  
 9 an item described in the preceding sentence, the portion  
 10 of the amount paid for tuition which is attributable to  
 11 such item shall be determined under regulations pre-  
 12 scribed by the Secretary or his delegate.

13 “(2) PRIVATE NONPROFIT ELEMENTARY OR SEC-  
 14 ONDARY SCHOOL.—The term ‘private nonprofit elemen-  
 15 tary or secondary school’ means an educational  
 16 institution—

17 “(A) which is described in sections 501 (c)  
 18 (3) and 503 (b) (2) and which is exempt from tax  
 19 under section 501 (a),

20 “(B) which regularly offers education at the  
 21 elementary or secondary level, and

22 “(C) attendance at which by students who  
 23 are subject to the compulsory education laws of  
 24 the State satisfies the requirements of such laws.



1 “(3) ELEMENTARY OR SECONDARY EDUCATION.—

2 The term “elementary or secondary education” does not  
3 include education at a level beyond the 12th grade.

4 “(d) APPLICATION WITH OTHER CREDITS.—The  
5 credit allowed by subsection (a) to the taxpayer shall not  
6 exceed the amount of tax imposed on the taxpayer for the  
7 taxable year by this chapter, reduced by the sum of credits  
8 allowable under this subchapter (other than under this  
9 section and sections 31 and 39).

10 “(e) REGULATIONS.—The Secretary or his delegate  
11 shall prescribe such regulations as may be necessary to carry  
12 out the provisions of this section.”

13 (b) The table of sections for such subpart A is amended  
14 by striking out the item relating to section 42 and insert-  
15 ing in lieu thereof the following:

“Sec. 42. Tuition paid for elementary or secondary educa-  
tion.

“Sec. 43. Overpayments of tax.”

17 SEC. 2. The amendments made by this Act shall apply  
18 to taxable years beginning after December 31, 1971.

92<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 13020

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## A BILL

To amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents.

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By Mr. BYRNES of Wisconsin and Mr. GERALD  
R. FORD

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FEBRUARY 8, 1972

Referred to the Committee on Ways and Means

92<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 16141

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IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 1972

Mr. CAREY of New York (for himself and Mr. MILLS of Arkansas) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To provide payments to States for public elementary and secondary education and to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Public and Private  
5 Education Assistance Act of 1972".

1 TITLE I—PAYMENTS TO STATES FOR PUBLIC  
2 ELEMENTARY AND SECONDARY EDUCATION

3 SEC. 101. PAYMENTS TO STATES.

4 Except as otherwise provided in this title, the Secretary  
5 (as defined in section 107 (a) ) shall, for each entitlement  
6 period (as defined in section 107 (b) ), pay out of the Public  
7 Education Trust Fund created by section 104 to each State  
8 for use by such State for public education equalization expend-  
9 itures (as defined in section 102), a total amount equal to  
10 the entitlement of such State for such period (determined  
11 under section 103). Such payments shall be made in in-  
12 stallments during any period but not less often than once  
13 each quarter. Such payments for any period may be initially  
14 made on the basis of estimates. Proper adjustment shall be  
15 made in the amount of any payment to a State, to the extent  
16 that the payments previously made to such State under this  
17 title were in excess of or less than the amounts required to  
18 be paid. A State may not treat funds it receives under this title  
19 as a contribution made from non-Federal funds for purposes  
20 of any formula provided by a law of the United States under  
21 which non-Federal funds must be made available in order  
22 to receive Federal funds.

23 SEC. 102. PUBLIC EDUCATION EQUALIZATION EXPENDI-  
24 TURES.

25 (a) IN GENERAL.—For purposes of this title, the term  
26 “public education equalization expenditures” means pay-

1 ments by a State under a program for the purpose equaliz-  
2 ing educational opportunities of public school students in  
3 the State.

4 (b) QUALIFIED PROGRAMS.—

5 (1) WHERE STATE SUPPLIES AT LEAST 90 PER-  
6 CENT OF COST OF PUBLIC EDUCATION.—If a State for  
7 any entitlement period supplies 90 percent or more of  
8 the non-Federal funding of public elementary and sec-  
9 ondary education, then its expenditures for such period  
10 will be considered to be public education equalization  
11 expenditures if the State funds are allocated among pub-  
12 lic elementary and secondary schools under—

13 (A) a program based on providing an equal  
14 amount of funds for the education of each public  
15 school student in the State, or

16 (B) a program based on providing deferential  
17 amounts of funds for public school students in the  
18 State if the Secretary determines that the program  
19 is designed to achieve the equalization of educa-  
20 tional opportunities of public school students within  
21 the State.

22 (2) WHERE STATE SUPPLIES LESS THAN 90 PER-  
23 CENT OF COST OF PUBLIC EDUCATION.—If a State for  
24 any entitlement period supplies less than 90 percent  
25 of the non-Federal funding of public elementary and

1 secondary education, then its expenditures for such  
 2 period will be considered to be public education  
 3 equalization expenditures if the State funds are dis-  
 4 tributed among school districts under a program which  
 5 will allocate State funds among school districts for an  
 6 entitlement period in proportion to the amount by which  
 7 each district's hypothetical educational expenditures ex-  
 8 ceeds the sum of its hypothetical property tax revenue  
 9 plus State allocations to the district for public education  
 10 other than allocations under a program providing public  
 11 education equalization expenditures.

12 (A) For purposes of this subsection, the term  
 13 "hypothetical educational expenditures" means for  
 14 any school district the product derived by multiply-  
 15 ing (i) the number of public school students within  
 16 the district times (ii) the total non-Federal expendi-  
 17 tures for public education within the State over the  
 18 total number of public school students within the  
 19 State.

20 (B) For purposes of this subsection, the term  
 21 "hypothetical property tax revenues" means for any  
 22 school district the product derived by multiplying  
 23 (i) the assessed value of all assessable real property  
 24 within the district times (ii) the total non-Federal  
 25 expenditures for public education within the State

1 over the total assessed value of all assessable real  
 2 property within the State.

3 (c) REGULATIONS.—The Secretary may prescribe regu-  
 4 lations describing other programs for equalizing educational  
 5 opportunities of public school students expenditures under  
 6 which will qualify as public education equalization  
 7 expenditures.

8 **SEC. 103. AMOUNT OF ENTITLEMENT OF STATE.**

9 (a) IN GENERAL.—Except as provided in subsection  
 10 (b), there shall be paid to a State from the Trust Fund  
 11 created by section 104 for any entitlement period an amount  
 12 equal to the sum disbursed by such State out of State funds  
 13 for such period as public education equalization expenditures.  
 14 For purposes of this section, the sum disbursed out of State  
 15 funds shall not include amounts provided to the State out of  
 16 Federal funds.

17 (b) EXCEPTIONS.—

18 (1) If for any entitlement period, the total pay-  
 19 ments provided under subsection (a) exceed the amount  
 20 appropriated for the Trust Fund for such period, the  
 21 amount of payments to each State under subsection  
 22 (a) shall be reduced proportionately.

23 (2) The total payment to a State for any entitle-  
 24 ment period under subsection (a) may not exceed 10  
 25 percent of the total non-Federal funds spent within



1 the State for such period on public elementary and  
2 secondary education.

3 **SEC. 104. PUBLIC EDUCATION TRUST FUND.**

4 (a) **APPROPRIATIONS.—**

5 (1) **IN GENERAL.—**There is hereby appropriated  
6 out of any amounts in the general fund of the Treasury  
7 attributable to the collections of the Federal individual  
8 income tax not otherwise appropriated \$2,250,000,000  
9 for the fiscal year beginning July 1, 1972, and \$2,250,-  
10 000,000 for each fiscal year thereafter.

11 (2) **DEPOSIT IN TRUST FUND.—**The amount ap-  
12 propriated by paragraph (1) for any period shall be  
13 deposited in the trust fund created by subsection (b)  
14 on the first day of such period (or, if later, on the day  
15 on which this Act is enacted).

16 (b) **CREATION OF TRUST FUND.—**

17 (1) There is created in the books of the Treasury  
18 of the United States a trust fund to be known as the  
19 "Public Education Trust Fund" (referred to in this  
20 subtitle as the "Trust Fund"). The Trust Fund shall  
21 remain available without fiscal year limitation and shall  
22 remain available without fiscal year limitation and shall  
23 consist of such amounts as may be appropriated to it and  
24 deposited in it as provided in subsection (a). Amounts  
25 in the Trust Fund may be used only for the payments to  
26 States provided by this title.

1 (2) The Secretary of Health, Education, and Wel-  
2 fare shall be the trustee of the Trust Fund and shall  
3 report to the Congress not later than March 1 of each  
4 year on the operation and status of the Trust Fund  
5 during the preceding fiscal year.

6 **SEC. 105. GENERAL PROVISIONS.**

7 (a) **ASSURANCE OF STATE PUBLIC EDUCATION**  
8 **EQUALIZATION PLANS.—**In order to qualify for any pay-  
9 ment under this title for any entitlement period beginning on  
10 or after July 1, 1972, a State must establish (in accordance  
11 with regulations prescribed by the Secretary) to the satis-  
12 faction of the Secretary—

13 (1) that the State will establish a trust fund in  
14 which it will deposit all payments it receives under this  
15 title;

16 (2) that it will use amounts in such trust fund (in-  
17 cluding any interest earned thereon while in such trust  
18 fund) only for high-priority public education equaliza-  
19 tion expenditures, and that it will so use such amounts  
20 during such reasonable period or periods as may be pro-  
21 vided in such regulations;

22 (3) that the State will pay over to the Secretary  
23 (for deposit in the general fund of the Treasury) an  
24 amount equal to 110 percent of any amount expended  
25 out of its trust fund established pursuant to paragraph

1 (1) in violation of paragraph (2) which is not promptly  
2 repaid to the trust fund (or the violation otherwise cor-  
3 rected) after notice and an opportunity to take cor-  
4 rective action;

5 (4) that the State will—

6 (A) use such fiscal, accounting, and audit pro-  
7 cedures as will conform to guidelines established  
8 therefor by the Secretary (after consultation with  
9 the Comptroller General of the United States) and  
10 as will assure compliance with paragraphs (2) and  
11 (3),

12 (B) provide to the Secretary (and to the  
13 Comptroller General of the United States), on rea-  
14 sonable notice, access to, and the right to examine,  
15 such books, documents, papers, or records as the  
16 Secretary may reasonably require for purposes of  
17 reviewing compliance with this subsection (or, in  
18 the case of the Comptroller General, as the Comp-  
19 troller General may reasonably require for purposes  
20 of reviewing compliance and operations under sub-  
21 section (c) (2) ), and

22 (C) make such annual and interim reports to  
23 the Secretary as he may reasonably require;

24 (5) that all laborers and mechanics employed by  
25 contractors or subcontractors in the performance of work

1 on construction financed in whole or in part out of its  
2 trust fund established under paragraph (1) will be paid  
3 wages at rates not less than those prevailing on similar  
4 construction in the locality as determined by the Secre-  
5 tary of Labor in accordance with the Davis-Bacon Act,  
6 as amended (40 U.S.C. 276a-276a-5), and that with  
7 respect to the labor standards specified in this paragraph  
8 the Secretary of Labor shall act in accordance with Re-  
9 organization Plan Numbered 14 of 1950 (15 F.R.  
10 3176; 64 Stat. 1267) and section 2 of the Act of June  
11 13, 1934, as amended (40 U.S.C. 276c); and

12 (6) that persons employed in jobs financed in  
13 whole or in part out of its trust fund established under  
14 paragraph (1) will be paid wages which shall not be  
15 lower than the prevailing rates of pay for persons em-  
16 ployed in similar jobs by such State.

17 (b) WITHHOLDING OF PAYMENTS.—If the Secretary  
18 determines that a State has failed to comply substantially  
19 with any provision of this title (other than section 106) or  
20 any regulations prescribed thereunder, after giving reason-  
21 able notice and opportunity for a hearing to the Governor of  
22 such State, the Secretary shall notify the State that if such  
23 State fails to take corrective action within 60 days from the  
24 date of receipt of such notification further payments to such  
25 State shall be withheld for the remainder of the entitlement

1 period and for any subsequent entitlement period until such  
2 time as the Secretary is satisfied that appropriate corrective  
3 action has been taken and that there will no longer be any  
4 failure to comply. Until he is satisfied, the Secretary shall  
5 make no further payments of such amounts.

6 (c) ACCOUNTING, AUDITING, AND EVALUATION.—

7 (1) IN GENERAL.—The Secretary shall provide for  
8 such accounting and auditing procedures, evaluations,  
9 and reviews as may be necessary to insure that the ex-  
10 penditures of funds by the States comply fully with the  
11 requirements of this title.

12 (2) COMPTROLLER GENERAL SHALL REVIEW COM-  
13 PLIANCE.—The Comptroller General of the United  
14 States shall make such reviews of the work as done by  
15 the Secretary, and the States, as may be necessary for  
16 the Congress to evaluate compliance and operations  
17 under this subtitle.

18 SEC. 106. NONDISCRIMINATION PROVISION.

19 (a) No person in the United States shall on the ground  
20 of race, color, national origin, or sex be excluded from par-  
21 ticipation in, be denied the benefits of, or be subjected to dis-  
22 crimination under any program or activity funded in whole  
23 or in part with funds made available under this title.

24 (b) Whenever the Secretary determines that a State  
25 has failed to comply with subsection (a) or an applicable

1 regulation, he shall notify the Governor of such State of the  
2 noncompliance and shall request the Governor to secure com-  
3 pliance. If within a reasonable period of time the State fails  
4 or refuses to secure compliance, the Secretary shall have  
5 the authority (1) to refer the matter to the Attorney Gen-  
6 eral with a recommendation that an appropriate civil action  
7 be instituted; (2) to exercise the powers and functions pro-  
8 vided by title VI of the Civil Rights Act of 1964 (42 U.S.C.  
9 2000d); or (3) to take such other action as may be provided  
10 by law.

11 (c) When a matter is referred to the Attorney General  
12 pursuant to subsection (b), or whenever he has reason to  
13 believe that a State is engaged in a pattern or practice in  
14 violation of the provisions of this section, the Attorney Gen-  
15 eral may bring a civil action in any appropriate United States  
16 district court for such relief as may be appropriate, including  
17 injunctive relief.

18 SEC. 107. DEFINITIONS AND SPECIAL RULES.

19 (a) SECRETARY.—For purposes of this title, the term  
20 “Secretary” means the Secretary of Health, Education, and  
21 Welfare or his delegate. The term “Secretary of Health, Ed-  
22 ucation, and Welfare” means the Secretary of Health, Edu-  
23 cation, and Welfare personally, not including any delegate.

24 (b) ENTITLEMENT PERIOD.—For purposes of this title,

1 the term "entitlement period" means the one-year periods  
2 beginning on July 1 of 1972, 1973, 1974, 1975, and 1976.

3 (c) DISTRICT OF COLUMBIA.—

4 (1) TREATED AS STATE.—For purposes of this title,  
5 the District of Columbia shall be treated as a State, and  
6 any reference to the Governor of a State shall, in the  
7 case of the District of Columbia, be treated as a reference  
8 to the Commissioner of the District of Columbia.

9 SEC. 108. REGULATIONS.

10 (a) GENERAL RULE.—The Secretary shall prescribe  
11 such regulations as may be necessary or appropriate to carry  
12 out the provisions of this title.

13 (b) ADMINISTRATIVE PROCEDURE ACT TO APPLY.—  
14 The rulemaking provisions of subchapter II of chapter 5 of  
15 title 5 of the United States Code shall apply to the regula-  
16 tions prescribed under this title for entitlement periods be-  
17 ginning on or after July 1, 1972.

18 SEC. 109. JUDICIAL REVIEW.

19 (a) PETITIONS FOR REVIEW.—Any State which re-  
20 ceives a 60-day notice under section 105 (b) may, within  
21 60 days after receiving such notice, file with the United  
22 States court of appeals for the circuit in which such State  
23 is located a petition for review of the action of the Secre-  
24 tary. A copy of the petition shall forthwith be transmitted

1 to the Secretary; a copy shall also forthwith be transmitted  
2 to the Attorney General.

3 (b) RECORD.—The Secretary shall file in the court the  
4 record of the proceeding on which he based his action, as  
5 provided in section 2112 of title 28, United States Code. No  
6 objection to the action of the Secretary shall be considered  
7 by the court unless such objection has been urged before  
8 the Secretary.

9 (c) JURISDICTION OF COURT.—The court shall have  
10 jurisdiction to affirm or modify the action of the Secretary  
11 or to set it aside in whole or in part. The findings of fact  
12 by the Secretary, if supported by substantial evidence con-  
13 tained in the record, shall be conclusive. However, if any  
14 finding is not supported by substantial evidence contained  
15 in the record, the court may remand the case to the Sec-  
16 retary to take further evidence, and the Secretary may  
17 thereupon make new or modified findings of fact and may  
18 modify his previous actions. He shall certify to the court the  
19 record of any further proceedings. Such new or modified  
20 findings of fact shall likewise be conclusive if supported by  
21 substantial evidence contained in the record.

22 (d) REVIEW BY SUPREME COURT.—The judgment of  
23 the court shall be subject to review by the Supreme Court  
24 of the United States upon certiorari or certification, as pro-  
25 vided in section 1254 of title 28, United States Code.



1 TITLE II—CREDIT AGAINST THE INDIVIDUAL  
2 INCOME TAX FOR TUITION PAID FOR THE  
3 ELEMENTARY OR SECONDARY EDUCATION  
4 OF DEPENDENTS

5 SEC. 201. TUITION PAID FOR ELEMENTARY OR SEC-  
6 ONDARY EDUCATION.

7 Subpart A of part IV of subchapter A of chapter 1 of the  
8 Internal Revenue Code of 1954 (relating to credits allow-  
9 able) is amended by redesignating section 42 as section 43,  
10 and by inserting after section 41 the following new section:

11 “SEC. 42. TUITION AND FEES PAID FOR ELEMENTARY OR  
12 SECONDARY EDUCATION.

13 “(a) GENERAL RULE.—There shall be allowed to an  
14 individual, as a credit against the tax imposed by this chap-  
15 ter for the taxable year, an amount determined under sub-  
16 section (b), for tuition paid by him to any private non-  
17 profit elementary or secondary school during the taxable year  
18 for the elementary or secondary education of any dependent  
19 with respect to whom the taxpayer is allowed an exemption  
20 for the taxable year under section 151 (e).

21 “(b) LIMITATIONS.—The amount allowable under sub-  
22 section (a) for the taxable year with respect to any de-  
23 pendent shall not exceed the lesser of—

24 “(1) 100 percent of the tuition paid by the tax-

1 payer during the taxable year for the elementary or  
2 secondary education of such dependent, or

3 “(2) \$200.

4 “(c) DEFINITIONS AND SPECIAL RULES.—For pur-  
5 poses of this section—

6 “(1) TUITION.—The term ‘tuition’ means any  
7 amount required for the enrollment or attendance of a  
8 student at a private nonprofit elementary or secondary  
9 school. Such term does not include any amount paid  
10 directly or indirectly for meals, lodging, or similar per-  
11 sonal or family expenses. If the amount paid for tuition  
12 includes any amount (not separately stated) for an  
13 item described in the preceding sentence, the portion of  
14 the amount paid for tuition which is attributable to such  
15 item shall be determined under regulations prescribed by  
16 the Secretary or his delegate.

17 “(2) PRIVATE NONPROFIT ELEMENTARY OR SEC-  
18 ONDARY SCHOOL.—The term ‘private nonprofit ele-  
19 mentary or secondary school’ means an educational  
20 institution—

21 “(A) which is described in sections 501 (c)  
22 (3) and 170 (b) (1) (A) (ii) and which is exempt  
23 from tax under section 501 (a).

1 “(B) which regularly offers education at the  
2 elementary or secondary level, and

3 “(C) attendance at which by students who are  
4 subject to the compulsory education laws of the  
5 State satisfies the requirements of such laws.

6 “(3) ELEMENTARY OR SECONDARY EDUCATION.—  
7 The term ‘elementary or secondary education’ does not  
8 include education at a level beyond the 12th grade.

9 “(d) REGULATIONS.—The Secretary or his delegate  
10 shall prescribe such regulations as may be necessary to carry  
11 out the provisions of this section.”

12 (b) The table of sections for such subpart A is amended  
13 by striking out the item relating to section 42 and inserting  
14 in lieu thereof the following:

“Sec. 42. Tuition and fees paid for elementary or secondary  
education.

“Sec. 43. Overpayments of tax.”.

15 **SEC. 202. EFFECTIVE DATE.**

16 The amendments made by this Act shall apply to tax-  
17 able years beginning after December 31, 1971.

92D CONGRESS  
2D SESSION

# H. R. 16141

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## A BILL

To provide payments to States for public elementary and secondary education and to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents.

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By Mr. CAREY of New York, and Mr. MILLS of  
Arkansas

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AUGUST 2, 1972

Referred to the Committee on Ways and Means

NINETY-SECOND CONGRESS

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COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, D.C. 20515

August 23, 1972

JOHN M. MARTIN, JR., CHIEF COUNSEL  
J. P. BAKER, ASSISTANT CHIEF COUNSEL  
RICHARD C. WILBUR, MINORITY COUNSEL

MEMORANDUM

To: The Honorable Gerald R. Ford  
Attention of Paul Miltich

From: Office of Minority Counsel

Re: Committee action on legislation which would allow tax credits for tuition paid for elementary and secondary education of dependents

The Committee on Ways and Means began, on August 14, 1972, a series of public hearings on H.R. 16141 and related proposals.

Title I of H.R. 16141 would provide for federal payments of up to \$2.25 billion to the states for public elementary and secondary education. Title II would provide for tax credits for tuition paid for elementary or secondary education for dependents.

A copy of a Committee Print containing the text, summary and explanation of H.R. 16141, along with the texts of related bills (including H.R. 13020, by Mr. Byrnes and Mr. Ford) is enclosed for your use. The Committee hearings were recessed August 18 and are scheduled to resume September 5. Copies of the witness lists for each day of the hearings so far, and a tentative list for the post recess period, also are enclosed for your information.

The hearings are expected to continue at least through the first full week of September. The Chairman has not indicated whether the Committee will begin executive consideration of the legislation immediately following the close of the hearings. But in light of a heavy schedule of other Committee business -- including a new debt ceiling bill (the present statutory limit of \$450 billion expires October 31) and possibly a conference on revenue sharing -- it would appear doubtful that further progress will be made in this area in the very near future.

In the hearings thus far, the Administration has indicated its strong support for the idea of tax credits for tuition paid for nonpublic education of dependents in elementary and secondary schools. Enclosed additionally are statements to that



August 23, 1972

effect from Treasury Secretary Shultz and Caspar Weinberger, Director of the Office of Management and Budget.

Public proponents of the tax credit proposals have made these arguments, among others:

1. Parents should be able to choose between public and nonpublic education for their children, and this freedom of choice is in jeopardy because of the decline of nonpublic schools.

2. The closing of private schools has forced a number of students into public schools, thus increasing the burden on the public school system as well as the general taxpayer.

3. Parents who now pay to send their children to non-public schools yet continue to support the public schools as taxpayers are bearing a dual educational cost load.

Opponents of the tax credit proposals maintain, among other things, that they:

1. are of doubtful constitutionality in that they go against the separation of church and state.

2. would foster racial segregation and religious divisiveness.

3. would mark the first step in the ultimate destruction of the public school system.

Also enclosed for your possible use are selected copies of printed testimony received during the hearings thus far, including some statements from Michigan residents.

We hope that the above material will meet your needs. If not, or we may be of additional assistance in any way, please let us know.

ALS/ms  
Enclosures

Contact:

American Association  
of Christian Schools  
1629 K Street, N.W.  
Washington, D.C. 20006

FOR RELEASE: upon  
delivery to the  
Ways & Means Committee  
Expected 10 AM Thursday  
August 17, 1972

Jack Buttram -- 872-8211

SUMMARY OF AMERICAN ASSOCIATION OF CHRISTIAN  
SCHOOL'S TESTIMONY BEFORE HOUSE COMMITTEE

Washington, D.C., August 17 -- Dr. A.C. Janney, President of the American Association of Christian Schools, told the House Ways & Means Committee today his national organization supports the idea of income tax credits for patrons of private schools. He stopped short, however, of supporting income tax refunds in excess of the credit saying he thinks a significant Constitutional question is involved.

The spokesman for the newly formed organization representing some 100,000 pupils in 400 schools in 22 states, said he thought the avenue of tax credits to be the most equitable, to relieve some of the double burden born by private school patrons, while at the same time keeping the Federal government out of the affairs of private schools.

Dr. Janney questioned the adequacy of the amount of the tax credit, however, saying that he thought some amount approaching per-pupil expenditures in the public schools would be more equitable. He also questioned the wisdom of pouring more money into the public school system until some basic changes are made citing the Coleman report as an indication that we have much to learn about spending money in public education.

In concluding his testimony, Dr. Janney noted his organization has already begun to implement many recommendations of the President's Panel on Non-public Education.

(END)

TESTIMONY

OF

MARK VANDER ARK, Superintendent

HOLLAND CHRISTIAN SCHOOLS

956 Ottawa Ave.

Holland, Michigan 49423

Made Before

THE HOUSE WAYS AND MEANS COMMITTEE

Relating to

H R 16141 - The Public and Private Education  
Assistance Act.

Given on:

Thursday, August 17th, 1972 - 10:00 A.M.

I am Mark Vander Ark, 969 Pine Ave., Holland, Michigan 49423 - Superintendent of Holland Christian Schools. I am starting my twelfth year in this position.

Holland Christian Schools have an enrollment of 2702 in grades Kindergarten through 12. On June 14th 296 seniors graduated from our high school. As it now appears, this will be our largest group of graduates.

We employ a staff of one hundred fifteen fully certified teachers, who are paid according to a fixed salary schedule. Pay levels are relative to public teacher salaries, though generally somewhat lower. Our high school is fully accredited by the University of Michigan. The average per pupil cost for 72-73 is estimated to be \$578, ~~exclusive of~~ capital investment in buildings and transportation.

Our aim is to provide thorough, quality education in academic studies, athletics, the arts, and in pre-vocational areas. Success is evidenced by the achievement of our graduates in colleges and universities, easy placement of business education students, real athletic prowess, and selection of our band for the last presidential inaugural parade and as a demonstration group for the recent American School Band Directors Association National Convention held in Lansing, Michigan. Our teaching staff is competent and stable. Many have advanced degrees, The Masters and beyond.

Holland Christian Schools were established in 1902. Our school system is based on an article of religious faith which holds that the primary responsibility for education of children rests on the parents to whom the children are entrusted by God. Parents, in our modern times, should seek to discharge this obligation through their own school associations and boards, which engage Christian teachers in schools that are based on the Bible, the infallible word of God.



Parents and others who believe in this principle assume financial responsibilities for maintaining Christian Schools according to their earning power. At present, parent tuition and contributions average 10% of their gross earnings. No children of any parents who are spiritually interested in such education are turned away for financial reasons, nor for race, color, or church affiliation.

Holland Christian Schools enrollment equals about 30% of the total K-12 school population of this district. We enjoy great respect in our community, and our people are greatly admired for exercising their rights for running a voluntary school system, as a supplement to the public schools and other non-public schools of our area. Without question the pluralistic nature of American Society is proving itself here. By exercise of our constitutional rights, Holland Christian Schools provide a vital option to parents in choosing a school for their children.

We reached the peak of our enrollment in 1966, at 2866. Since then, we are experiencing a steady decline in numbers. Two factors contribute: 1) the declining birth rate, 2) drastic increase in educational costs. The members of this committee are fully aware of how schools in America are absorbing larger and larger percentages of our economic resources.

We are pioneering in advanced educational designs to keep a quality program of Christian Education within reach of our people. Currently the following changes are being effected by a massive board, staff, and patron effort:

1. Returning, after 5 years of temporary 3 - 3 organization at the secondary level, to a four year high school, with a three grade middle school, and concentration of primary children in one building with intermediates in another. Two elementary schools have been phased out. This change produced \$60,000 in savings.
2. Differentiated staffing, with teams for teaching developing in each unit.
3. The extended school year, and flexible school calendar.
4. Innovative curriculum development committees, with teacher self-evaluation inherent.

Nonetheless, our system like many others, is on a collision course for maintaining its historic goals. Our operating budget for 1972-73 will be \$1,507,633. This figure represents a 95% increase from 1964-65, merely eight years before. This doubling of costs in eight years took place without any significant change in our program. A comparable increase in taxes for support of public education took place in our community. These combined increases are in no way matched with increased earnings of our people. This is our problem.

Our people look to tax credit legislation as a vital answer to the dilemma of our schools. The tax credit is only fair. The human right for alternatives in education is no longer a right when it can be priced out of reach. Our schools provide good, acceptable basic education in all the skills and attitudes deemed necessary for American citizenship. It is unfair and without honor for the government to accept and expect this public service free of charge.

Tax credit legislation is economical. On the basis of educational cost in our community alone, it is estimated that if all per pupil costs were held to our level, education in Michigan would cost \$1 billion less per year. The reference to "loss of revenue" resulting from Title II in the short summary of H.R.16141 is misleading. The loss of revenue by inclusion of non-public school children in public schools would be much greater.

Tax Credit legislation seems like the American way of facing up to the crisis in non-public schools. Tax exemptions are being granted for other worthy causes. Encouragement of voluntary, non-public education is most important to our American, pluralistic culture.

Thank you very much for this open opportunity to present our needs and our interests in the proposed legislation under consideration by this very worthy committee.

Mark Vander Ark  
Superintendent

# School Aid

## REMARKS OF THE HONORABLE JOHN W. BYRNES ON ON INTRODUCING H. R. \_\_\_\_\_

Mr. Speaker, I am today introducing legislation to provide a federal tax credit to individuals for tuition paid for dependents to attend a private nonprofit elementary or secondary school. My bill would provide a credit for 50 percent of the tuition paid for a dependent up to a maximum of \$400 per dependent. Books, fees, supplies, and other miscellaneous items would be excluded from the credit. The credit would be phased out gradually to the extent a taxpayer's income exceeds \$25,000.

Mr. Speaker, the costs of both public and private education have grown dramatically in recent years and the dual burden of parents supporting the public schools as taxpayers and the private schools as parents of students paying tuition has become intolerable and inequitable. The difficulty of carrying this dual financial burden has created a crisis in private and parochial education

at the elementary and secondary level which is reflected in the declining number of students in these schools and the increasing number who are being educated in the public schools.

Between 1963 and 1970 the number of private and parochial elementary and secondary school pupils declined from 6.5 million pupils to 5.1 million pupils-- a reduction of 1.4 million students. During the same period, public school elementary and secondary enrollments increased from 40.2 million to 45.9 million--an increase of nearly six million pupils.

The decline of private and parochial education is imposing heavy financial burdens on the public schools. The Office of Education estimates that the average per pupil expenditures for public elementary and secondary schools in fiscal 1971 were \$858. If the number of private and parochial school students had simply remained constant between 1963 and 1970, instead of declining by 1.4 million pupils, the public schools would have spent approximately \$1.2 billion less in fiscal 1971. The savings would have

been substantially greater if private and parochial schools absorbed their proportionate share of the growth in student enrollments during this period.

The present situation requires corrective action. While the public schools provide the backbone of our educational system, private and parochial schools have traditionally played an important role consistent with the genius of American pluralism. The financial crisis private and parochial schools face threaten these values and impose greater financial strains on the public schools themselves and the general taxpayers. My bill provides needed financial relief in a framework of administrative simplicity. It will strengthen our entire system of elementary and secondary education in the United States, both public and private, and provide direct and indirect tax relief to virtually all taxpayers.

Mr. Speaker, I am appending to my remarks a section-by-section analysis of my bill.



1973 BUDGET SCOREKEEPING REPORT

(STAFF REPORT No. 6)

TO THE

JOINT COMMITTEE ON REDUCTION OF  
FEDERAL EXPENDITURES  
CONGRESS OF THE UNITED STATES

PURSUANT TO

SECTION 601 OF THE REVENUE ACT OF 1941

SHOWING

THE STATUS OF THE 1973 FISCAL YEAR FEDERAL BUDGET

*Cumulative to August 18, 1972*

*With*

*Summary Presentation—Page 5*



Printed for the use of the Joint Committee on Reduction of  
Federal Expenditures

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1972

CONGRESS OF THE UNITED STATES  
 JOINT COMMITTEE ON REDUCTION OF FEDERAL EXPENDITURES

(Created pursuant to sec. 601 of the Revenue Act of 1941)

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(II)

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(III)

## Staff Report on the Status of the 1973 Fiscal Year Budget

### HIGHLIGHTS

#### Fiscal 1973 scorekeeping to date

The impact of congressional action to date, August 18, 1972, on the President's fiscal year 1973 requests for budget authority, budget outlays and budget receipts, and the projected unified budget deficit, as shown in this report, may be summarized as follows:

[In millions of dollars]

	House	Senate	Enacted
Budget authority increase:			
Appropriation bills.....	- 779	+ 1, 129	+ 322
Legislative bills.....	+ 16, 146	+ 9, 107	- 535
Total, budget authority in- crease.....	+ 15, 366	+ 10, 235	- 212
Outlay increase:			
Appropriation bills.....	- 254	+ 956	+ 328
Legislative bills.....	+ 5, 906	+ 6, 942	+ 3, 278
Total, outlay increase.....	+ 5, 652	+ 7, 898	+ 3, 606
Revenue decrease (increases deficit).....	- 59	- 1, 585	- 1, 602
Deficit increase.....	+ 5, 711	+ 9, 483	+ 5, 208

In terms of completed congressional action to date, major scorekeeping actions affecting the President's budget requests include:

Black lung benefits—increase of \$969 million in budget authority and outlays;

Social security benefits—increase of \$2.1 billion in outlays due to enactment of a 20% benefit increase instead of a 5% increase as requested;

Social security taxes—decrease of \$1.6 billion in revenue due to delay in effective date of proposed wage base increase.

Ten regular 1973 appropriation bills have been considered to date. Action is shown in this report for eight appropriation bills at the completed stage reflecting a net outlay increase of \$232 million. Totals for the Labor-HEW appropriation bill (H.R. 15417), vetoed by the President and sustained by the House on August 16, 1972, are reflected in this report for information purposes only and are not included in the scorekeeping figures.

Also pending are several legislative bills containing "backdoor" or mandatory spending authorizations. One major bill, the multi-billion dollar Water Pollution Control Act, is in conference. House and Senate action on revenue sharing legislation reflects the shift of retroactive fiscal 1972 costs into fiscal 1973 due to delay. Other significant pending legislative measures relate to federal employee benefits, veterans benefits, railroad retirement and school food programs. These and other actions are shown in scorekeeping table No. 1, p. 6.

**Fiscal 1973 budget deficit**

The following is an analysis of the budget deficit for fiscal year 1973, reflecting budget revisions, amendments and congressional action to date, August 18, 1972:

	<i>Deficit estimate (millions)</i>
Original deficit estimate, January 1972-----	\$25, 472
Budget revisions, as of June 5, 1972:	
Net outlay increase due to certain congressional actions, mainly black lung benefits-----	+ 895
Shift of fiscal 1972 revenue sharing request into fiscal 1973, assuming enactment of retro- active provisions of pending legislation-----	+ 2, 250
Net outlay changes, including interest-----	+ 583
Revenue revisions-----	- 2, 200
Revised deficit estimate, as of June 5-----	27, 000
Amendments to the 1973 budget estimates, as transmitted to date:	
Additional outlays for Vietnam war-----	+ 1, 200
Disaster-relief outlays incident to Hurricane Agnes, etc.-----	+ 900
Additional outlays for drug abuse programs-----	+ 100
Deficit estimate, as revised and amended-----	29, 200
Congressional action to date (in addition to amounts included in the June 5 budget revisions):	
Social security:	
Payments, 20% increase-----	+ 2, 100
Revenue loss (due to delay in effective date)-----	+ 1, 600
All other outlay changes, net-----	+ 613
Deficit estimate, as revised and amended, and adjusted by Congressional action-----	33, 513
Deduct: revenue sharing legislation included above in June 5 revisions, but still pend- ing final Congressional action-----	- 2, 250
Deficit estimate, as revised and amended, and adjusted by Congressional action to date, August 18, 1972-----	*31, 263

\*On this basis, estimated fiscal 1973 outlays would be \$252.7 billion, as compared with estimated revenues of \$221.4 billion. The resulting unified budget deficit estimate of \$31.3 billion for fiscal 1973 reflects a federal funds deficit of \$38.4 billion and a trust fund surplus of \$7.1 billion.

**Fiscal year 1972**

Final figures for fiscal year 1972 recently announced indicate that actual outlays were \$231.6 billion and receipts were \$208.6 billion, and the unified budget deficit for fiscal year 1972 was \$23 billion (reflecting a federal funds deficit of \$28.9 billion and a trust fund surplus of \$5.9 billion).

**EXPLANATORY NOTES****PURPOSE AND SCOPE**

This scorekeeping report is designed to show the impact of congressional actions (or inactions) in the current session on the President's budget estimates for new authority, outlays and receipts. These impact estimates may then be related to the President's surplus or deficit estimates, as a part of the scorekeeping process. While the primary purpose of the report is to estimate the impact of congressional action, it also is designed to reflect any subsequent revisions made by the President in the form of budget amendments or official reestimates.

The report identifies the portion of the President's budget which requires current action by Congress in this session—in appropriation and certain basic legislation, or in new legislative proposals. It is in this area that the Congress exercises direct control over the President's fiscal proposals, and may increase or decrease them accordingly or not act at all.

In addition, the Congress may initiate new or expanded activities or take revenue actions not contemplated in the President's budget proposals and, to the extent that such action may be mandatory, have further impact on the budget.

Scorekeeping in terms of budget authority can be calculated in fairly precise terms for the portions of the budget requiring congressional action. However, conversion of congressional actions into terms of budget outlays or receipts is less precise and the scorekeeping must be done in approximate amounts.

**THE SUMMARY—BOX SCORE**

The summary—box score (page 5) shows in one page summary form the budget estimates for fiscal 1973 and 1972 in totals as originally transmitted and subsequently revised, breaking out the portions on which the Congress is expected to act in the current session. It then applies—in box score form—the impact of congressional actions to date on the President's estimates for budget authority, outlays, receipts and the deficit.

This summary table combines congressional actions on budget authority and outlays and budget receipts, shown in more detail on the two scorekeeping tables which follow. The combined impact of revenue and outlay actions are also related to the estimated budget deficits.

**THE SCOREKEEPING TABLES**

The report contains two tabulations showing in detail the individual actions of Congress to date which have an impact on the President's budget estimates. These are the scorekeeping tables, and they relate separately to budget authority and outlays, and to budget receipts. They show each entry in terms of action on the respective bills by the House and the Senate and as enacted.

In the scorekeeping process failure on the part of Congress to act upon recommendations or legislative proposals in the President's budget estimates is generally scorekept at or near the end of the session, unless there is a specific action involved.

**Budget authority and outlays**

Table No. 1 (p. 6) shows the impact on budget authority and outlays, in terms of increases or decreases from the official estimates submitted by the President. In addition to action on individual appropriation bills, this tabulation includes action involving so-called "backdoor" contract and debt authority in substantive legislation, and it includes any other legislative actions by Congress of a mandatory nature (such as Federal pay raises and veterans benefits) where spending begins upon enactment.

**Revenue legislation**

Table No. 2 (p. 8) shows congressional actions on the revenue legislation proposed by the President, as included in

the estimated budget receipts for fiscal year 1973. The table also includes any revenue legislation initiated by the Congress during the session. The scorekeeping effect, if any, of revenue action is computed for each measure as action is recorded.

**SUPPORTING TABLES**

The report contains four additional tabulations relating to the various types of legislative actions which have a bearing on the scorekeeping process. The tables show each item as acted upon by the House and Senate and as enacted.

**Appropriation bills**

Table No. 3 (p. 9) lists the individual appropriation bills to be considered in the current session, showing by bill the budget authority requested and transmitted to date, and estimates of outlays covered by the respective bills—setting forth the outlays resulting from the new authority requested.

**Proposed legislation (in budget)**

The President's budget estimates include certain new legislative proposals which the Congress must act on before they can be implemented by the executive branch. Since they are included in the budget estimates, action or inaction by the Congress on the proposals has a direct impact for scorekeeping purposes. These proposals are shown in this report in two separate tabulations according to their character.

Table No. 4 (p. 12) shows the legislative proposals which have the effect of reducing budget authority and outlays. These include certain reform legislation, change in financing, sale of Government property, etc. Congressional failure to enact any of these proposals has the effect of increasing the budget estimates by the negative amounts shown for each.

Table No. 5 (p. 13) shows the major legislative proposals for new or expanded programs and their associated cost. Congressional failure to enact any of these proposals has the effect of reducing the budget estimates by the amount shown for the proposal. However, increases on the part of Congress in any of these proposals does not necessarily increase the budget estimates, unless a mandatory spending program is involved, because subsequent appropriation action is usually necessary.

**Other legislation (not in budget)**

Table No. 6 (p. 17) shows legislative initiatives which are in addition to those in the President's budget estimates. Such legislation can be proposed by the executive or judicial branches and, of course, by the Congress. The table is confined to measures which have been reported or are on the calendar of either House, and which exceed \$500,000 in their 5-year cost.

For purposes of this report the impact of such legislative actions is scorekept only if it contains "backdoor" contract or debt authority, or if mandatory spending is involved, such as in the case of Federal pay raises or veterans benefits. Items of a "backdoor" or mandatory nature are identified in the table by an asterisk or footnote.

**Authorizing legislation**

Under the rules of the House and Senate, programs and activities of the Government must be authorized by specific legislation before appropriations can be enacted. Table No. 7 (p. 27) shows the programs included in the President's budget estimates for fiscal 1973 which require such periodic or annual renewal prior to further appropriation action.

Legislative action on these authorizations usually has no impact for scorekeeping purposes, since the effect of any congressional change is subject to further appropriation action or budget amendment. However, should any change involve "backdoor" contract or debt authority such action by Congress would be noted and recorded for scorekeeping purposes.

## BUDGET SUMMARY

A summary of fiscal year 1973 and fiscal year 1972 Federal budgets—Reflecting congressional actions affecting those budgets during the 2d session of the 92d Congress

[In millions of dollars]

Summary totals	Budget authority (obligational and lending authority) (1)	Budget outlays (expenditures and net lending) (2)	Budget receipts (3)	Budget deficit (4)
<b>Fiscal year 1973:</b>				
Net total budget estimates as submitted Jan. 24, 1972.....	270, 898	246, 257	220, 785	-25, 472
Net total budget estimates revised as of June 5, 1972.....	276, 000	250, 000	223, 000	-27, 000
Net total budget estimates as amended subsequent to June 5 revisions to date <sup>1</sup> .....	280, 157	252, 200	223, 000	-29, 200
Adjustments for scorekeeping purposes: Deduct estimated congressional actions included in the June 5 revisions.....	<sup>2</sup> -3, 395	<sup>2</sup> -3, 145		<sup>2</sup> +3, 145
Net total budget estimates as revised and amended, exclusive of congressional action.....	276, 762	249, 055	223, 000	-26, 055
Adjustments for interfund and intragovernmental transactions and applicable receipts.....	+24, 025	+24, 025	+24, 025	
<b>Total gross budget estimates.....</b>	<b>300, 787</b>	<b>273, 080</b>	<b>247, 025</b>	<b>-26, 055</b>
Budget estimates not requiring further action by Congress (previously enacted or permanent).....	110, 282	140, 460	246, 221	
Prior year's budget authority.....		(94, 756)		
Current (1973) budget authority.....	(110, 282)	(45, 704)		
<b>Budget estimates requiring action by Congress.....</b>	<b>190, 505</b>	<b>132, 620</b>	<b>804</b>	
<b>F. Y. 1973 BOX SCORE—NET CHANGES</b>				
<b>Effect of congressional action on budget estimates to August 18, 1972 (See tables 1 and 2 for details):</b>				
House.....	+15, 366	+5, 652	-59	-5, 711
Senate.....	+10, 235	+7, 898	-1, 585	-9, 483
Enacted.....	<sup>3</sup> -212	<sup>3</sup> +3, 606	-1, 602	<sup>3</sup> -5, 208
<b>Fiscal year 1972:</b>				
Net total budget estimates as submitted Jan. 24, 1972.....	250, 027	236, 610	197, 827	-38, 783
Net total budget estimates revised June 5, 1972 and subsequently amended.....	247, 100	233, 000	207, 000	-26, 000
Congressional action and inaction in the current session (included in June 5 revisions above).....	(-3, 830)	(-2, 855)	(-193)	(-2, 662)
Actual net total, as enacted by Congress and reported by the Treasury (preliminary).....	<sup>4</sup> 247, 500	231, 619	208, 596	-23, 023

<sup>1</sup> Includes increased Vietnam war costs (H. Doc. 92-321), disaster relief (H. Doc. 92-316 and 325), and drug abuse treatment (H. Doc. 92-330).  
<sup>2</sup> Congressional action identified as included in June 5 Mid-Session Budget Review as follows: Congressional addition of \$969 million in budget authority and outlays for black lung benefits; late enactment of 1972 revenue sharing proposal to result in shift of \$2.5 billion in authority and \$2.2 billion in outlays into fiscal 1973; and congressional reduction of \$74 million in budget estimates for foreign assistance, for a net increase of \$3,395,000 in budget authority and 3,145,000 in outlays.

<sup>3</sup> Does not reflect possible action on general revenue sharing. The June 5 Review presumed delayed enactment would shift \$2.5 billion in authority and \$2.2 billion in outlays requested for fiscal 1972 into fiscal 1973.  
<sup>4</sup> Partially estimated.

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## SCOREKEEPING TABLES

**Table No. 1.—Estimated effect of congressional actions during the 2d session of the 92d Congress on individual bills affecting budget authority and outlays (expenditures) (as of August 18, 1972)**

[In thousands of dollars]

Items acted upon	Congressional actions on budget authority (changes from the budget)			Congressional actions on budget outlays (changes from the budget)		
	House (1)	Senate (2)	Enacted (3)	House (4)	Senate (5)	Enacted (6)
<b>Fiscal year 1973:</b>						
<i>Appropriation bills (changes from the 1973 budget):</i>						
1972 Foreign assistance and related agencies (P.L. 92-242)-----	-6,022	-4,625	-5,560	-5,500	-4,300	-5,200
Legislative Branch (P.L. 92-342)-----				-100,000	+550,000	+95,000
Second Supplemental, 1972 (P.L. 92-306)-----			(\$)	-74,000	+42,000	(\$)
State, Justice, Commerce, the Judiciary and related agencies (H.R. 14989)-----	-100,884	+116,391	(\$)	-3,500	+94,000	+61,000
Housing and Urban Development, Space, Science and related agencies (P.L. 92-383)-----	-454,695	+325,187	-132,232	-75,000	-39,000	††-48,000
Transportation and related agencies (H.R. 15097)-----	-117,567	-2,187	††-41,244	-11,000	-29,600	-26,913
District of Columbia (P.L. 92-344)-----	-11,000	-29,600	-26,913			
Labor, Health, Education, and Welfare and related agencies (H.R. 15417) <sup>2</sup> -----	(+1,275,856)	(+2,578,297)	(+1,762,286)	(+530,000)	(+1,150,000)	(+725,000)
Interior and related agencies (P.L. 92-369)-----	+9,218	+23,769	+21,781	-7,100	+14,800	+10,000
Treasury, Postal Service and General Government (P.L. 92-351)-----	-9,458	-9,417	-8,776	-37,000	-37,000	-36,500
Public Works and Atomic Energy (H.R. 15586)-----	-51,331	+82,638	††+15,856	-20,000	+49,000	††+27,700
Agriculture and Environmental and Consumer Protection (H.R. 15690)-----	-55,179	+608,866	††+481,842	<sup>3</sup> +78,000	<sup>3</sup> +315,000	†† <sup>3</sup> +250,000
Supplemental, 1972, disaster relief (P.L. 92-337)-----	+17,500	+17,500	††+17,500	+100,000	+100,000	+100,000
Supplemental, 1973, disaster relief (H.R. 16254)-----	+17,500	+17,500	††+17,500	+6,000	+6,000	††+6,000
<b>Subtotal, appropriation bills</b> -----	<b>-779,418</b>	<b>+1,128,522</b>	<b>+322,254</b>	<b>-254,100</b>	<b>+955,900</b>	<b>+328,087</b>
<i>Legislative bills with "backdoor" spending authorizations (changes from the 1973 budget):</i>						
Higher education—student loans (borrowing authority) (P.L. 92-318)-----	Indefinite	Indefinite	Indefinite	N.A.	N.A.	N.A.
Housing Act of 1972 (contract authority) (S. 3248)-----	-50,000	+300,000	-50,000		N.A.	
Highway emergency relief (P.L. 92-361)-----		-50,000	-50,000			
Airport and airways development (contract authority) (S. 3755)-----	<sup>4</sup> +2,800,000	+840,000	(\$)	<sup>4</sup> +2,550,000	††+2,550,000	(\$)
General revenue sharing (H.R. 14370)-----		††+2,800,000			††+29,000	
State bond subsidy (permanent) (S. 3215)-----		††+29,000				
Water pollution control (contract authority) (S. 2770, H.R. 11896)-----	<sup>6</sup> +11,000,000	+3,000,000	(\$)	+550,000	+150,000	(\$)
Freight car loan guarantee (borrowing authority) (S. 1729)-----		+2,000,000			N.A.	
<b>Subtotal, "backdoor"</b> -----	<b>+13,750,000</b>	<b>+8,919,000</b>	<b>-50,000</b>	<b>+3,100,000</b>	<b>+2,729,000</b>	
<i>Legislative bills with mandatory spending authorizations (changes from the 1973 budget):</i>						
Wage board pay (H.R. 9092)-----	<sup>1</sup> +30,000	+30,000	††+30,000	<sup>1</sup> +30,000	<sup>1</sup> +30,000	††+30,000
Full District of Columbia Congressional representation (H.J. Res. 253)-----	†+960		(\$)	†+960		(\$)
Federal employee health insurance (H.R. 12202)-----	+267,900	+39,600	(\$)	+267,900	+39,600	(\$)
Council on International Economic Policy (S. 3726)-----	-1,341		(††)	-1,316		(††)
School lunch (H.R. 14896)-----			(\$)	+90,000	+116,000	(\$)
Equalization of military retired pay (H.R. 15495)-----		+6,000	(\$)		+6,000	(\$)
National Guard retirement (S. 855)-----		+7,900			+7,900	
Additional military travel allowance (H.R. 3542)-----	+2,414			+2,414		
POW and MIA leave (H.R. 14911)-----	+13,400			+13,400		
National Foundation for Higher Education (P.L. 92-318)-----	<sup>1</sup> -90,000		-90,000	<sup>1</sup> -27,000		-27,000
Black lung benefits (P.L. 92-303)-----	<sup>1</sup> +968,712	+968,712	+968,712	<sup>1</sup> +968,712	+968,712	+968,712

See footnotes at end of table, page 7.

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## SCOREKEEPING TABLES—Continued

Table No. 1.—Estimated effect of congressional actions during the 2d session of the 92d Congress on individual bills affecting budget authority and outlays (expenditures) (as of August 18, 1972)—Continued

[In thousands of dollars]

Items acted upon	Congressional actions on budget authority (changes from the budget)			Congressional actions on budget outlays (changes from the budget)		
	House (1)	Senate (2)	Enacted (3)	House (4)	Senate (5)	Enacted (6)
<b>Fiscal year 1973—Continued</b>						
<i>Legislative bills with mandatory spending authorizations</i> (changes from the 1973 budget)—Continued						
Social security tax and benefit amendments (P.L. 92-336).....		<sup>6</sup> -1,600,000	<sup>6</sup> -1,600,000		+2,100,000	+2,100,000
Revenue sharing, HUD (S. 3248).....		-490,000			-490,000	
Air traffic controller retirement (P.L. 92-297).....	<sup>1</sup> +31,500	+31,500	+31,500	<sup>1</sup> +31,500	+31,500	+31,500
Early retirement—customs inspectors (H.R. 440).....	+3,200			+3,200		
Handgun control (S. 2507).....		+10,000			+10,000	
Veterans advance educational allowance (H.R. 12828, S. 2161).....	+128,700	+692,000	(‡)	+124,700	+900,900	(‡)
Veterans medical care (H.R. 10880).....	(+29,658)	+150,850	(‡)	(+29,658)	+150,850	(‡)
Veterans nursing home care (H.R. 460).....	(+6,900)			(+6,900)		
Veterans paraplegic housing, (P.L. 92-341).....	+3,500	+5,000	+3,500	+3,500	+5,000	+3,500
Veterans national cemeteries (H.R. 12674).....	+39,600			+39,600		
Veterans compensation increase (P.L. 92-328).....	+114,900	+169,000	+114,900	+114,900	+169,000	+114,900
Civil Service retirement—firemen (P.L. 92-382).....	+6,700	+6,330	+6,700	+6,700	+6,330	+6,700
Civil Service—early retirement (H.R. 11255).....	†+780,600			†+780,600		
Disaster relief, SBA (P.L. 92-385).....	+94,772	+159,952	+50,000	+94,772	+159,952	+50,000
Minority enterprises (S. 3337).....		+883			+883	
Railroad Retirement—20% increase (H.R. 15927).....				+261,600		
Subtotal, "mandatory".....	+2,395,517	+187,727	-484,688	+2,806,142	+4,212,627	+3,278,312
Subtotal, legislative bills <sup>7</sup> .....	+16,145,517	+9,106,727	-534,688	+5,906,142	+6,941,627	+3,278,312
Total, fiscal year 1973.....	+15,366,099	+10,235,249	-212,434	+5,652,042	+7,897,527	+3,606,399
<b>Fiscal year 1972:</b>						
<i>Appropriation bills</i> (changes from the revised 1972 budget):						
Foreign assistance and related agencies, 1972 (P.L. 92-242).....	<sup>1</sup> -353,230	<sup>1</sup> -353,230	-353,230	<sup>1</sup> -50,000	<sup>1</sup> -50,000	-50,000
Second Supplemental, 1972 (P.L. 92-306).....	-820,808	+197,574	-518,245	-365,000	-230,000	-265,000
Supplemental, 1972, disaster relief (P.L. 92-337).....	+100,000	+100,000	+100,000			
<i>Legislative bills</i> (changes from the revised 1972 budget):						
Black lung benefits (P.L. 92-303).....	<sup>1</sup> +5,000	<sup>1</sup> +5,000	+5,000	<sup>1</sup> +5,000	<sup>1</sup> +5,000	+5,000
Emergency school assistance (P.L. 92-318).....			-500,000			-80,665
National Foundation for Higher Education (P.L. 92-318).....	-3,000		-3,000	-1,000		-1,000
National Institute of Education (P.L. 92-318).....			-3,000			-2,500
Housing Act of 1972 (contract authority) (S. 3248).....		+15,000			N.A.	
AMTRAK (borrowing authority) (P.L. 92-316).....	+100,000	+250,000	+150,000	N.A.	N.A.	N.A.
<i>Legislative inaction</i> on proposals included in the 1972 budget (see tables 4 and 5 for details):						
General revenue sharing.....	-2,500,000	-2,500,000	-2,500,000	-2,250,000	-2,250,000	-2,250,000
Other.....	-117,011	-371,111	-208,017	-52,483	-210,583	-210,583
Total, fiscal year 1972 <sup>8</sup> .....	-3,589,049	-2,656,767	-3,830,492	-2,713,483	-2,735,583	-2,854,748

<sup>1</sup> Enacted figure used for comparability.<sup>2</sup> Vetoed by President and sustained by House on Aug. 16, 1972. Figures shown for information purposes and not included in scorekeeping totals below.<sup>3</sup> Excludes estimated outlay increase of \$695 million for certain water pollution reimbursements contingent upon enactment of pending water pollution control legislation (S. 2770 and H.R. 11896) now in conference.<sup>4</sup> Due to delayed action, includes effect of shift into fiscal 1973 of \$2.5 billion in authority and \$2.2 billion in outlays, together with increases of \$150 million in authority and outlays for both fiscal years 1972 and 1973.<sup>5</sup> Consists of \$5 billion provided for fiscal 1973 and advance availability of \$6 billion provided for fiscal 1974.<sup>6</sup> Decrease in budget authority for social security reflects less than anticipated tax revenues for trust fund.<sup>7</sup> Excludes actions taken in 1st Session of 92d Congress, shown in parentheses above.<sup>8</sup> For detail on fiscal 1972 action in current session see Scorekeeping Report No. 5, dated Aug. 4, 1972.

‡Subject to or in conference.

N.A.—Not available.

†Committee action.

‡‡Pending signature.

**SCOREKEEPING TABLES—Continued**

**Table No. 2.—Revenue proposals affecting the fiscal year 1973 budget**

[In millions of dollars]

	Fiscal year 1973 revenue estimate	Congressional action on fiscal year 1973 revenue proposals to date		
		House	Senate	Enacted
Revenue estimates in the fiscal year 1973 budget.....	220, 785			
Revenue estimates as revised by June 5, 1972, Mid-Session Budget Review.....	<sup>1</sup> 223, 000			
Adjustments for interfund and intragovernmental and applicable receipts.....	24, 025			
<b>Total gross receipts.....</b>	<b>247, 025</b>			
<b>To be derived from existing revenue legislation (gross).....</b>	<b>246, 221</b>			
<b>Estimated revenues to be derived from proposals in the fiscal year 1973 budget:<sup>2</sup></b>				
Social security (H.R. 15390, P.L. 92-336):				
Wage base increase.....	2, 327	2, 327		
Rate decrease.....	-1, 219	-1, 219	<sup>3</sup> -400	<sup>3</sup> -400
Medicare rates.....	49	49		
Subtotal, social security.....	1, 157	1, 157	-400	-400
Individual income taxes—Retirement programs (H.R. —).....	-900			
Diesel fuel and truck taxes (H.R. —).....	295			
Currency write-off (S. 670).....	225		225	
Railroad retirement (H.R. 1).....	-27	-27		
<b>Estimated revenue to be derived from other proposals:</b>				
Olives—duty suspension (H.R. 3233).....		†-3		
Wagering tax (H.R. 1010, S. 431).....		†25	†17	
Tax on bonds (H.R. 6547).....		†-70		
POW income tax exclusion (H.R. 9900, PL 92-279).....		-2	-2	-2
Cigar tax (H.R. 3544).....		†-9		
Emergency unemployment tax-extension (H.R. 15587, P.L. 92-329).....	54	54	54	54
<b>Total, revenue proposals.....</b>	<b>804</b>	<b>1, 125</b>	<b>-106</b>	<b>-348</b>

<sup>1</sup> The Joint Committee on Internal Revenue Taxation estimates fiscal year 1973 revenue at \$222.1 billion.

<sup>2</sup> Without congressional action on each item estimated receipts will be changed by these amounts.

<sup>3</sup> Preliminary estimates; rounded amount used for scorekeeping purposes.  
†Committee action.

**SUPPORTING TABLES**

**Table No. 3.—Fiscal year 1973 appropriation bills, and supplemental appropriation bills for fiscal year 1972—showing budget authority and estimated outlays by bill, as requested by the President, as passed by the House and Senate, and as enacted in the 2d session of the 92d Congress**

[In thousands of dollars]

<b>FISCAL YEAR 1973</b>				
	Budget request <sup>1</sup>	House action to date	Senate action to date	Enacted
<b>Legislative Branch (H.R. 13955, P.L. 92-342):</b>				
Budget authority in bill				
Requests not considered	519,348	427,605	514,723	513,788
<i>Outlays</i>		85,721		
Requests not considered	523,054	436,390	518,754	517,854
<i>Outlays from current (1973) budget authority</i>		81,164		
Requests not considered	[469,198]	[382,534]	[464,898]	[463,998]
		[81,164]		
<b>State, Justice, Commerce, the Judiciary and Related Agencies (H.R. 14989):</b>				
Budget authority in bill				
Requests not considered	4,704,327	4,587,104	4,820,718	(†)
Adjustment to budget basis <sup>2</sup>		16,338		
Appropriations to liquidate contract authority	+138,690	+138,690	+138,690	
<i>Outlays</i> <sup>3</sup>		(233,312)	(233,312)	
Requests not considered	4,888,068	4,199,495	4,330,068	
<i>Outlays from current (1973) budget authority</i>		14,573		
Requests not considered	[2,906,919]	[2,818,346]	[2,948,919]	
		[14,573]		
<b>Housing and Urban Development, Space, Science and Related Agencies (H.R. 15093, P.L. 92-383):</b>				
Budget authority in bill				
Requests not considered	4,20,258,183	19,718,490	20,583,370	20,125,951
<i>Outlays</i>		84,998		
Requests not considered	19,055,965	19,050,035	19,149,965	19,116,965
<i>Outlays from current (1973) budget authority</i>		2,430		
Requests not considered	[14,726,766]	[14,720,836]	[14,820,766]	[14,737,766]
		[2,430]		
<b>Transportation and Related Agencies (H.R. 15097):</b>				
Budget authority in bill				
Requests not considered	2,946,542	2,791,614	2,906,994	††2,867,937
Adjustments to budget basis <sup>4</sup>		37,361	37,361	37,361
Appropriations to liquidate contract authority	-118,834	-80,400	-71,956	-82,453
Advance (1974) appropriation	(5,418,000)	(5,393,990)	(5,395,125)	(5,393,990)
<i>Outlays</i> <sup>5</sup>		(131,181)	(131,181)	(131,181)
Requests not considered	8,511,967	8,429,457	8,465,457	8,456,457
<i>Outlays from current (1973) budget authority</i>		7,500	7,500	7,500
Requests not considered	[2,076,888]	[2,012,388]	[2,043,388]	[2,039,388]
		[7,500]	[7,500]	[7,500]
<b>District of Columbia (H.R. 15259, P.L. 92-344):</b>				
Budget authority in bill				
Requests not considered	343,306	332,306	313,706	316,393
<i>Outlays</i>		371,048		
Requests not considered	[343,306]	[332,306]	[313,706]	[316,393]
<i>Outlays from current (1973) budget authority</i>			341,448	344,135
Requests not considered			[313,706]	[316,393]
<b>Labor, Health, Education and Welfare, and Related Agencies (H.R. 15417):<sup>6</sup></b>				
Budget authority in bill				
Requests not considered	33,426,210	(28,603,180)	(31,354,931)	(30,538,920)
<i>Outlays</i>		(6,098,886)	(4,649,576)	(4,649,576)
Requests not considered	31,516,052	(28,561,744)	(30,536,300)	(30,111,300)
<i>Outlays from current (1973) budget authority</i>		(3,484,308)	(2,129,752)	(2,129,752)
Requests not considered	[22,869,391]	([19,915,083])	([21,889,639])	([21,464,639])
		([3,484,308])	([2,129,752])	([2,129,752])
<b>Interior and Related Agencies (H.R. 15418, P.L. 92-369):</b>				
Budget authority in bill				
Requests not considered	2,527,154	2,529,558	2,550,923	2,548,935
Appropriations to liquidate contract authority		6,814		
<i>Outlays</i> <sup>7</sup>		(228,540)	(222,560)	(214,560)
Requests not considered	2,533,657	2,522,947	2,548,467	2,543,657
<i>Outlays from current (1973) budget authority</i>		3,610		
Requests not considered	[1,785,873]	[1,789,660]	[1,793,867]	[1,810,673]
		[3,610]		

See footnotes at end of table, page 11.

## SUPPORTING TABLES—Continued

Table No. 3.—Fiscal year 1973 appropriation bills, and supplemental appropriation bills for fiscal year 1972—showing budget authority and estimated outlays by bill, as requested by the President, as passed by the House and Senate, and as enacted in the 2d session of the 92d Congress—Continued

[In thousands of dollars]

	Budget request <sup>1</sup>	House action to date	Senate action to date	Enacted
<b>FISCAL YEAR 1973—Continued</b>				
Treasury, Postal Service and General Government (H.R. 15585, P.L. 92-351):				
Budget authority in bill.....	5,066,603	5,057,145	5,057,186	5,057,827
Outlays.....	5,184,244	5,147,244	5,147,244	5,147,744
Outlays from current (1973) budget authority.....	[3,764,930]	[3,727,930]	[3,727,930]	[3,728,430]
Public Works and Atomic Energy (H.R. 15586):				
Budget authority in bill.....	5,489,058	5,437,727	5,571,696	††5,504,914
Appropriations to liquidate contract authority.....	(53,000)	(53,000)	(53,000)	(53,000)
Outlays <sup>2</sup> .....	5,709,840	5,689,840	5,758,840	5,737,540
Outlays from current (1973) budget authority.....	[3,092,677]	[3,072,677]	[3,141,677]	[3,120,377]
Agriculture and Environmental and Consumer Protection, (H.R. 15690):				
Budget authority in bill.....	12,952,190	12,897,011	13,561,056	††13,434,033
Appropriations to liquidate contract authority.....	(195,500)	(195,500)	(195,500)	(195,500)
Outlays <sup>2</sup> .....	12,270,420	12,348,420	12,585,420	12,520,420
Outlays from current (1973) budget authority.....	[10,226,616]	[10,304,616]	[10,541,616]	[10,476,616]
Department of Defense:				
Budget authority in bill.....	79,594,184			
Outlays.....	73,804,284			
Outlays from current (1973) budget authority.....	[56,144,357]			
Foreign Assistance and Related Agencies:				
Budget authority in bill.....	5,163,024			
Outlays.....	3,483,594			
Outlays from current (1973) budget authority.....	[1,314,797]			
Military Construction:				
Budget authority in bill.....	2,661,384			
Outlays.....	1,980,300			
Outlays from current (1973) budget authority.....	[622,641]			
1972 Foreign Assistance and Related Agencies (H.R. 12067, P.L. 92-242) (score-keeping effect of congressional action in current session):				
Outlays.....		<sup>8</sup> -105,000	<sup>8</sup> -105,000	-105,000
Urgent Supplemental, 1972 (H.J. Res. 1097, P.L. 92-256):				
Outlays.....	5,765	5,765	5,765	5,765
Second Supplemental, 1972 (H.R. 14582, P.L. 92-306):				
Outlays.....	415,389	250,139	956,889	501,889
Requests not considered.....		65,250	8,500	8,500
Supplemental, 1972, disaster relief (H.J. Res. 1238, P.L. 92-337):				
Outlays.....	100,000	200,000	200,000	200,000
Disaster relief supplemental, 1973 (H.R. 16254):				
Budget authority.....	1,569,800	1,587,300	1,587,300	1,587,300
Outlays.....	800,000	806,000	806,000	806,000
Outlays from current (1973) budget authority.....	[800,000]	[806,000]	[806,000]	[806,000]
Supplementals, 1973:				
Budget authority.....	135,200			
Outlays.....	99,700			
Outlays from current (1973) budget authority.....	[99,700]			
Total, F.Y. 1973:				
Budget authority in bills.....	177,356,513	55,365,860	57,467,672	51,957,078
Requests not considered.....		231,232	37,361	37,361
Adjustments to budget basis <sup>2,8</sup> .....	+19,856			
Total, budget authority.....	177,376,369			
Appropriations to liquidate contract authority.....	(6,128,352)	(6,090,712)	(6,099,497)	(5,857,050)
Advance (1974) appropriation.....	(131,181)	(131,181)	(131,181)	(131,181)
Outlays <sup>2</sup> .....	170,653,337	59,340,780	60,709,307	55,793,426
Requests not considered.....		174,527	16,000	16,000
Outlays from current (1973) budget authority.....	[121,244,059]	[39,967,293]	[40,607,767]	[37,549,643]
Requests not considered.....		[109,277]	[7,500]	[7,500]

See footnotes at end of table, page 11.



## SUPPORTING TABLES—Continued

Table No. 3.—Fiscal year 1973 appropriation bills, and supplemental appropriation bills for fiscal year 1972—showing budget authority and estimated outlays by bill, as requested by the President, as passed by the House and Senate, and as enacted in the 2d session of the 92d Congress—Continued

[In thousands of dollars]

	Budget request <sup>1</sup>	House action to date	Senate action to date	Enacted
<b>FISCAL YEAR 1972</b>				
Foreign Assistance and Related Agencies, 1972 (H.R. 12067, P.L. 92-242) (scorekeeping effect of Congressional action in current session):				
Budget authority-----				
Outlays-----		<sup>8</sup> -353,230	<sup>8</sup> -353,230	-353,230
Urgent Supplemental, 1972 (H.J. Res. 1097, P.L. 92-256):		<sup>8</sup> -50,000	<sup>8</sup> -50,000	-50,000
Budget authority-----				
Outlays-----	957,476	957,476	957,476	957,476
Second Supplemental, 1972 (H.R. 14582, P.L. 92-306):	951,711	951,711	951,711	951,711
Budget authority-----				
Budget authority treated in bill as offsetting receipts-----	4,881,943	3,954,453	5,063,517	4,347,698
Appropriations to liquidate contract authority-----	66,138	66,138	66,138	66,138
Requests not considered-----	(33,000)	(33,000)	(33,000)	(33,000)
Outlays-----		106,682	16,000	16,000
Requests not considered-----	4,229,010	3,848,400	3,991,510	3,956,510
Supplemental, special payments to international financial institutions, 1972 (H.J. Res. 1174, P.L. 92-301):		15,610	7,500	7,500
Budget authority-----				
Supplemental, 1972, disaster relief (H.J. Res. 1238, P.L. 92-337):	1,600,000	1,600,000	1,600,000	1,600,000
Budget authority-----				
Outlays-----	100,000	200,000	200,000	200,000
Total, F.Y. 1972:				
Budget authority-----	7,605,557	6,424,837	7,533,901	6,818,082
Outlays-----	6,180,721	4,750,111	4,893,221	4,858,221

<sup>1</sup> Amended by H. Doc. 267, 269, 271, 272, 275, 277, 278, 286, 289, 291, 292, 300, 301, 321, 325, and 330, and S. Doc. 78 and 79.

<sup>2</sup> To adjust to budget basis, add \$138,690,000 for maritime subsidies treated in budget as budget authority, and in the bill as appropriation to liquidate contract authority.

<sup>3</sup> Includes outlays from appropriations to liquidate contract authority.

<sup>4</sup> Excludes \$490 million proposal for pending urban community development revenue sharing legislation.

<sup>5</sup> To adjust to budget basis, (1) deduct \$126,419,000 for Urban Mass Transportation appropriation which under law automatically is offset against prior year contract authority, (2) add

\$6,585,000 appropriation to Airway Trust Fund treated in budget as offsetting receipt and as non-add item in the Transportation Bill.

<sup>6</sup> Vetoed by President and sustained by House on August 16, 1972. Figures in Congressional action columns shown for information purposes and not included in totals below.

<sup>7</sup> Includes \$180,000,000 for Appalachian development, carried in the budget as permanent contract authority with \$175,000,000 in appropriations to liquidate contract authority, and treated in the bill as direct appropriation.

<sup>8</sup> Enacted figure used for comparability.

‡ Subject to or in conference.

†† Pending signature.

**SUPPORTING TABLES—Continued**

**Table No. 4.—Legislative proposals in fiscal year 1973 budget to reduce budget authority and outlays <sup>1</sup>**

Request (title or purpose)	Reduction estimate, 1973 budget	House action to date	Senate action to date	Enacted to date
<b>Fiscal year 1973:</b>				
<b>DEPARTMENT OF AGRICULTURE:</b>				
Federal Crop Insurance Corporation:				
Administrative and operation expenses (H.R. —, S. —):				
Budget authority .....	-1,000			
Outlays .....	-1,053			
Farmers Home Administration:				
Reduce direct loans (H.R. 12931):				
Budget authority .....	-136,503	-136,503	-136,503	†-136,503
Outlays .....	-593,816	-593,816	-593,816	-593,816
<b>DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE:</b>				
Office of Education:				
Student loans (H.R. —, S. —):				
Budget authority .....	-288,000			
Outlays .....	-288,000			
Social and Rehabilitation Service:				
Grants to States:				
Maintenance (social security offset) (H.R. 1):				
Budget authority .....	-159,000	-159,000		
Outlays .....	-159,000	-159,000		
Medicaid reform (H.R. 1):				
Budget authority .....	-700,220	-700,220		
Outlays .....	-700,220	-700,220		
<b>GENERAL SERVICES ADMINISTRATION:</b>				
Stockpile sales—proprietary receipts:				
Zinc sales (S. 766, P.L. 92-283):				
Budget authority .....		-10,000	-10,000	-10,000
Outlays .....		-10,000	-10,000	-10,000
Chromite sales (S. 773):				
Budget authority .....	-311,000		N.A.	
Outlays .....	-311,000		N.A.	
Other legislation:				
Budget authority .....				
Outlays .....				
<b>VETERANS ADMINISTRATION:</b>				
General operating expenses—war orphan counseling (H.R. —, S. —):				
Budget authority .....	-1,000			
Outlays .....	-1,000			
<b>Total:</b>				
Budget authority .....	-1,596,723	-1,005,723	-146,503	-146,503
Outlays .....	-2,054,089	-1,463,036	-603,816	-603,816

<sup>1</sup> If positive legislative action is not taken on each item, estimates carried in the budget will be increased by the amount indicated.

‡Subject to or in conference.

†Committee action.

††Pending signature.

**SUPPORTING TABLES—Continued**

**Table No. 5.—Legislative proposals in fiscal year 1973 budget for new or expanded programs**

[In thousands of dollars]

Proposal (title or purpose)	Cost estimate, 1973 budget	House action to date	Senate action to date	Enacted to date
<b>Fiscal year 1973:</b>				
<b>EXECUTIVE OFFICE OF THE PRESIDENT:</b>				
Council on International Economic Policy (S. 3726):				
Budget authority.....	1,341		1,400	†1,400
Outlays.....	1,316		1,400	1,400
<b>FUNDS APPROPRIATED TO THE PRESIDENT:</b>				
International Financial Institutions (S. 2010, 748, 749, P.L. 92-245, 246, and 247):				
Budget authority.....	910,000	910,000	910,000	910,000
Outlays.....	103,000	103,000	103,000	103,000
<b>DEPARTMENT OF AGRICULTURE:</b>				
Federal Crop Insurance Corporation:				
Administrative expenses (H.R. —, S. —):				
Budget authority.....				
Outlays.....	1,452			
Farmers Home Administration:				
Reduce direct loans (H.R. 12931):				
Budget authority.....				(†)
Outlays.....	3,977	3,977	3,977	3,977
<b>DEPARTMENT OF DEFENSE:</b>				
All volunteer Army:				
Special Pay Act (H.R. 14545, S. 3410):				
Budget authority.....	199,000			
Outlays.....	199,000			
Uniformed health professionals (H.R. 2):				
Budget authority.....	40,000	40,000	40,000	‡40,000
Outlays.....	34,000	34,000	34,000	34,000
Other (H.R. —, S. —):				
Budget authority.....	161,000			
Outlays.....	157,000			
Retirement system reform:				
Equalization of retired pay (H.R. 15495):*				
Budget authority.....	269,000		275,000	(†)
Outlays.....	269,000		275,000	
Survivor annuity (H.R. 10670):				
Budget authority.....	-118,285	-118,285		
Outlays.....	-118,285	-118,285		
Retirement modernization (H.R. —, S. —):				
Budget authority.....	145,285			
Outlays.....	139,285			
<b>DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE:</b>				
Food and Drug Administration:				
Product safety (H.R. 15003, S. 3419):				
Budget authority.....	38,845	‡55,000	250,000	
Outlays.....	29,743	‡55,000	250,000	
Health Services and Mental Health Administration:				
Health maintenance organizations (H.R. 11728, S. 3327):				
Budget authority.....	60,000		†1,076,800	
Outlays.....	36,000		†N.A.	
Office of Education:				
Revenue sharing (H.R. 7796, S. 1669):				
Budget authority.....	223,911			
Outlays.....	110,000			
Higher education work study and grants (S. 659, P.L. 92-318):				
Budget authority.....				
Outlays.....	259,000	330,000	330,000	330,000

See footnotes at end of table, page 16.

## SUPPORTING TABLES—Continued

Table No. 5.—Legislative proposals in fiscal year 1973 budget for new or expanded programs—Continued

[In thousands of dollars]

Proposal (title or purpose)	Cost estimate, 1973 budget	House action to date	Senate action to date	Enacted to date
<b>Fiscal year 1973—Continued</b>				
<b>DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued</b>				
Emergency school assistance (S. 659, P.L. 92-318):				
Budget authority-----	1, 000, 000	1, 000, 000	1, 000, 000	1, 000, 000
Outlays-----	381, 000	381, 000	381, 000	381, 000
National Foundation for Higher Education (S. 659, P.L. 92-318):				
Budget authority-----	100, 000	<sup>1</sup> 10, 000	100, 000	<sup>2</sup> 10, 000
Outlays-----	30, 000	3, 000	30, 000	<sup>2</sup> 3, 000
National Institute for Education (S. 659, P.L. 92-318):				
Budget authority-----	125, 000	125, 000	125, 000	125, 000
Outlays-----	50, 000	50, 000	50, 000	50, 000
Social and Rehabilitation Service:				
Juvenile Justice (H.R. 15635, P.L. 92-381):				
Budget authority-----	10, 000	75, 000	75, 000	75, 000
Outlays-----	2, 348	18, 750	18, 750	18, 750
Social Security Administration:				
Federal payment-SMI (H.R. 1):				
Budget authority-----	175, 000	175, 000		
Outlays-----	175, 000	175, 000		
Benefit improvements (H.R. 15390, P.L. 92-336):				
Budget authority-----	1, 303, 000	1, 303, 000	<sup>3</sup> -400, 000	<sup>3</sup> -400, 000
Outlays-----	4, 020, 000	4, 020, 000	<sup>3</sup> 6, 200, 000	<sup>3</sup> 6, 200, 000
Welfare Reform (H.R. 1):				
Budget authority-----	450, 000	450, 000		
Outlays-----	350, 000	350, 000		
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>				
Revenue sharing (H.R. 8853, S. 3248):				
Budget authority-----	490, 000			
Outlays-----	490, 000			
<b>DEPARTMENT OF INTERIOR:</b>				
Bureau of Land Management:				
National land bank (H.R. 7211, S. 632):				
Budget authority-----	20, 000	†4, 000	†110, 000	
Outlays-----	10, 000	†4, 000	†110, 000	
Bureau of Indian Affairs:				
Resources management-economic development (H.R. 8063, S. 2036):				
Budget authority-----	4, 000			
Outlays-----	4, 000			
Revolving fund-economic development (H.R. 8063, S. 2036):				
Budget authority-----	5, 000			
Outlays-----	1, 000			
Office of Territories:				
Economic development (S. 860, P.L. 92-257):				
Budget authority-----	1, 000	1, 000	1, 000	1, 000
Outlays-----	1, 000	1, 000	1, 000	1, 000
Geological Survey:				
Environmental programs (H.R. —, S. —):				
Budget authority-----	5, 000			
Outlays-----	4, 000			
Bureau of Mines:				
Mined land protection (H.R. 5689, S. 993):				
Budget authority-----	7, 000			
Outlays-----	7, 000			
<b>DEPARTMENT OF STATE:</b>				
International Boundary and Water Commission (H.R. 15461, S. —):				
Budget authority-----		†13, 868		
Outlays-----	4, 345	4, 345		

See footnotes at end of table, page 16.

## SUPPORTING TABLES—Continued

Table No. 5.—Legislative proposals in fiscal year 1973 budget for new or expanded programs—Continued

[In thousands of dollars]

Proposal (title or purpose)	Cost estimate, 1973 budget	House action to date	Senate action to date	Enacted to date
<b>Fiscal year 1973—Continued</b>				
<b>DEPARTMENT OF TRANSPORTATION:</b>				
Federal Railroad Administration:				
AMTRAK (H.R. 11417, P.L. 92-316):				
Budget authority.....				(4)
Outlays.....	65,000	65,000	65,000	65,000
<b>DEPARTMENT OF TREASURY:</b>				
General revenue sharing: (H.R. 14370):				
Budget authority.....	5,300,000	5,800,000	5,800,000	
Outlays.....	5,000,000	7,550,000	7,550,000	
<b>ENVIRONMENTAL PROTECTION AGENCY:</b>				
Ocean protection (H.R. 9727):				
Budget authority.....		17,500	5,600	(4)
Outlays.....		17,500	5,600	
Pesticide control (H.R. 10729):				
Budget authority.....	35,000	15,700	15,000	
Outlays.....	22,000	15,700	15,000	
Toxic substance control (H.R. 5276, S. 1478):				
Budget authority.....			6,300	
Outlays.....			6,300	
Noise control (H.R. 11021, S. 1016):				
Budget authority.....		14,000		
Outlays.....		14,000		
<b>VETERANS ADMINISTRATION:</b>				
Compensation and pensions (S. 3338, P.L. 92-328):*				
Budget authority.....	151,700	266,600	320,700	266,600
Outlays.....	151,700	266,600	320,700	266,600
Readjustment benefits—advance educational allowance (H.R. 12828, S. 2161):*				
Budget authority.....	163,300	292,000	855,300	(4)
Outlays.....	167,300	292,000	1,068,200	
Medical care (H.R. 10880, S. 2354):*				
Budget authority.....	15,945			
Outlays.....	15,945	45,758	166,950	(4)
Medical administration (H.R. 10880):				
Budget authority.....	155	45,758	166,950	
Outlays.....	155			
State grants—nursing home construction (H.R. 13673, S. —):				
Budget authority.....	2,700			
Outlays.....				
<b>OTHER INDEPENDENT AGENCIES:</b>				
District of Columbia:				
Capital grants—higher education (H.R. —, S. —):				
Budget authority.....	20,000			
Outlays.....	10,000			
Local bond expenses (H.R. —, S. —):				
Budget authority.....	1,000			
Outlays.....	1,000			
RFK Stadium (H.R. —, S. —):				
Budget authority.....	1,000			
Outlays.....	1,000			
Washington Metropolitan Area Transit Authority:				
Federal bond guarantees (H.R. 15507, P.L. 92-349):				
Budget authority.....	8,481	8,481	8,481	8,481
Outlays.....	8,481	8,481	8,481	8,481
Smithsonian Institution:				
JFK Center—tours (S. 1736, P.L. 92-313):				
Budget authority.....	1,500	7 Open-end		7 Open-end
Outlays.....	1,500	Open-end		Open-end

See footnotes at end of table, page 16.



## SUPPORTING TABLES—Continued

Table No. 5.—Legislative proposals in fiscal year 1973 budget for new or expanded programs—Continued

[In thousands of dollars]

Proposal (title or purpose)	Cost estimate, 1973 budget	House action to date	Senate action to date	Enacted to date
<b>Fiscal year 1973—Continued</b>				
<b>OTHER INDEPENDENT AGENCIES—Continued</b>				
Water Resources Council—2d assessment (H.R. 14106):				
Budget authority.....	1,000	1,000	1,000	††1,000
Outlays.....	800	800	800	800
Total:				
Budget authority.....	11,326,878	12,804,622	13,043,531	2,038,481
Outlays.....	12,199,062	13,690,626	16,995,158	7,467,008

<sup>1</sup>Enacted figure used for comparability.<sup>2</sup> Foundation not established, but Secretary of HEW authorized to perform proposed function; \$10 million authorized for 1973.<sup>3</sup> Preliminary, net of interfund transactions; rounded amounts used for scorekeeping purposes.<sup>4</sup> Includes "backdoor" borrowing authority; enacted, \$150 million for FY 1972 and \$50 million for FY 1974.<sup>5</sup> "Backdoor" appropriations.<sup>6</sup> Reflects \$2.65 billion in budget authority and \$2.4 billion in outlays shifted from FY 1972 to FY 1973 due to delayed consideration. Does not include budgetary effect, if any, of the \$1 billion Senate limitation on social service matching grants.<sup>7</sup> Responsibility transferred to Interior Department.

†Committee action.

‡Subject to or in conference.

\*Outlays mandatory.

††Pending signature.

**SUPPORTING TABLES—Continued**

**Table No. 6.—Legislative proposals not reflected in budget estimates for fiscal year 1973**

[In thousands of dollars]

	Cost estimate transmitted	House action to date	Senate action to date	Enacted to date	5-year cost
<b>SUBMITTED BY THE JUDICIARY:</b>					
Bankruptcy referee salaries (S. 1394):					
Budget authority .....			16,000		80,000
Outlays .....			16,000		80,000
Salaries of U.S. magistrates (H.R. 7375):*					
Budget authority .....		1,280	975	(†)	5,400
Outlays .....		1,280	975		5,400
<b>SUBMITTED BY THE EXECUTIVE:</b>					
Guam and Virgin Islands Delegate (H.R. 8787, P.L. 92-271):*					
Budget authority .....	N.A.	455	455	455	2,275
Outlays .....	N.A.	455	455	455	2,275
Surety bond elimination (H.R. 13150, P.L. 92-310):*					
Budget authority .....	-100,000	-100,000	-100,000	-100,000	-600,000
Outlays .....	-100,000	-100,000	-100,000	-100,000	-600,000
Wage board pay (H.R. 9092):*					
Budget authority .....		<sup>1</sup> 30,000	<sup>1</sup> 30,000	††30,000	750,000
Outlays .....		<sup>1</sup> 30,000	<sup>1</sup> 30,000	30,000	750,000
Wage board pay adjustment (H.R. 13753, P.L. 92-298):*					
Budget authority .....	12,000	12,000	12,000	12,000	12,000
Outlays .....	12,000	12,000	12,000	12,000	12,000
Employee insurance coverage for U.S. nationals (H.R. 15659):*					
Budget authority .....	584	†584			†2,920
Outlays .....	584	†584			†2,920
<b>FUNDS APPROPRIATED TO THE PRESIDENT:</b>					
Gold revaluation—international banks (S. 3160, P.L. 92-268):					
Budget authority .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	343,000
Outlays .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	343,000
<b>DEPARTMENT OF COMMERCE:</b>					
Fishermen's Protective Act—extend (S. 3545):					
Budget authority .....	105		105		525
Outlays .....	105		105		525
International voluntary standards (S. 1798):					
Budget authority .....	1,200		1,200		<sup>3</sup> 2,400
Outlays .....	1,200		1,200		2,400
<b>DEPARTMENT OF DEFENSE:</b>					
Military lawyers retention (H.R. 4606):					
Budget authority .....	7,000	7,000			35,000
Outlays .....	7,000	7,000			35,000
Loan of Navy vessels (H.R. 9526, P.L. 92-270):					
Budget authority .....	N.A.	N.A.	N.A.	N.A.	N.A.
Outlays .....	N.A.	N.A.	N.A.	N.A.	N.A.
Drug treatment (H.R. 12846):					
Budget authority .....	90,500	90,500			452,500
Outlays .....	90,500	90,500			452,500
<b>DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE:</b>					
National Heart, Blood Vessel, Lung and Blood Act (S. 3323, H.R. 15081):					
Budget authority .....	Open-end	370,000	430,000	†400,000	1,275,000
Outlays .....	N.A.	370,000	430,000	400,000	1,275,000

(17)

See footnotes at end of table, page 26.

## SUPPORTING TABLES—Continued

Table No. 6.—Legislative proposals not reflected in budget estimates for fiscal year 1973—Continued

[In thousands of dollars]

	Cost estimate transmitted	House action to date	Senate action to date	Enacted to date	5-year cost
<b>SUBMITTED BY THE EXECUTIVE—Continued</b>					
<b>DEPARTMENT OF INTERIOR:</b>					
Salmon Falls—irrigation (S. 432):					
Budget authority .....	51,698		51,698		54,250
Outlays .....	51,698		51,698		54,250
Gateway National Recreation Area (S. 1852):					
Budget authority .....	45,033		45,033		128,554
Outlays .....	45,033		45,033		128,554
Rockefeller Parkway (S. 3159):					
Budget authority .....	3,092	3,092	3,092	††3,092	3,092
Outlays .....	3,092	3,092	3,092	3,092	3,092
National parks authorizations, miscellaneous increases (S. 2601, P.L. 92-272):					
Budget authority .....	3,398	16,165	13,451	13,451	13,451
Outlays .....	3,398	16,165	13,451	13,451	13,451
Recreation-conservation areas (H.R. 10384):					
Budget authority .....	N.A.	N.A.			17,000
Outlays .....	N.A.	N.A.			17,000
Predatory animal control (H.R. 13152):					
Budget authority .....	9,500	9,500			44,500
Outlays .....	9,500	9,500			44,500
<b>DEPARTMENT OF JUSTICE:</b>					
Paroled drug addict care (S. 2713, P.L. 92-293):					
Budget authority .....	600	600	600	600	10,672
Outlays .....	600	600	600	600	10,672
Diplomat protection (H.R. 15883):					
Budget authority .....	N.A.	N.A.			N.A.
Outlays .....	N.A.	N.A.			N.A.
<b>DEPARTMENT OF LABOR:</b>					
Emergency unemployment benefits—6-month extension (H.R. 15587, P.L. 92-329):*					
Budget authority .....	54,500	54,500	54,500	54,500	220,000
Outlays .....	220,000	220,000	220,000	220,000	220,000
<b>DEPARTMENT OF STATE:</b>					
South Pacific Commission (H.J. Res. 1211):					
Budget authority .....	150	150			750
Outlays .....	150	150			750
International Agency for Cancer Research (H.J. Res. 1257):					
Budget authority .....	337	337			1,865
Outlays .....	337	337			1,865
<b>DEPARTMENT OF TRANSPORTATION:</b>					
Ports and waterway safety (H.R. 8140, P.L. 92-340):					
Budget authority .....	N.A.	N.A.	N.A.	N.A.	N.A.
Outlays .....	N.A.	N.A.	N.A.	N.A.	N.A.
Air traffic controller retirement (H.R. 8083, P.L. 92-297):*					
Budget authority .....	17,600	†49,100	49,100	49,100	253,700
Outlays .....	17,600	49,100	49,100	49,100	253,700
TRANSPO-72 (S. 3244, P.L. 92-252):					
Budget authority .....	2,000	2,000	2,000	2,000	2,000
Outlays .....	2,000	2,000	2,000	2,000	2,000
Highway emergency relief (Hurricane Agnes) (H.R. 15950, P.L. 92-361):*					
Budget authority .....	4200,000	4150,000	4150,000	4150,000	4350,000
Outlays .....	40,000	40,000	40,000	40,000	350,000
Lighthouse service benefits (H.R. 10486):*					
Budget authority .....	111	†111			†550
Outlays .....	111	†111			†550

See footnotes at end of table, page 26.

## SUPPORTING TABLES—Continued

Table No. 6.—Legislative proposals not reflected in budget estimates for fiscal year 1973—Continued

[In thousands of dollars]

	Cost estimate transmitted	House action to date	Senate action to date	Enacted to date	5-year cost
<b>SUBMITTED BY THE EXECUTIVE—Continued</b>					
<b>DEPARTMENT OF THE TREASURY:</b>					
Environmental Financing Authority (S. 1015):					
Budget authority .....	N.A.		† N.A.		† N.A.
Outlays .....	N.A.		† N.A.		† N.A.
Federal Financing Bank (S. 3001):					
Budget authority .....	100,000		° 100,000		° 100,000
Outlays .....	100,000		100,000		100,000
<b>GENERAL SERVICES ADMINISTRATION:</b>					
Public buildings financing (S. 1736, P.L. 92-313):					
Budget authority .....	N.A.	N.A.	N.A.	N.A.	N.A.
Outlays .....	N.A.	N.A.	N.A.	N.A.	N.A.
Subtotal, submitted by the Executive:					
Budget authority .....	499,408	696,094	843,234	615,198	3,476,004
Outlays .....	504,908	751,594	898,734	670,698	3,476,004
<b>INITIATED BY THE CONGRESS:</b>					
Establish Congressional Office of Goals and Priorities Analysis (S. 5):					
Budget authority .....			4,500		° 13,500
Outlays .....			4,500		13,500
Joint Committee on the Environment (S.J. Res. 17, H.J. Res. 3):					
Budget authority .....		300	N.A.	(†)	1,500
Outlays .....		300	N.A.		1,500
Capitol security (H. Con. Res. 550):					
Budget authority .....		3,000	3,000	(†)	3,000
Outlays .....		3,000	3,000		3,000
Senate Office Building construction (S. 3917):					
Budget authority .....			†53,500		†53,500
Outlays .....			†53,500		†53,500
Full D.C. Congressional representation (H.J. Res. 253):*					
Budget authority .....		†960			†4,800
Outlays .....		†960			†4,800
Federal employee health insurance—increased Government contribution (H.R. 12202):*					
Budget authority .....		267,900	39,600	(†)	3,243,100
Outlays .....		267,900	39,600		3,243,100
Establish Office of Technology Assessment (H.R. 10243):					
Budget authority .....		5,000			N.A.
Outlays .....		5,000			N.A.
Additional judges (H.R. 11394, S. 733):					
Budget authority .....		1,099	N.A.	(†)	4,967
Outlays .....		1,099	N.A.		4,967
Fair credit billing (S. 652):					
Budget authority .....			N.A.		N.A.
Outlays .....			N.A.		N.A.
<b>EXECUTIVE OFFICE OF THE PRESIDENT:</b>					
Consumer protection (H.R. 10835):					
Budget authority .....		6,475			30,000
Outlays .....		6,475			30,000
<b>FUNDS APPROPRIATED TO THE PRESIDENT:</b>					
Office of Emergency Preparedness—economic disaster relief (S. 2393):					
Budget authority .....			N.A.		N.A.
Outlays .....			N.A.		N.A.
<b>DEPARTMENT OF AGRICULTURE:</b>					
Rural development (H.R. 12931):					
Budget authority .....		320,000	620,160	††470,000	1,700,000
Outlays .....		320,000	620,160	400,000	1,700,000

See footnotes at end of table, page 26.

## SUPPORTING TABLES—Continued

Table No. 6.—Legislative proposals not reflected in budget estimates for fiscal year 1973—Continued

[In thousands of dollars]

	Cost estimate transmitted	House action to date	Senate action to date	Enacted to date	5-year cost
<b>INITIATED BY THE CONGRESS—Continued</b>					
<b>DEPARTMENT OF AGRICULTURE—Continued</b>					
Predator indemnities (H.R. 14163):					
Budget authority .....		†50,000			†250,000
Outlays .....		†50,000			†250,000
Rabbit meat inspection (S. 1943):					
Budget authority .....		†154	154		850
Outlays .....		†154	154		850
Grain reserves and 25% grain loan increase (H.R. 1163):*					
Budget authority .....					
Outlays .....		2,276,000			3,136,000
Cooperative forest programs (H.R. 8817, P.L. 92-288):					
Budget authority .....		5,000	5,000	5,000	92,000
Outlays .....		5,000	5,000	5,000	92,000
Accelerated reforestation (H.R. 13089):					
Budget authority .....		75,000	65,000	†65,000	375,000
Outlays .....		75,000	65,000	†65,000	375,000
Expand Santa Fe, Gila, Cibola and Carson National Forests (S. 447):					
Budget authority .....			N.A.		N.A.
Outlays .....			N.A.		N.A.
Expand Carson National Forest (S. 2699):					
Budget authority .....			26,500		28,940
Outlays .....			26,500		28,940
Sawtooth Recreation Area (H.R. 6957):					
Budget authority .....		46,043	45,050	††46,093	46,093
Outlays .....		46,043	45,050	46,093	46,093
Forest incentives (S. 3105):					
Budget authority .....			10,000		95,000
Outlays .....			10,000		95,000
Federal contribution, meat and poultry inspection costs (S. 1316):					
Budget authority .....			17,300		N.A.
Outlays .....			17,300		N.A.
School lunch (H.R. 14896):*					
Budget authority .....		169,000	248,900		6509,000
Outlays .....		194,000	248,900		509,000
<b>DEPARTMENT OF COMMERCE:</b>					
Sales of U.S. passenger vessels (H.R. 11589, P.L. 92-296):					
Budget authority .....		12,600	12,600	12,600	12,800
Outlays .....		12,600	12,600	12,600	12,800
Liberty ships for artificial reefs (revenue loss) (H.R. 5741):					
Budget authority .....		14,400			14,400
Outlays .....		14,400			14,400
Marine mammal protection (H.R. 10420):					
Budget authority .....		3,200	8,200	(†)	31,300
Outlays .....		3,200	8,200		31,300
Tuna development (H.R. 12207):					
Budget authority .....		1,000	1,000	(†)	63,000
Outlays .....		1,000	1,000		3,000
Federal Elections Campaign Act (S. 382, P.L. 92-225):					
Budget authority .....		2,000	2,000	2,000	10,000
Outlays .....		2,000	2,000	2,000	10,000
Coastal zone management (H.R. 14146, S. 3507):					
Budget authority .....		15,000	19,500	(†)	345,000
Outlays .....		15,000	19,500		345,000
Travel agent registration (S. 2577):					
Budget authority .....			600		3,000
Outlays .....			600		3,000
Economic development (H.R. 16071):					
Budget authority .....		1,027,500			3,177,500
Outlays .....		1,027,500			3,177,500

See footnotes at end of table, page 26.

## SUPPORTING TABLES—Continued

Table No. 6.—Legislative proposals not reflected in budget estimates for fiscal year 1973—Continued

[In thousands of dollars]

	Cost estimate transmitted	House action to date	Senate action to date	Enacted to date	5-year cost
<b>INITIATED BY THE CONGRESS—Continued</b>					
<b>DEPARTMENT OF COMMERCE—Continued</b>					
Mid-decade census (H.R. 14153):					
Budget authority		†N.A.			†170,000
Outlays		†N.A.			†170,000
<b>DEPARTMENT OF DEFENSE:</b>					
Virgin Islands National Guard (H.R. 3817):					
Budget authority		N.A.			N.A.
Outlays		N.A.			N.A.
Mailing privileges (H.R. 3808):					
Budget authority		5,000	N.A.	(‡)	25,000
Outlays		5,000	N.A.		25,000
National Guard retirement (S. 855):*					
Budget authority			7,900		39,500
Outlays			7,900		39,500
Additional travel allowance (H.R. 3542):*					
Budget authority		2,414			12,070
Outlays		2,414			12,070
POW and MIA leave accumulation (H.R. 14911):*					
Budget authority		13,400			13,400
Outlays		13,400			13,400
Dam inspection (H.R. 15951, P.L. 92-367):					
Budget authority		5,000	5,000	5,000	45,000
Outlays		5,000	5,000	5,000	45,000
U.S.S. Arizona—visitor facilities (H.R. 16201):					
Budget authority		2,500			2,500
Outlays		2,500			2,500
<b>DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE:</b>					
Black lung benefits (H.R. 9212, P.L. 92-303):*					
Budget authority		<sup>1</sup> 968,712	968,712	968,712	4,000,000
Outlays		968,712	968,712	968,712	4,000,000
Higher education (S. 659, P.L. 92-318):					
Budget authority		<sup>5</sup> 1,614,500	<sup>5</sup> 557,400	<sup>5</sup> N.A.	<sup>5</sup> 16,000,000
Outlays		1,614,500	557,400	N.A.	16,000,000
Impacted area school aid—Postal Service (S. 3054, P.L. 92-277):					
Budget authority		8,500	8,500	8,500	17,000
Outlays		8,500	8,500	8,500	17,000
Wholesome fish—inspection (S. 2824):					
Budget authority			20,445		63,000
Outlays			20,445		63,000
Food for the elderly (S. 1163, P.L. 92-258):					
Budget authority		100,000	100,000	100,000	250,000
Outlays		100,000	100,000	100,000	250,000
National Institute of Aging (H.R. 14424):					
Budget authority		20,000			Open-end
Outlays		20,000			Open-end
Sickle Cell Act (S. 2676, P.L. 92-294):					
Budget authority		25,000	33,000	25,000	<sup>6</sup> 115,000
Outlays		25,000	33,000	25,000	115,000
Children's dental health (S. 1874):					
Budget authority			25,000		<sup>6</sup> 142,000
Outlays			25,000		142,000
Children's day care (S. 3617):					
Budget authority			150,000		<sup>6</sup> 2,950,000
Outlays			150,000		2,950,000
Cooley's anemia control (H.R. 15474):					
Budget authority		2,725	3,700	††3,700	8,175
Outlays		2,725	3,700	3,700	8,175
Drug listing (H.R. 9936, P.L. 92-387):					
Budget authority		2,000	2,000	2,000	10,000
Outlays		2,000	2,000	2,000	10,000

See footnotes at end of table, page 26.



## SUPPORTING TABLES—Continued

Table No. 6.—Legislative proposals not reflected in budget estimates for fiscal year 1973—Continued

[In thousands of dollars]

	Cost estimate transmitted	House action to date	Senate action to date	Enacted to date	5-year cost
<b>INITIATED BY THE CONGRESS—Continued</b>					
DEPT. OF HEALTH, EDUCATION, AND WELFARE—Con.					
Runaway youth (S. 2829):					
Budget authority .....			10,000		<sup>6</sup> 30,000
Outlays .....			10,000		30,000
Public health training (S. 3441):					
Budget authority .....			8,000		341,000
Outlays .....			8,000		341,000
Migrant workers' health (S. 3762):					
Budget authority .....			50,000		<sup>6</sup> 160,000
Outlays .....			50,000		160,000
Emergency health personnel (S. 3858):					
Budget authority .....			(2)		<sup>8</sup> 92,300
Outlays .....			(2)		<sup>8</sup> 92,300
Medical library assistance (S. 3752):					
Budget authority .....			(2)		181,000
Outlays .....			(2)		181,000
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:					
Housing Act of 1972 (S. 3248):					
Budget authority .....			<sup>9</sup> 1,552,500		N.A.
Outlays .....			1,252,500		N.A.
Relocation payments (S. 1819):					
Budget authority .....		N.A.	150,000	(‡)	750,000
Outlays .....		N.A.	150,000		750,000
Water and sewer grants (H.R. 13853):*					
Budget authority .....		Rejected			Rejected
Outlays .....					
DEPARTMENT OF INTERIOR:					
Buffalo National River (S. 7, P.L. 92-237):					
Budget authority .....		8,367	8,367	8,367	27,877
Outlays .....		8,367	8,367	8,367	27,877
Oregon Dunes Recreation Area (S. 1977, P.L. 92-260):					
Budget authority .....		15,200	15,200	15,200	15,200
Outlays .....		15,200	15,200	15,200	15,200
Gunboat "Cairo" (S. 1475, H.R. 6618):					
Budget authority .....		2,261	2,481	(‡)	4,500
Outlays .....		2,261	2,481		4,500
Connecticut Riverway (S. 36):					
Budget authority .....			22,019		23,000
Outlays .....			22,019		23,000
Archeological preservation (S. 1245):					
Budget authority .....			N.A.		N.A.
Outlays .....			N.A.		N.A.
International Peace Garden (S. 588):					
Budget authority .....			1,054		1,054
Outlays .....			1,054		1,054
Golden Eagle Passport (S. 1893, P.L. 92-347):					
Budget authority .....		N.A.	N.A.	N.A.	N.A.
Outlays .....		N.A.	N.A.	N.A.	N.A.
Land management—working capital fund (S. 2743):					
Budget authority .....			3,000		3,000
Outlays .....			3,000		3,000
Metallurgy research center (S. 978, P.L. 92-287):					
Budget authority .....		6,000	6,000	6,000	6,000
Outlays .....		6,000	6,000	6,000	6,000
Mining and minerals research (S. 635):					
Budget authority .....		40,500	12,100	(‡)	222,000
Outlays .....		40,500	12,100		222,000
Youth Conservation Corps—expansion (S. 2454):					
Budget authority .....			150,000		750,000
Outlays .....			150,000		750,000

See footnotes at end of table, page 26.

## SUPPORTING TABLES—Continued

Table No. 6.—Legislative proposals not reflected in budget estimates for fiscal year 1973—Continued

[In thousands of dollars]

	Cost estimate transmitted	House action to date	Senate action to date	Enacted to date	5-year cost
<b>INITIATED BY THE CONGRESS—Continued</b>					
<b>DEPARTMENT OF INTERIOR—Continued</b>					
San Francisco Wildlife Reservation (H.R. 12143, P.L. 92-330):					
Budget authority		20,300	20,300	20,300	20,300
Outlays		20,300	20,300	20,300	20,300
Tinicum Marsh preservation (H.R. 7088, P.L. 92-326):					
Budget authority		2,250	2,250	2,250	2,250
Outlays		2,250	2,250	2,250	2,250
Gulf Island Seashore extension (S. 3153, P.L. 92-275):					
Budget authority		3,337	3,337	3,337	3,565
Outlays		3,337	3,337	3,337	3,565
Longfellow Historic Site (S. 3129):					
Budget authority			658		1,375
Outlays			658		1,375
Van Buren Historic Site (S. 1426):					
Budget authority			596		3,310
Outlays			596		3,310
Fossil Butte National Monument (S. 141):					
Budget authority		4,847	4,515	(‡)	5,005
Outlays		4,847	4,515		5,005
Thaddeus Kosciuszko Home (S. 1973):					
Budget authority			592		592
Outlays			592		592
Sitka National Monument (S.1497):					
Budget authority			831		1,184
Outlays			831		1,184
Puukohola Heiau Historic Site (H.R. 1462):					
Budget authority		1,041	1,041	††1,041	1,041
Outlays		1,041	1,041	1,041	1,041
Brantley project (S. 50):					
Budget authority			34,785		34,785
Outlays			34,785		34,785
San Luis Valley Project (S. 520):					
Budget authority			18,246		20,021
Outlays			18,246		20,021
Seal Beach Wildlife Refuge (H.R. 10310):					
Budget authority		40	40	††40	525
Outlays		40	40	40	525
Amistad Recreation Area (S. 1295):					
Budget authority			20,020		20,020
Outlays			20,020		20,020
Cumberland Island National Seashore (S. 2411):					
Budget authority			19,010		19,010
Outlays			19,010		19,010
Hopi-Navajo Reservation partition (H.R. 1128):					
Budget authority		16,000			16,000
Outlays		16,000			16,000
Grant-Kohrs Ranch Historic Site (S. 2166):					
Budget authority		2,150	1,350	††2,150	2,585
Outlays		2,150	1,350	2,150	2,585
Indiana Dunes Lakeshore (S. 3811):					
Budget authority			4,700		4,700
Outlays			4,700		4,700
1976 Denver Winter Olympics (S. 3531):					
Budget authority			†15,500		†15,500
Outlays			†15,500		†15,500
Commercial fisheries development (S. 3524):					
Budget authority			(?)		23,000
Outlays			(?)		23,000

See footnotes at end of table, page 26.

## SUPPORTING TABLES—Continued

Table No. 6.—Legislative proposals not reflected in budget estimates for fiscal year 1973—Continued

[In thousands of dollars]

	Cost estimate transmitted	House action to date	Senate action to date	Enacted to date	5-year cost
<b>INITIATED BY THE CONGRESS—Continued</b>					
<b>DEPARTMENT OF JUSTICE:</b>					
Public safety officers death benefits (S. 2087):					
Budget authority.....			†40,000		†72,000
Outlays.....			†40,000		†72,000
<b>DEPARTMENT OF LABOR:</b>					
Fair labor standards amendments (H.R. 7130, S. 1861):					
Budget authority.....		1,500	N.A.	(‡)	13,500
Outlays.....		1,500	N.A.		13,500
<b>DEPARTMENT OF TRANSPORTATION:</b>					
Motor vehicle information (S. 976):					
Budget authority.....		18,200	56,050	(‡)	197,400
Outlays.....		18,200	56,050		197,400
Towing vessel operator licensing (H.R. 6479, P.L. 92-339):					
Budget authority.....		375	375	375	1,575
Outlays.....		375	375	375	1,575
Airport and airways development (S. 3755):*					
Budget authority.....		100	†840,000	(‡)	†840,000
Outlays.....		100	N.A.		840,000
Aircraft loan guarantee (S. 2741):					
Budget authority.....			N.A.		N.A.
Outlays.....			N.A.		N.A.
<b>DEPARTMENT OF THE TREASURY:</b>					
Early retirement—customs inspectors (H.R. 440):*					
Budget authority.....		3,200			16,000
Outlays.....		3,200			16,000
Cyclamates ban losses (H.R. 13366):					
Budget authority.....		120,000			120,000
Outlays.....		120,000			120,000
Grants to Eisenhower College (S. 2987):					
Budget authority.....			20,000		20,000
Outlays.....			20,000		20,000
State bond subsidies (S. 3215):*					
Budget authority.....			† <sup>10</sup> 29,000		† <sup>10</sup> 145,000
Outlays.....			† <sup>10</sup> 29,000		† <sup>10</sup> 145,000
Handgun control (S. 2507):*					
Budget authority.....			10,000		10,000
Outlays.....			10,000		10,000
<b>VETERANS ADMINISTRATION:</b>					
Nursing home care (H.R. 460):*					
Budget authority.....		6,900			38,000
Outlays.....		6,900			38,000
Assistance to medical schools (H.J. Res. 748, S. 2219):					
Budget authority.....		33,000	126,600	(‡)	170,000
Outlays.....		33,000	126,600		170,000
Drug addiction treatment (H.R. 9265):					
Budget authority.....		5,000			89,300
Outlays.....		5,000			89,300
Paraplegic housing grants (S. 3343, P.L. 92-341):*					
Budget authority.....		3,500	5,000	3,500	26,000
Outlays.....		3,500	5,000	3,500	26,000
National cemeteries (H.R. 12674):*					
Budget authority.....		39,600			217,500
Outlays.....		39,600			217,500
<b>OTHER INDEPENDENT AGENCIES:</b>					
Administrative Conference of U.S. (S. 3671);					
Budget authority.....			N.A.		N.A.
Outlays.....			N.A.		N.A.

See footnotes at end of table, page 26.

## SUPPORTING TABLES—Continued

Table No. 6.—Legislative proposals not reflected in budget estimates for fiscal year 1973—Continued

[In thousands of dollars]

	Cost estimate transmitted	House action to date	Senate action to date	Enacted to date	5-year cost
<b>INITIATED BY THE CONGRESS—Continued</b>					
<b>OTHER INDEPENDENT AGENCIES—Continued</b>					
Civil Service retirement (S. 1681):*					
Budget authority		N.A.	N.A.	(†)	-6,900
Outlays		N.A.	N.A.		-6,900
Civil Service—firemen's retirement (S. 916, P.L. 92-382):*					
Budget authority		6,700	6,330	6,700	33,500
Outlays		6,700	6,330	6,700	33,500
Civil Service retirement—reduction in force (S. 3380):*					
Budget authority			N.A.		N.A.
Outlays			N.A.		N.A.
Civil Service—early retirement (H.R. 11255):*					
Budget authority		†780,600			†3,903,000
Outlays		†780,600			†3,903,000
District of Columbia—sickle cell prevention (S. 2677):					
Budget authority			N.A.		N.A.
Outlays			N.A.		N.A.
Equal Employment Opportunity Commission—enforcement (H.R. 1746, P.L. 92-261):					
Budget authority		17,359	12,031	17,568	106,762
Outlays		17,359	12,031	15,900	106,762
Institute for Continuing Studies of Juvenile Justice (H.R. 45):					
Budget authority		2,000			8,000
Outlays		2,000			8,000
Interstate Commerce Commission—freight car shortage (S. 1729):*					
Budget authority			11 2,035,000		11 2,070,600
Outlays			35,150		70,600
National Environmental Center (S. 1113):					
Budget authority			90,000		320,000
Outlays			90,000		320,000
National Metric Conversion Board (S. 2483):					
Budget authority			3,000		14,500
Outlays			3,000		14,500
National Science Foundation—civil science administration (S. 32):					
Budget authority			150		6 1,025
Outlays			150		1,025
Railroad retirement—20% increase (H.R. 15927):*					
Budget authority					N.A.
Outlays		261,600			N.A.
Small Business Administration—interest subsidy program (S. 1905):					
Budget authority			8,350		41,750
Outlays			8,350		41,750
Small Business Administration—disaster loan interest rate reduction (H.R. 15692, P.L. 92-385):*					
Budget authority		12 94,772	12 359,932	12 50,000	N.A.
Outlays		12 94,772	12 359,932	12 50,000	N.A.
Small Business Administration—minority business (S. 3337):*					
Budget authority			† 13 8,933		† 13 14,915
Outlays			† 13 8,933		† 13 14,915
Commission on Security and Safety of Cargo (S. 942, H.R. 10295):					
Budget authority		†1,000	2,000		6 3,000
Outlays		†1,000	2,000		3,000
National Advisory Committee on Health, Science, and Society (S.J. Res. 75):					
Budget authority			250		2,000
Outlays			250		2,000
National Commission on Consumer Finance—extension (S.J. Res. 211, P.L. 92-321):					
Budget authority		500	500	500	500
Outlays		500	500	500	500

See footnotes at end of table, page 26.

## SUPPORTING TABLES—Continued

Table No. 6.—Legislative proposals not reflected in budget estimates for fiscal year 1973—Continued

[In thousands of dollars]

	Cost estimate transmitted	House action to date	Senate action to date	Enacted to date	5-year cost
<b>INITIATED BY THE CONGRESS—Continued</b>					
<b>OTHER INDEPENDENT AGENCIES—Continued</b>					
National Environmental Data System (H.R. 56):					
Budget authority-----		1,000	29,020	(‡)	212,754
Outlays-----		1,000	29,020		212,754
Subtotal, initiated by the Congress:					
Budget authority-----		6,052,981	8,885,234	1,850,933	45,414,275
Outlays-----		8,615,581	5,745,384	1,779,265	46,550,275
Total, Table No. 6:					
Budget authority-----	499,408	6,750,355	9,745,443	2,466,131	48,975,679
Outlays-----	504,908	9,368,459	6,661,093	2,449,963	50,111,679

<sup>1</sup> Enacted figure used for comparability.

<sup>2</sup> No budgetary effect in FY 1973.

<sup>3</sup> Two-year authorization F.Y. 1973-74.

<sup>4</sup> "Backdoor" contract authority.

<sup>5</sup> In addition provides indefinite amount of "backdoor" borrowing authority.

<sup>6</sup> Three-year authorization F.Y. 1973-75.

<sup>7</sup> Includes additional requirement to spend permanently appropriated funds, estimated for scorekeeping purposes at \$90 million for House action and \$116 million for Senate action.

<sup>8</sup> Two-year authorization FY 1974-75.

<sup>9</sup> Includes \$1,615 million of "backdoor" authority as follows: \$15 million in contract authority for F.Y. 1972, \$300 million in contract authority for F.Y. 1973, and \$1.5 billion in borrowing authority for F.Y. 1974.

<sup>10</sup> "Backdoor" permanent indefinite appropriation.

<sup>11</sup> Includes \$2 billion backdoor borrowing authority.

<sup>12</sup> Reflects cost of retroactive features only.

<sup>13</sup> Interest subsidy mandatory; FY 1973 estimate \$883,000.

N.A.—Not available.

†Committee action.

‡Pending signature.

‡Subject to or in conference.

\*Outlays mandatory.

**SUPPORTING TABLES—Continued**

**Table No. 7.—Items in the fiscal year 1973 budget requiring authorizing legislation prior to enactment of appropriations**

[In thousands of dollars]

Authorization request (title or purpose)	Cost estimate, 1973 budget	House action to date	Senate action to date	Enacted to date
<b>JUDICIARY:</b>				
Commission on Bankruptcy Laws (S.J. Res. 190, P.L. 92-251)-----	426	426	426	426
<b>EXECUTIVE OFFICE OF THE PRESIDENT:</b>				
Special Action Office for Drug Abuse (S. 2097, P.L. 92-255)-----	6, 856	171, 000	250, 000	253, 000
<b>FUNDS APPROPRIATED TO THE PRESIDENT:</b>				
Foreign Assistance (H.R. 16029, S. 3390)-----	1 2, 293, 500	2, 131, 000	Rejected	
Office of Economic Opportunity (H.R. 12350)-----	758, 200	1, 822, 153	2, 455, 000	†1, 756, 300
<b>DEPARTMENT OF COMMERCE:</b>				
Export control (S. 3726)-----	5, 507	5, 507	5, 507	††5, 507
National Bureau of Standards—Research and technical services:				
Fire research and safety (H.R. 13034, P.L. 92-317)-----	4, 928	4, 928	5, 000	5, 000
Standard reference data (H.R. 13034, P.L. 92-317)-----	2, 795	2, 795	3, 000	3, 000
Fammable fabrics (H.R. 5066)-----	1, 063	4, 000	4, 000	(†)
National Oceanic and Atmospheric Administration:				
Research (H.R. —, S. —)-----	900			
Fishermen's Protective Fund (H.R. 7117)-----	61	61	61	(†)
Maritime Administration (H.R. 13324)-----	525, 860	555, 860	555, 860	††555, 860
<b>DEPARTMENT OF DEFENSE:</b>				
Procurement (H.R. 15495, S. 3108)-----	1 23, 666, 367	21, 318, 788	20, 821, 700	(†)
Military construction (H.R. 15641)-----	1 2, 295, 451	2, 575, 781	2, 539, 305	(†)
Civil defense (S. 3772, P.L. 92-360)-----	29, 100	29, 100	29, 100	29, 100
<b>DEPARTMENT OF HEALTH, EDUCATION AND WELFARE:</b>				
Health Services and Mental Health Administration:				
Maternal and child health (H.R. 9410, P.L. 92-345)-----	101, 330	101, 330	101, 330	101, 330
Family planning—Title V (H.R. 9410, P.L. 92-345)-----	19, 000	19, 000	19, 000	19, 000
Family planning—Title X (S. 3442)-----	21, 500		21, 500	(†)
Lead based paint (S. 3080)-----	8, 500		100, 000	
Disease control (S. 3442)-----	13, 500	90, 000	229, 300	(†)
Office of Education:				
Higher education (S. 659, P.L. 92-318)-----	1, 449, 956	4, 925, 522	4, 915, 220	4, 920, 000
Library resources (S. 659, P.L. 92-318)-----	14, 000	Open-end	130, 000	75, 000
Educational renewal (Follow Through) (H.R. 12350)-----	177, 847	177, 847	100, 000	†70, 000
Higher education facilities loan and insurance fund (S. 659, P.L. 92-318)-----	3, 352	Open-end	200, 000	100, 000
Social and Rehabilitation Service:				
Vocational Rehabilitation (H.R. 8395)-----	744, 681	1, 008, 100		
Programs for the aging (H.R. 15657, S. 3391)-----	109, 000	200, 450		
Training and research (H.R. 15657, S. 3391)-----	11, 000	35, 000		
Office of Child Development (Head Start) (H.R. 12350)-----	393, 642	1, 000, 000	500, 000	†485, 000
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (S. 3248, H.R. 9688)-----</b>				
	755, 000		1, 231, 900	
<b>DEPARTMENT OF INTERIOR:</b>				
Bureau of Reclamation:				
Colorado River Basin (H.R. 13435, P.L. 92-370)-----	38, 185	38, 185	38, 185	38, 185
Missouri River Basin (S. 3284, P.L. 92-371)-----	8, 840	8, 840	8, 840	8, 840
Office of Saline Water (H.R. 12749, P.L. 92-273)-----	26, 871	26, 871	26, 871	26, 871
<b>DEPARTMENT OF LABOR:</b>				
Manpower Administration (S. 3054, P.L. 92-277)-----	1, 686, 330	1, 686, 330	1, 686, 330	1, 686, 330
<b>DEPARTMENT OF STATE (H.R. 14734, P.L. 92-352)-----</b>				
	588, 852	648, 354	648, 354	648, 354
<b>DEPARTMENT OF TRANSPORTATION:</b>				
Gas Pipeline Safety (H.R. 5065)-----	1, 000	3, 800	3, 800	††3, 800
Coast Guard:				
Operating expenses (H.R. 13188, P.L. 93-343)-----	322, 570	322, 570	322, 570	322, 570
Acquisition (H.R. 13188, P.L. 93-343)-----	135, 660	141, 820	145, 880	145, 880
Traffic and highway safety (H.R. 15375, S. 3474)-----	37, 461	37, 461	†52, 714	
High Speed Ground Transportation (S. 979, P.L. 92-348)-----	60, 800	97, 000	60, 800	97, 000

See footnotes at end of table, page 25.

## SUPPORTING TABLES—Continued

Table No. 7.—Items in the fiscal year 1973 budget requiring authorizing legislation prior to enactment of appropriations—Continued

[In thousands of dollars]

Authorization request (title or purpose)	Cost estimate, 1973 budget	House action to date	Senate action to date	Enacted to date
ATOMIC ENERGY COMMISSION (S. 3607, P.L. 92-314)-----	<sup>1</sup> 2, 724, 850	2, 603, 475	2, 603, 475	2, 603, 475
ENVIRONMENTAL PROTECTION AGENCY (H.R. 11896, S. 2720)-----	2, 097, 000	<sup>2</sup> 15, 872, 000	<sup>2</sup> 6, 928, 000	(‡)
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (H.R. 14070, P.L. 92-304)-----	3, 379, 000	3, 428, 950	3, 420, 150	3, 420, 150
OTHER INDEPENDENT AGENCIES:				
Action:				
Economic and financial assistance—Peace Corps (H.R. 14734, P.L. 92-352)-----	<sup>1</sup> 88, 027	88, 027	82, 000	88, 027
Community planning and development—Vista:				
Extension (S. 3010, H.R. 12350)-----	<sup>1</sup> 53, 000		58, 000	†58, 000
Expansion (S. 3450)-----	<sup>1</sup> 45, 425			
Arms Control and Disarmament Agency (H.R. 14734, P.L. 92-352)-----	10, 000	10, 000	19, 995	10, 000
Commission on Civil Rights (H.R. 12652)-----	4, 646	6, 250	5, 500	(‡)
Commission on International Radio Broadcasting (S. 3645)-----	<sup>1</sup> 38, 520	38, 520	38, 520	††38, 520
Corporation for Public Broadcasting (S. 3824)-----	45, 000	55, 000	55, 000	(‡)
Indian Claims Commission (H.R. 10390, P.L. 92-265)-----	1, 050	1, 500	1, 500	1, 500
National Science Foundation (H.R. 14108, P.L. 92-372)-----	<sup>1</sup> 654, 418	680, 800	727, 000	703, 900
American Revolution Bicentennial Commission (H.R. 13694, S. 3307)-----	6, 712	†6, 712	6, 712	
Smithsonian Institution Bicentennial Museum (H.R. 10311, S. 2153)-----	275			
United States Information Agency (H.R. 14734, P.L. 92-352)-----	<sup>1</sup> 200, 249	200, 249	200, 249	200, 249
Water Resources Council (H.R. 14106)-----	531	2, 500	2, 500	††2, 500
<b>Total, budget authority</b> -----	<b>45, 668, 594</b>	<b>62, 183, 862</b>	<b>51, 360, 154</b>	<b>18, 482, 674</b>
<b>Memorandum</b>				
Above tabulation excludes the following authorizing legislation because enactment provides budget authority without requirement for further appropriation action:				
Federal-aid highways (contract authority):				
Biennial authorization bill (S. 3939):				
Interstate highways (recision)-----	<sup>1</sup> -750, 000		(† <sup>3</sup> )	
Other-----	<sup>1</sup> 2, 514, 000		(† <sup>3</sup> )	
<b>Total</b> -----	<b>1, 764, 000</b>			

<sup>1</sup> Amended.

†Committee action.

‡Subject to or in conference.

††Pending signature.

<sup>2</sup> Includes "backdoor" contract authority in H.R. 11896 of \$11 billion for FY 1973 (including \$6 billion for FY 1974 which is available for obligation in FY 1973), and \$7 billion for FY 1975, which is available for obligation in FY 1974; and in S. 2770 \$3 billion for FY 1973, \$4 billion for FY 1974, \$5 billion for FY 1975.

<sup>3</sup> Bill reported August 18. Sufficient information not available for posting and scorekeeping purposes.



# answerdesk'72

BULLETIN NO. 11

AUGUST 18, 1972

(202) 484-6767

GEORGE  
MCGOVERN

## Promises, Promises

Even Democrat politicians occasionally happen to hit on the truth in their public utterances. Larry O'Brien, until recently the Chairman of the Democratic National Committee and presently national campaign chairman for George McGovern, managed this feat in his address to the Democratic National Convention in Miami. O'Brien spoke of "excessive political rhetoric" and overpromising. Unfortunately, O'Brien's candidate has yet to get the message.

In Miami, O'Brien said:

"We do not promise what we know cannot be delivered by man, God or the Democratic Party."

Yet while campaigning in California, McGovern said:

"If I were President, it would take me 24 hours and the stroke of a pen to terminate all military operations in Southeast Asia."

McGovern Campaign Literature  
in California Primary

In Miami, O'Brien told his party:

"There is not a politician or a churchman or a businessman or a magician in this country who can fulfill all those dazzling promises but we have lacked the courage to say this."

Yet McGovern claims:

"We can raise every citizen above the poverty level without raising the taxes of any family earning under \$22,000 a year."

Speech  
Democratic National Committee  
Convention for the Selection of a  
Vice Presidential Nominee  
Washington, D.C.  
August 8, 1972

McGovern also says that he would:

"...end that sad war the day I took the oath of office -- and I would make sure every American prisoner and soldier came home."

Manchester Union Leader  
June 2, 1972

In Miami, O'Brien said that the Democrat Party has:

"...promised something to everyone and then hoped that nobody would keep score. It didn't work, the people can count. They can keep score and they aren't easily fooled.

"We have short-changed them in terms of specific accomplishments, jobs, houses, schools, safe streets and have lost most of their trust along the way. Now we must stop kidding the American people. We must tell them the truth."

Yet McGovern has unabashedly proclaimed:

"...we will assure every worker that there will be work to do -- and that prices will not soar while wages fall. Whatever it takes, this country will return to full employment."

Speech, Democratic  
National Committee Convention  
for the Selection of a Vice  
Presidential Nominee  
Washington, D.C.  
August 8, 1972

And in January, McGovern said:

"In a McGovern Administration, there will be no trade deficit."

Press Release  
January 27, 1972

Larry O'Brien, for once, has hit a responsive chord with most Americans. The average taxpayer is tired of overpromising and underproducing. Now if someone would just tell George McGovern....

WOMEN

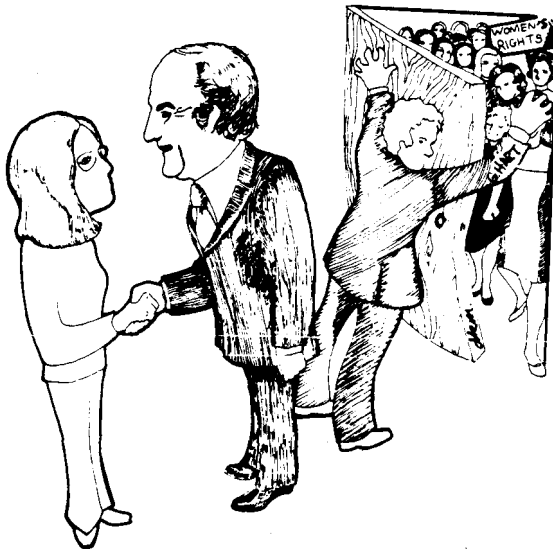
McGovern

"Prejudice against women is the last socially accepted bigotry."

McGovern Campaign Literature  
San Francisco, California

While McGovern enjoys speaking of women's rights, a close examination of his campaign and Senate staffs, as well as of remarks by his campaign leadership reveals the superficiality of McGovern's rhetoric.

In a recent interview with the Washington Post (August 7, 1972), Gary Hart, McGovern's campaign manager, said:



"...they (women) don't have the political experience or the ability to organize. We are looking for people, but do you lower your standards in the midst of brain surgery to try and equalize social ills?"

Jeff Gralnick, who was until recently McGovern's press secretary, says of the campaign staff:

"I was bone-tired of fighting with staff members and the candidate, alleged spear carriers of the women's liberation banner, about whether or not it was 'professional' to travel with my wife, a journalist herself, a political reporter and expert, and a person who was volunteering herself to the bone-crushing regimen of McGovern's travel schedule. She went, but always with heat, because somehow it just wasn't 'proper' to have a woman along."

Village Voice  
April 25, 1972

McGovern has said:

"Women are going to be treated like men at all levels of the campaign from the top of the campaign to the lowliest position."

United Press International  
August 9, 1972

Yet even the quickest glance at McGovern's allocation of staff positions (and the salaries that go with them) among his Senate and campaign staffs reveals that McGovern is talking a lot while delivering a little.

- . in 1970, only three of eleven McGovern Senate staff members earning over \$10,000 yearly were women, even though women comprised 50% of the staff
- . during the first half of 1971, women held 55% of the McGovern Senate staff positions, while receiving only 40% of the staff payroll, and of the five top staff positions, only one was held by a woman
- . during the second half of 1971, the Report of the Secretary of the Senate reveals that women comprised 50% of the McGovern staff, while earning only 44% of the total salary; examination of job classifications shows that in nearly every case where men and women held the same type of job, men were paid at a higher rate (in one case nearly twice as much) than the women; once again, only one of the five top staff positions was held by a woman
- . according to a June 10, 1972, report filed with the General Accounting Office by the McGovern for President Committee, only 37% of the staff are women and they receive only 26% of the payroll; only one woman (Anne Wexler) is in a strategy-making position and her salary is well below that of the top echelon of male staffers (Mankiewicz, Hart and Stearns); this report also revealed that there are no women in the finance operation or brain trust
- . a look at the McGovern Commission on Party Reform shows only three women among its 28 members (this is reform?)

And surely the women's caucus at the Democratic National Convention must have been disappointed when McGovern, after pledging his "full and unequivocal support" of the South Carolina challenge (calling for a greater proportion of women among the delegation), backed down on his pledge. McGovern later said that the challenge "was not a risk worth taking." ("A Conversation with the McGoverns," PBS-TV, July 26, 1972)

The Nixon Administration's Accomplishments

A comparison of the empty McGovern rhetoric with the solid accomplishments of the Nixon Administration only highlights McGovern's record of broken promises.

The degree of progress made by the Nixon Administration is perhaps best measured by the following comparison of Presidential appointments at grade level GS-16 and above:

President Nixon	105 women in 3 years and 3 months
President Johnson	27 women in 6 years and 2 months
President Kennedy	18 women in 2 years and 10 months

Add to this record the following list of firsts achieved by the President, and the McGovern record is revealed for what it is -- a meaningless exercise in rhetoric steeped in unfulfilled commitments. Under the Nixon Administration:

- . at the policy-making level, more than half of the women appointees hold positions previously held only by men
- . for the first time in history, two women are chairing regulatory agencies at the same time
- . the first five women have been nominated to the rank of General in the Armed Forces
- . the first woman has been nominated to the rank of Rear Admiral in the Navy
- . and there are a number of firsts at the mid-level, including the first women sky marshals, secret service agents, air traffic controllers and narcotics agents

THE WHITE HOUSE  
WASHINGTON

August 17, 1972

MEMORANDUM FOR:           ADMINISTRATION SPOKESMEN  
FROM:                       PATRICK E. O'DONNELL

Kidder, Peabody & Co. recently published an article, excerpts of which are attached, reflecting their thoughts on the McGovern candidacy. They made some very interesting points which you might find helpful in upcoming speeches and public appearances.

Additionally, you will probably want to utilize the other two selections we are attaching entitled "McGovern--Spokesman for the Enemy" and "Senator Eagleton's Vice Presidential Demise -- as told by Senator McGovern.

Attachments

## MCGOVERN AND THE STOCK MARKET

In the 1972 economic letter, Kidder, Peabody & Company sets forth the following "Economic Perspectives" on the relationship between George McGovern and trends in the Stock Market. The following are excerpts from the Kidder, Peabody letter:

"The stock market has been in a funk ever since George McGovern emerged as the leading candidate for the Democratic presidential nomination in late May. Its mood was not improved by this week's events at Miami Beach, which saw the Democratic Party convention taken over by a new crowd of political operatives.

The market's reaction is partly attributable to the 'soak-the-rich' tax ideas espoused by Senator McGovern during the primary campaign. His radical welfare-reform program . . . has been no less disturbing. His proposals for a \$32 billion cut in defense outlays and a unilateral withdrawal from Vietnam have also been upsetting to many people . . .

. . . the takeover by a candidate and his followers who espouse the most radical program in recent history is naturally a matter of deep concern to the nation's investors. And the single-minded determination shown by Mr. McGovern's youthful cohorts at Miami has reminded some Wall Streeters of the activities of the Red Guards during Chairman Mao's Cultural Revolution.

Despite their claim to represent 'the people' in a 'populist' cause, the McGovern forces primarily represent a relatively privileged class -- the highly educated workers. A survey by the Washington Post showed that about 45% of the McGovern convention delegates had at least some postgraduate university education, whereas less than 4% of all Americans have comparable training.

If, as we expect, the opinion polls continue to show Senator McGovern lagging well behind President Nixon, we believe that the fears raised by his candidacy will fade away while increased attention will be paid to the prospects for a prolonged economic upswing."



## MCGOVERN -- SPOKESMAN FOR THE ENEMY

"Senator McGovern seems to be more willing to place his trust with the statements of the Communist cut-throats and brigands than with the American and allied officials who have exhibited their integrity and their dedication to peace." (San Diego Union, 9/16/71)

\* \* \* \* \*

### McGovern

"The South Dakota Senator . . . said six hours of private talks with chief Hanoi negotiator Xuan Thuy . . . convinced him the Nixon administration had misinterpreted this key element of the Communist proposals." (AP, 9/14/71)

### Comment

"In other words, McGovern and our enemies see eye to eye and are united in pushing the same propaganda positions. The U. S. must pull out on Hanoi's terms, and President Nixon, of all people, is responsible for the continuing plight of our men taken as prisoners." (Seattle Post Intelligencer, 9/15/71)

### McGovern

"I don't accept the American interpretation . . . My position is that we have to disengage and leave the future to the Vietnamese." (The Evening Star, 9/13/71)

### Comment

"McGovern is seeking to capitalize on the U. S. involvement in Vietnam . . . As long as one American is held captive, we in the Veteran and of Foreign Wars shall insist that there are other Americans there fighting for his freedom." (Joseph L. Vicites, Commander-in-Chief, Veterans of Foreign Wars, 9/20/71)

McGovern

"My meeting with the veteran Hanoi official was informative . . . and gave me a very detailed and candid appraisal of why the conference is stalemated." (UPI, 9/11/71)

"It is not my view that Vietnamization is proceeding successfully." ( The Evening Star, 9/13/71 )

Comment

"Traveling politicians -- especially if they are potential presidential candidates -- are inclined to be highly selective in their fact-finding. South Dakota's Senator McGovern is no exception. McGovern was strongly impressed by what he was told by members of the North Vietnamese delegation at the Vietnam peace talks in Paris. He was predictably unimpressed by what he heard from American Ambassador Ellsworth Bunker in Saigon." ( The Evening Star, 9/14/71 )

McGovern

"... he wound up doing another big favor for Hanoi. The favor consisted of calling a press conference -- widely covered by the press and television, as usual -- to urge acceptance of the enemy's terms for ending the war and releasing our prisoners." ( Seattle Post Intelligencer, 9/15/71 )

Comment

"The Senator's behavior is irresponsible and self-serving. It could well serve to prolong the quest for peace rather than shorten it." ( San Diego Union, 9/16/71 )

McGovern

"... in a very real way President Nixon holds the key to the jail cells of Hanoi. . . . I have no doubts about the Communists' sincerity." ( Washington Post, 9/13/71 )

Comment

"... We simply deplore the blindness and irresponsibility which can turn a U. S. senator into a willing tool of the communist foe, performing services which in a declared war would be nothing less than treason." (Seattle Post Intelligencer, 9/15/71)

McGovern

"... after having talked with Vietnamese Communist officials, the Senator told a news conference that the United States should test the offer of the Vietnamese Communists to free American prisoners of war if Mr. Nixon sets a date for total withdrawal of United States forces from Vietnam." (New York Times, 9/13/71)

Comment

"McGovern met with enemy representatives in an attempt to grab headlines ... McGovern and others in Washington should do what they can to end the war in Southeast Asia but they also have a moral obligation to the American people not to use the agony of our nation as a means of getting themselves elected president." (Joseph L. Vicites, Commander-in-Chief, Veterans of Foreign Wars, 9/20/71)

\* \* \* \*

"President Nixon's plan for Vietnamization and withdrawal of American forces, when President Thieu assumes responsibility for the defense of South Vietnam, still appears to be America's best hope." (Salt Lake Tribune, 9/27/71)

SENATOR EAGLETON'S VICE PRESIDENTIAL DEMISE --

AS TOLD BY SENATOR MCGOVERN

"I assume that everyone here is impressed with my control of this convention in that my choice for Vice President was challenged by only 39 other nominees. But I think we learned from watching the Republicans four years ago as they selected their vice-presidential nominee that it pays to take a little more time."

Acceptance Speech  
July 14, 1972

"I wouldn't have hesitated one minute if I had known everything that Senator Eagleton said here today. I know enough about American history to know that some of our most honored Presidents have survived illnesses far more serious than anything Senator Eagleton has touched on here today."

Washington Post  
July 26, 1972

"I think that Tom Eagleton is fully qualified in mind, body and spirit to be the Vice President of the United States and if necessary, to take over the presidency on a moment's notice."

Washington Post  
July 26, 1972

"I know fully the whole case history of his illness. I know what his performance has been in the United States Senate over the past four years. I don't have the slightest doubt about the wisdom of my judgment in selecting him as my running mate, nor would I have any hesitance at all in entrusting the United States government to his hands."

New York Times  
July 26, 1972

"If I had known every detail that he discussed this morning, he would still have been my choice for Vice President."

New York Times  
July 26, 1972

In response to questions about whether he has made "an irrevocable decision" to keep Mr. Eagleton on the ticket, Mr. McGovern replied, "Absolutely."

Interview/Harry Reasoner  
New York Times, July 26, 1972

I will do "everything I can do to discourage any move" on Eagleton's part to leave the ticket.

Evening Star & Daily News  
July 26, 1972

"I don't want him to leave the ticket. I think we're going to win the election. I think he's going to be a great Vice President."

New York Times  
July 26, 1972

"I am 1000 percent for Tom Eagleton and have no intention of dropping him from the ticket. (July 25 statement)

Newsweek  
August 7, 1972

McGovern said he didn't know yet whether Eagleton would be a "plus or a minus" to the Democratic campaign.

Washington Post  
July 30, 1972

Speaking to an AP reporter: "Let's wait and see what the reaction is, other people have to make their judgments."

Chicago Tribune  
July 27, 1972

I "wouldn't even consider him (Eagleton) leaving the ticket."

Evening Star & Daily News  
July 27, 1972

"I have made my support for Senator Eagleton clear and I want no further comment on the matter by anyone connected with the campaign other than Senator Eagleton or myself."

Washington Post  
July 28, 1972

"We have had some heart-rending days. I do not know how it will all come out, but I do know that it gets darkest just before the stars come out. I ask for your prayers and patience for Senator Eagleton and me while we deliberate on the proper course ahead. (July 28 statement)

Time  
August 7, 1972

"On Friday afternoon he (McGovern) telephoned Jules Witcover of the Los Angeles Times at the Hi-Ho Motel in Custer. McGovern invited Witcover to his cabin for an hour-and-a-half interview. Witcover's lengthy piece conveyed McGovern's message: public reaction to the disclosure of Eagleton's past health problems has been so negative that Eagleton must withdraw -- voluntarily." (July 28)

Time  
August 7, 1972

"McGovern appeared unexpectedly last night at the Sylvan Lake Lodge public dining room and told several newsmen there that, 'to a great extent, ' whether Eagleton remains as the Democratic vice presidential nominee is up to Eagleton . . . McGovern's comments as he table-hopped around the Sylvan Lake Lodge dining room last night seemed to leave little doubt that he would accept Eagleton's resignation from the ticket if offered. "

Evening Star & Daily News  
July 29, 1972

"A poll might show that 99 percent supported Eagleton, but that 1 percent who oppose him could still lose the election for the Democrats in a close race. I'm not going to do anything until I talk to Eagleton. "

Washington Post  
July 29, 1972

"Senator Eagleton and I had a lengthy conversation this morning. I assured him I am still backing him as vice presidential nominee of the party. I have advised Senator Eagleton that I have been under intense pressure all week that he withdraw from the ticket, but I have insisted, and still insist, on a proper period of evaluation by both of us of this difficult question. "

Washington Post  
July 30, 1972

"The question is to evaluate at a time when the country's uptight and anxious, uncertain, how much more strain you can put in the system. I don't know. "

New York Times  
July 31, 1972

"I am fully satisfied that his health is excellent. . . We have jointly agreed that the best course is for Senator Eagleton to step aside. "

UPI  
July 31, 1972



# MEMO *from* COPE

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COMMITTEE ON POLITICAL EDUCATION, AFL-CIO  
815 16TH STREET, N.W., WASHINGTON, D. C. 20006

GEORGE MEANY, Chairman

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ALEXANDER E. BARKAN, National Director



*The hand on the lever . . . it's influenced by many different factors.*

## 'Typical' Voter? No Such Animal

The "typical" or "average" American voter is already getting a lot of attention from politicians and press this year. Commentators are telling us who he or she is, what he or she does, how much he or she earns etc. But what they don't tell us about the "typical" or "average" voter is this: He/she doesn't exist.

Every voter is a bundle of different things in one, shaped by different experience, influenced by different factors. An attempt to construct a "typical" voter would result in a mutant creature something like the following, based on U.S. Census Bureau figures:

- 52 percent female, 48 percent male
- 89 percent white, 11 percent non-white
- Nearly 75 percent urban, 25 percent rural
- 19 percent of him/her would be 18-24 years old

- 27 percent would be 25-39 years old
- 40 percent would be 40-65 years old
- 14 percent would be over 65
- By religious affiliation, about 40 percent would be Protestant, 25 percent Catholic, three percent Jewish, two percent Eastern Orthodox—  
—the rest of other faiths or unaffiliated.

In other categories—financial, educational, ethnic, geographical—the voter again is so spread around that a "typical" one would be impossible to define.

Figures do, however, lead to certain generalities about the American voting population. This issue of the *Memo* pulls together those generalities to provide a picture, if not of the "typical" voter, then of the general electorate. Most statistics are from the Census Bureau.

# Women, Blacks, Youth Back Labor's Friends

## GENTLEMEN, THE LADIES ARE COMING AND THEY'VE GOT YOU SURROUNDED

About four presidential elections back, almost unnoticed at the time, the potential number of female voters for the first time surpassed the potential number of male voters. Today's figures:

Total electorate—135 million (approx.)  
 Female—70 million  
 Male—65 million  
 Percentage—52% female, 48% male

In general, women voters support labor's endorsed candidates by higher percentages than male voters. In 1968:

	NIXON	HUMPHREY	WALLACE
Women	43%	45%	12%
Men	43%	41%	16%

## WE ARE AN OVERWHELMINGLY WHITE ELECTORATE

Total electorate—135 million (approx.)  
 White voters—120 million, 89%  
 All non-whites—15 million, 11%  
 Black voters—13 million-plus

In general, black voters go strong for labor-endorsed candidates. In 1968:

	NIXON	HUMPHREY	WALLACE
White voters	47%	38%	15%
Black voters	12%	85%	3%

In other elections, too, blacks overwhelmingly back labor positions. In two labor campaigns against so-called "right to work" proposals in Oklahoma, black precincts came in 90 percent and higher for labor's stand against the open shop.

## THERE'S A LOT OF NEW YOUNG VOTERS, BUT MOST OF US ARE STILL FAT AND 40

We are an increasingly young electorate. With the new law permitting 18-year-olds to vote, the age breakdown of the potential vote is:

18-20 years	8%
21-24 years	11%
25-39 years	27%
40-65 years	40%
Over 65 years	14%

Thus, 46 percent of the electorate is under 40, 54 percent 40 and over, and only 19 percent in the 18-24 age range. The figures show young voters—like women and blacks—also back labor's candidates in better percentages than older voters. In 1968:

Under	NIXON	HUMPHREY	WALLACE
30 years	38%	47%	15%
30-49 years	41%	44%	15%
50 and up	47%	41%	12%

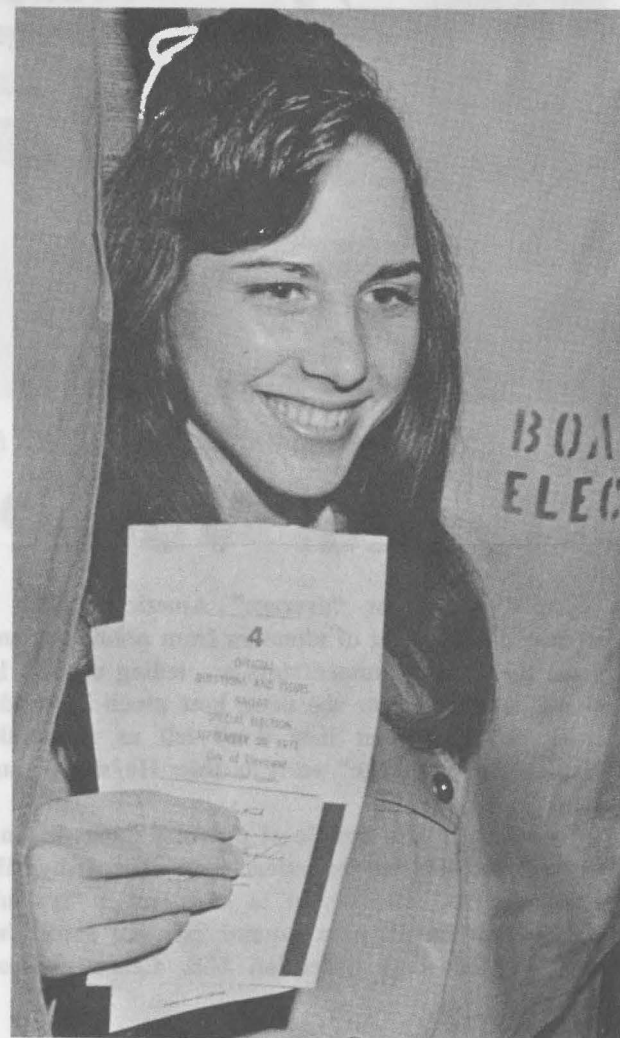
## WE ARE AN URBAN ELECTORATE

73.5 percent of the electorate lives in cities, suburbs or other urban clusters, up four percent since 1960. And increasingly, blacks occupy major urban areas. While 77 percent of all blacks lived in the south 30 years ago, only 53 percent now do, with the major flow being in the midwest where 20 percent of American blacks live, and the northeast, 19 percent.

## WE HAVE A FEW RICH, A LOT OF POOR, AND MOST IN BETWEEN

The median income is now \$10,285. For whites, it

(Continued on Page 3)



There are 11 million potential voters in the 18-20 age range, but 54 percent are still over 40.

# Registration Rises With Education, Income

(Continued from Page 2)

is \$10,670, for blacks \$6,440, about 35½ percent less. Ten percent of all families, 5.4 million of them representing about 26 million persons, are below the poverty level of \$4,137. Blacks, who are 11 percent of the total population, comprise 29 percent of the population below the poverty line. Percentage of families at different annual income levels:

Below \$3,000	8.3%
\$3-\$5,000	10.2%
\$5-\$7,000	11.2%
\$7-\$10,000	18.5%
\$10-\$12,000	12.5%
\$12-\$15,000	14.4%
\$15-\$25,000	19.7%
\$25-\$50,000	4.7%
\$50,000 and up	0.6%

(320,000 families out of 54 million total)

The huge mass of the potential electorate, 65 percent of it, comes from families earning less than \$10,000, and in terms of support of labor's endorsed candidates, this is where the votes are. Roughly 45 percent of those in the \$3-\$10,000 annual income range classified themselves as Democrats, while about 26-29 percent considered themselves Republican in a Gallup poll of a year ago. There may have been changes, though perhaps not substantial ones.

## UNION MEMBERS COMPRISE A MINORITY OF THE ELECTORATE

Union members make up approximately 14 percent of the potential electorate. If you double that figure to allow for one voting-age family member of each union member, it remains a minority at 28 percent. Following is a breakdown of the electorate by occupation (union membership not accounted for):

White collar (business, professional, etc.)	48%
Blue collar	36%
Service workers	11½%
Farm	4½%

A Gallup Poll of a year ago showed party preference of different occupational groups at the time. The categories, please note, are slightly different from Census Bureau categories used above.

Occupation	GOP	Dem.	Ind.
Blue collar	23	49	28
White collar	30	43	27
Business, professional	37	38	25
Farmers	45	39	16

## WE'RE GETTING SMARTER

In 1950, the average number of years schooling for voting-age citizens was nine. Today, it is 12. We are a better educated electorate. The median number of school years for all persons over 25 is 10.3 years for males, 10.9 for females, 10.9 for all whites, 8.2 for all non-whites. Following are the percentages of the potential electorate by years of school completed:

0-4 years elementary	5%
5-7 years	9%
8 years	13%
1-3 years high school	17%
4 years high school	34%
1-3 years college	11%
4 years college	7%
More than 4 years college	4%

## WHO'S REGISTERED—WHO ISN'T AND WHAT THEY REGISTER AS

Accurate figures on registration by income, education and age groupings are hard to come by, and what figures are available may be open to question. However, figures from different Gallup Polls of the past two years show:

Annual Income	% Reg-istered		GOP	Dem.	Ind.
	istered	istered			
Under \$3,000	73	27	28	55	17
\$3-\$5,000	73	27	26	44	30
\$5-\$7,000	68	32	26	45	29
\$7-\$10,000	74	26	29	45	26
\$10-\$15,000	78	22	31	42	27
\$15,000 and up	81	19	38	40	22

Except for the slippage in the \$5-\$7,000 range, the figures show registration increases as income increases. Registration also goes up according to years of education, and party preference differs at different educational levels.

Education Level	% Reg-istered		GOP	Dem.	Ind.
	istered	istered			
Grade school grad.	72	28	26	50	24
High school grad.	75	25	27	46	27
College grad.	76	24	38	38	24

By age groups, a July 1972 Gallup Poll showed 70 percent of voters over 30 years old registered, with 54 percent of all those under 30 registered, and so far only 50 percent of the 18-24 age group registered. In

(Continued on Page 4)

# There Are the Statistics—You Figure 'em Out

(Continued from Page 3)

the total under-30 group, 67 percent of those in, or graduated from, college are registered, while only 47 percent of the non-college group are registered. In the 18-24 group, 66 percent of those in, or graduated

from, college are registered, to 41 percent of the non-college group.

The "Memo" has presented here a batch of statistics showing how impossible it would be to imagine an "average" voter. Give it a try. You figure 'em out.

## Oklahoma, Montana, South Dakota— Bad Scenes for 'Right-to-Workers'

It was fitting that it happened in Oklahoma.

Twice in recent years, the National Right to Work Committee has pushed its Oklahoma state chapter into a drive for a statewide open shop law. Twice, Oklahomans have rejected it.

Now, a U.S. District Court in Tulsa has ruled against a NRTWC-inspired suit to throw out union security provisions in an Auto Workers-McDonnell Douglas aircraft contract.

Specifically, the decision upholds a system of retaining agency shop fees of workers who object to economic, social and political programs of the union. Under the system spelled out in the contract and in UAW internal procedures, any employe who does not pay union dues must pay agency shop fees as a condition of retaining employment. If the employe objects to use of a portion of his fees for social, economic or political programs with which he disagrees, he can inform the union of his objection and receive a rebate. The court found this a "reasonable" system.

The decision, added to two consecutive strike-outs for the Right to Work Committee at the polls means the open-shoppers are batting 0-for-3 in Oklahoma. Add several recent failures to get RTW through the state legislature, and the batting average is even more embarrassing for the right-to-workers.

Meanwhile, "right-to-work" isn't doing so well else-

where, as an interesting contrast in the neighbor-states of Montana and North Dakota suggests.

In North Dakota, drafters of a new constitution included an open shop section among other sections that favored corporate, over worker, interests. The constitution was opposed by the State AFL-CIO which waged a vigorous campaign against it. Voters defeated it by nearly 2—1 in April.

Six weeks later, in Montana, with the enthusiastic support and all-out effort of the State AFL-CIO, voters narrowly approved a new constitution which did not include an open shop provision.

The state federation had endorsed 56 of the constitutional convention's 100 delegates. They and other delegates declined to include RTW in drafting a new constitution. The one they did draft won an overwhelming vote of endorsement at a special convention of the Montana State AFL-CIO and a subsequent all-out education and get-out-the-vote campaign in its behalf among union members.

The efforts of the State AFL-CIO helped produce a 3,000-vote margin out of 230,000 votes cast for a constitution—without an open shop provision—described by State AFL-CIO Executive Secretary James Murry as one which provides "the tools to develop truly effective government in Montana."

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YOUR CONGRESSMAN REPORTS FROM WASHINGTON  
By Frank T. Bow, M. C.

Washington -- This year may go down in history as the year in which more misinformation and outright foolishness was uttered about the tax structure of the United States than ever before.

If one were to take all of the remarks of all of the politicians who have been preaching tax reform and put them together, no revenue agent or economist could recognize the tax structure that would result. It would bear no resemblance to the system that is actually in force.

Among the most outrageously misleading statements is the frequently repeated charge that American corporations pay little or no taxes. The fact is they pay taxes heavily and the rates are rising rapidly.

In fiscal 1971 the corporations paid \$26.8 billion in federal income taxes. The following year, just ended, they paid \$30.1 billion. In the current year, when the full effect of the 1969 increases in corporation taxes is being felt, the amount will rise to an estimated \$35.7 billion. The increase can be attributed in part to increased business activity, but the major increase, about \$5 billion, is a result of the 1969 Tax Reform Act.

It is amazing to me that Senators and Congress who voted for that act, cutting individual income taxes as much as 70 percent in lower brackets and increasing corporation taxes by over \$5 billion, can now assail the system. Those who have never served in Congress may be excused for ignorance but they may not be excused for failure to check out easily uncovered facts.

In addition to the federal income tax burden, the corporations count for a large share of the \$16 billion in excise taxes the federal government will collect, and more than half of \$55 billion in employment taxes.

And beyond this, of course, there are other billions paid by corporations to state and local governments. In hundreds of counties in this country a corporation, perhaps the railroad or electric company, is the largest single property tax payer. If ever there were a goose that lays golden eggs, the American corporation is it. Voters will do well to be wary of those who want to skin and eat the goose.

From the office of Earl F. Landgrebe  
1238 Longworth Building  
House of Representatives  
Washington, D.C. 20515

For more information, call: (202) 225-5777

For release: Immediate

WASHINGTON, D. C. - Congressman Earl F. Landgrebe has announced that Secretary of the Interior Rogers Morton will be the keynote speaker at the dedication of the Indiana Dunes National Lakeshore Park. The dedication is scheduled for Friday, September 8 at the northern Indiana Park, Landgrebe said.

Morton was appointed Secretary of the Interior by President Nixon in November, 1970. Prior to that, the Secretary served as a member of Congress in the 88th through 92nd Congresses, as a Representative from Maryland. During his Congressional tenure, Secretary Morton has served on the Committee on Interior and Insular Affairs, the Committee on Merchant Marine and Fisheries, the Committee on Ways and Means and the Select Committee on Small Business. The 57 year old former executive of Pillsbury Company is also a member of the Public Land Law Review Commission.

Congressman Landgrebe will introduce Secretary Morton at the dedication.

8/21/72

FEDERAL ACTION ON FLOOD RELIEF  
by  
Congressman Frank Horton

The water is gone but the mildew and destruction remain. It is difficult to visualize the individual human tragedies which lie behind the 118 dead, the 115,000 homes damaged, and the 6,000 businesses hurt by the flood waters of Tropical Storm Agnes. But that does not make the flood toll any less real for those involved. Years of self-denial and saving exchanged for future security will again become the pattern of thousands of lives. In the meantime, the victims will need help and much of that assistance must come from the Federal government.

Already the Office of Emergency Preparedness, Department of Housing and Urban Development, National Guard, Corps of Engineers, Farmers Home Administration, and Small Business Administration have done a tremendous job in the initial clean-up effort. More than 200,000 people in emergency shelters have been moved to less temporary quarters, five million cubic yards of debris collected, and, in New York along, the SBA has approved 7,329 loans totalling \$35.6 million for damaged homes and businesses. But there are still battered roads, acres of ruined farm lands, devastated public facilities, impoverished families, and economically-broken businesses which must be dealt with immediately.

Both the House and Senate pushed through legislation in July to provide disaster assistance to flood victims. A House-Senate Conference Committee submitted a compromise measure to Congress which was quickly approved by both branches and signed into law by President Nixon. The "Tropical Storm Agnes Bill" liberalizes loan terms for those who have suffered devastation from natural catastrophes since January 1, 1971.

Under previous laws, small businesses within disaster areas were eligible for long-term, low interest loans including a "forgiveness feature" not to exceed \$2,500 with the remaining balance carrying an interest rate of five and one-eighth percent. This formula applies to calendar year 1971. But for the period January 1, 1972 through July 1 1973, the forgiveness feature is raised to \$5,000 with the remaining balance charged at an interest rate of one percent.

Prior to passage of this bill, farmers who suffered devastating

crop losses could get a loan on next year's crop but it would be payable after one year in most cases, and deferred for two or three years in only the most extreme cases of hardship. This was hardly fair. The law now treats ruined crops as it does stock lost off the shelves of small businesses, providing long-term, low interest loans for present crop damage, emergency re-financing of existing indebtedness, and other assistance.

Homeowners burdened with a mortgage on a destroyed house will now be able to finance a new house by obtaining a loan at one-percent. Their original mortgage can also be paid off at the lower rate as long as the total monthly payment is not below its former level. In special hardship cases of retired or disabled persons, the SBA administrator could suspend both interest and principle payments on homes during the lifetime of the owner.

Educational institutions damaged by the flood waters will benefit from the bill as well. A special provision was written into the law that allows private, non-profit schools to receive Federal disaster relief grants comparable to those being given the public schools hit by Agnes. Parochial and other private, non-profit schools faced weeks of uncertainty and delay in the aftermath of Agnes because they are normally not eligible for Federal disaster relief grants. The new law will help these schools damaged by Agnes, but it will not guarantee them immediate Federal aid should another natural disaster occur. Thus, I am preparing legislation that will give the President permanent statutory authority to grant Federal assistance to all public and private, non-profit schools in any future Presidentially-declared disaster area.

Much of the flood damage occurred in areas like the Appalachian region, already burdened by unemployment and economic problems. That is why the extra measure of assistance which Congress has extended to victims of Agnes is absolutely essential if these areas are to be able to participate in the economic recovery that the rest of the nation is beginning to enjoy.

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# Congressman ELWOOD H. "BUD" HILLIS



## Reports from Washington.

NOT PRINTED AT GOVERNMENT EXPENSE

NEWSLETTER

For the week of August 25, 1972

### RURAL DEVELOPMENT BILL PASSES HOUSE

Washington, D. C. -- The United States House of Representatives has approved a compromise version of legislation which holds great promise for rural America -- the Rural Development Act of 1972.

The legislation is designed to improve the economy and living conditions of rural America.

Under the bill, cities with a population of 10,000 or less will be eligible for loans and grants for water supply projects, sewer and sewer treatment plant construction, fire-fighting and rescue equipment, and development of industrial parks. The thrust is to make rural communities more attractive for industry and for living.

The legislation provides low-cost loans to new or expanding businesses in non-metropolitan areas. These loans will be guaranteed through a Rural Development Insurance Fund.

The Act also provides direct benefits for farmers. The Department of Agriculture may enter into 10-year agreements with individual farmers to share the cost of soil and water conservation projects and projects intended to prevent agricultural pollution.

The Rural Development Act of 1972 will not give rise to a new bureaucracy. The loans and grants will be administered by the existing Farmers Home Administration. The Agricultural Extension Service, land grant colleges and county agents will provide the guidance needed by rural communities to attract new industry.

\* \* \* \* \*

### QUOTE OF THE WEEK

"Unemployment has been a stubborn beast, and we still haven't got it down to where we want it. But some things are evident. One is that the economy is on a strong upsurge -- a really surging second quarter. And another is that it is so strong that in the last year alone the job market has

(more)

absorbed a staggering 2.7 million people--many of them returning veterans, many of them young people and women. While we can't be complacent about it, we do expect a further reduction in unemployment, even though there will be some month-to-month variation. There's no doubt we're now on the down side of the curve." Secretary of Labor, James Hodgson

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AND THE BENEFITS ARE BETTER--

U. S. workers are richer than they think. The wages they are paid for time spent working now represent only three-fourths of what they actually get. The "fringe" benefits have grown to a healthy 25 percent of income. These benefits average \$50 per week per employee, double the 1961 total. While wages and salaries went up 64 percent over the past decade, these benefits jumped 103 percent. Employers will pay \$180 billion this year for such items as old age, survivors, disability and health insurance. Private pension fund payments are up 90 percent. The list of fringes includes life, sickness, accident, hospitalization insurance, holidays, profit sharing plans, workmen's compensation, employee meals, and discounts on goods and services.

\*\*\*\*\*

WHY THE DIKES WERE NOT BOMBED

Newsweek magazine reports that an Air Force report to the Joint Chiefs of Staff stressed that North Vietnam's dike system should not be bombed. According to Newsweek, the reasons given were:

The bombing would require enormous effort and produce limited military results. To achieve flooding, thousands of sorties would have to be flown at the height of the monsoon rains to cut the six major dams and thousands of dikes in the Red River system. The military result, apart from flood damage, would be simply to divert Hanoi's work force from other tasks to dike repair.

\*\*\*\*\*

WRITE CONGRESSMAN HILLIS

1510 LONGWORTH BUILDING

WASHINGTON, D. C. 20515



News from Stewart B.

# McKinney.

Serving Connecticut's 4th District.

Vol. 2, No. 6

August, 1972

Dear Friend,

In a recent editorial commentary on the political machinations of the 92nd Congress, The New York Times bemoaned the fact that the House of Representatives had failed to pass the Emergency Community Facilities and Public Investment Act of 1972, a piece of legislation The Times Editorial Board characterized as "sensible."

This bill, hereinafter referred to as "the sewer bill", has what might be considered a remarkable history and depending on who you talked to, unbelievable potential.

For the past 19 months, I've been a member of the House Banking and Currency Committee. In all that time, I've never seen a bill move so fast. First, it appeared, somewhat miraculously, with little advance warning, and in one day, the Committee completed hearings (only four witnesses were heard but the majority members of the Committee felt that was all that was necessary) and before the sun set, it had been "marked up" (put in final legislative form, ready for full House action).

It promised, by way of a \$5 billion appropriation, to stop water pollution, through the construction of sewers, and halt unemployment, in the same manner.

It came to the House floor with a skimpy majority report but what it lacked in substance was made up for with a voluminous addendum: pages upon pages of data "confirming" the need for such an expenditure. In essence, the data indicated there was a nationwide backlog in sewer construction amounting to \$12.9 billion.

It seemed too good to be true; so good, in fact, that I felt it worthy of more than just a normal review. I found that a few of my colleagues shared my skepticism, so we set to work. We revealed the results of our investigation the day the bill came up for debate on the floor.

The \$12.9 backlog, we found, was not that at all but simply a tabulation of ALL sewer construction applications made to the Department of Housing and Urban Development since 1968. Of that \$12.9 billion, \$1.8 billion was referred to other agencies; \$1.6 billion was withdrawn voluntarily by the applicants; \$4.7 billion in applications had been rejected by HUD since they did not meet water quality eligibility standards; and \$2.7 billion had already been funded. Simple subtraction brings the alleged \$12.9 "backlog" down to \$1.1 billion, a far cry, indeed from the \$5 billion "desperately" needed funds in the bill.

Following along, we reminded the members of the House that earlier this year, we had approved a four-year, \$24.6 billion anti-water pollution program and a \$5 billion Revenue Sharing measure which had as one of its main tenets, sewer construction. Duplication of effort barely described what the sewer bill proposed to do.

As for the unemployment question, we pointed out that the normal time lag in sewer construction is 8 to 18 months and therefore, this would have little effect on the current problem. Further, an unemployed aircraft assembly line worker could hardly be expected to become an experienced, journeyman sewer builder overnight.

It would certainly be nice and I'd like to tell you that as a Member of the House of Representatives, I cured water pollution and solved the unemployment problem in one fell swoop. From the debate on the floor, I can tell you there were those who were ready to do just that. But I think you can see, as I did, that the "sewer bill" was not the answer.

Fortunately, common sense prevailed and the sewer bill failed by a recorded teller vote, 189-206.

In 1968, then State Representative, now Senator Lowell P. Weicker (R-Conn.) verbalized what was to become the cornerstone of my term as Minority Leader of the State House of Representatives when he said that the "taxpayers' money is a trust, not a campaign fund." May it ever be thus.

"Sensible"? I think not.

\*\*\*\*\*

(over)





A RAID

And speaking of raids on the Federal Treasury, the recently passed Health, Education, Welfare and Labor Appropriation is more than worthy of mention. Perhaps, by the time you read this, the President will have vetoed the bill and if he has, it will have been an act of mercy on behalf of the American taxpayer.

For my part, I have already voted "no" and I will vote "yes" to sustain a veto. Does this mean I'm opposed to the services provided under the auspices of Health, Education, Welfare and Labor? Absolutely not. I do believe, however - and this should be fairly obvious to anyone - that there has to be a limit to what one can spend.

This appropriation measure, in my mind, can best be labeled the "magic money" bill. There's dollars for almost everything but little thought is being given to where the money is coming from. The answer is a simple one: your pocket. I happen to think you, as a taxpayer, have a generous record of giving, but I'm inclined to believe there's a limit to everything.

The graph at right puts the problem in a nutshell; the bill Congress has sent to the President exceeds the budgeted amount by \$1,762,286,000. Now, before anyone concludes that the Executive Budget was miserly, a review might be in order. The President's request for fiscal 1973 for Health Services and Mental Health Administration was 52% over a comparable 1969 appropriation, his first year in office. Preventive health services, doubled since '69; National Cancer Institute budget, a 100% increase since '69; Heart and Lung Institute, up 40%; Education items (excluding higher education and emergency elementary and secondary assistance), increased 25%; vocational and adult education funds, doubled; and there's more.

The point is there has to be a limit, especially at a time when we're struggling out of an inflationary period. If not, the taxpayer loses on both ends - not only does his or her government require more, but by doing so, the dollar is worth less.

In the overview, according to the chairman of the House Appropriations Committee, Congress has already exceeded budget estimates by some \$17 billion but even that now is a moot point due to a clause Congress failed to close in the "magic money" bill. Enacted in 1967 and little used until last year, the section states that the federal government is required to provide states with \$3 to \$1 matching funds for any number of so-called "social service" programs. In other words, if tomorrow, a state decides to earmark \$1 million for this type of program, the federal government, through HEW, must come up with \$3 million, whether it has it or not. As I was saying, "magic money."

Since I reacted negatively to a Times editorial comment at the beginning of this newsletter, I should close this section with one with which I agree. Commenting on an unsuccessful Senate Finance Committee attempt to put a \$2.5 billion ceiling on this open-ended feature, The Times said that with such action, the "runaway demands from the statehouses on the federal Treasury can be taken out of the grab bag class."

Again, state taxes and federal taxes come from one place: your pocket.

\$ \$

WHAT TO DO?

In light of the preceding, I have introduced two pieces of legislation which I believe speak to the problem. The first would establish a mandatory spending limit of \$250 billion; the second would require the House of Representatives to present an annual budget package, including an estimate of tax revenues, before it acted on any appropriation bill.

A spending limit is absolutely essential for under current Congressional procedures, each Committee acts independently and a total package is brought forth in an unrelated haphazard manner. No one knows who is spending what until the last minute.

With a spending limit, the necessary next step is a programmed budget. It's mystifying that the House of Representatives, which Constitutionally has the sole power to spend, requires a budget - and tax package - from the Executive Branch, but does not impose the same responsibility on itself.

In all, what I'm asking is that the Congress begin to practice what might best be called, fiscal sanity; the taxpayer deserves as much.

Regards



Stewart B. McKinney, M.C.

FACTS ABOUT LABOR-HEW APPROPRIATION BILL—H.R. 15417	
1. THE FIGURES	
1972 appropriation.....	\$27, 403, 058, 000
1973 appropriation:	
President's budget.....	28, 776, 633, 000
Conference action.....	30, 538, 919, 000
Excess over budget.....	+1, 762, 286, 000
1973 President's request compared to House, Senate, and conference action	
President's original request..	\$27, 344, 351, 000
Presidential amendments resulting from new legis- lation .....	+1, 432, 282, 000
President's request, as amended .....	28, 776, 633, 000
Congressional increases:	
House increase.....	+1, 269, 856, 000
Senate increase over House .....	+1, 308, 441, 000
Senate bill.....	31, 354, 930, 000
Less: Conference Action...	-816, 011, 000
Conference bill.....	30, 538, 919, 000
Net increase of con- ference over Presi- dent's amended re- quest .....	
	+1, 762, 286, 000
(Dollars in millions)	

From the Office of:  
CONGRESSMAN TOM RAILSBACK  
19th District, Illinois  
218 Cannon House Office Building  
Washington, D.C.  
Contact: Karel Dutton  
(202) 225-7839  
August 18, 1972

149-72

FOR RELEASE, MONDAY, AUGUST 21, 1972

The President has vetoed the Labor-HEW appropriations bill that was passed by both the House and Senate last week. The bill as approved by both Houses contained \$958 million or 23% more than the President's budget for health programs and \$791 million or 23.6% more than his budget request for educational programs.

Originally, the Senate had requested funds for nearly \$31.5 billion for the 1973 budgets of the Departments of Labor and HEW, and the House version of the same bill called for \$28.5 billion to be authorized. To iron out these differences, the bill was sent to a House-Senate Conference. I think the House Conferees did a commendable job in eliminating \$816 million from the Senate bill. However, the President felt this cutback was still insufficient and out of line with the Administration's proposal.

The Administration is seeking to hold spending within its budgetary limits. The President has been most concerned about creating an even greater budget deficit and the adverse effects that this would have on his efforts to control inflation. Hence, the President felt he had to veto any bill that calls for excessive spending which in this case was \$1.7 billion more than the Administration's request. In addition, the Administration has rightfully pointed out that their 1973 budget request for Labor and HEW is \$8 billion more than was spent in this area just two years ago.

I am hopeful that Congress will immediately re-write this bill to contain adequate provisions for such important activities as mental health, alcoholism and drug abuse programs; disease prevention; assistance to our hard-pressed medical and nursing schools; elementary, secondary and vocational education; libraries and instructional equipment. These programs affect the lives of millions of people in a vital and immediate way.

While I have had reservations, I voted in favor of this legislation because there are far too many programs which require immediate financing. The schools, colleges and hospitals in my District urgently need the funds that had been in this bill. To delay these needs much longer will prove an even greater crisis. I definitely believe, however, that Congress and the President must work much more closely on future appropriations bills if we are to gain full economic stability and a balanced budget.

*Congressman*

**Clarence J. Brown—Ohio**

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**"REPORT FROM WASHINGTON"**  
For Release Tuesday, August 22, 1972

President Nixon's veto last week of the Labor-HEW appropriations bill was a gutsy choice on the side of sound economic priorities in this hotly partisan political season.

The bill, on its face, contained \$1.8 billion more than the President's own out-of-balance budget request. And his request was \$2.1 billion higher than the past fiscal year's spending on health, education, welfare and manpower measures. But the worst thing about the bill as it passed Congress was that it left wide open the back-door spending of federal funds for state social-service programs. Scandalous, wasteful growth of this welfare boondoggle has been brought to light during the past several weeks. It has been one of the most explosively expensive pieces of federal legislation ever enacted, and unless brought under control, will finally destroy any semblance of fiscal responsibility in the field of government welfare. And welfare is probably the biggest scandal in government today -- and one of the most politically difficult with which to deal. More about it later.

The President has repeatedly warned the Democratic-controlled Congress that he intends to keep a "full employment" balanced budget to insure the success of the continuing battle against inflation. And there have been some hopeful signs recently that this battle is being won.

Of course, the Democratic House Majority Leader, Hale Boggs, attacked the President's veto without ever referring to the budgetary imbalance or the social-welfare provisions. Instead he claimed "the President does not recognize (health and education) in his priorities." The fact is, in the past four years (1969-73) of the Nixon Administration, budgets have been increased for health expenditures by 103 percent and for education by 68 percent, compared to total budget increases of 33 percent.

Congresswoman Edith Green of Oregon, one of the leaders in

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developing federal aid to education, put her fingers on a fact of political life when she noted that whenever there is waste in spending in social programs, it is usually excused because of its purpose. Only when the spending over-run is in some less human field do many express concern about wasting the taxpayer's money. But she concluded that the taxpayer may feel that when it is his money, waste is waste, no matter what it is wasted on.

The social-services program, administered by the Department of HEW, was designed to help states and local units of government provide assistance to people on relief and to "potential" welfare recipients.

The original provision was passed in 1962 and then liberalized in 1967. Somehow, however, the advantages of the legislation to state and local government escaped widespread notice until a couple of years ago when everyone started jumping on the bandwagon, and since then the costs have soared.

Basically, the law provides that for every dollar spent by the states for qualified social-service programs, the federal government will add three dollars. There are no ceilings on spending by the federal government and the guidelines for obtaining the federal funds are so loosely drawn up that virtually any program can qualify which a state can ostensibly design to help current welfare recipients improve their chances of getting off the rolls or any program intended to keep potential welfare recipients off the rolls.

Thus, the federal expenditure of \$235 million during fiscal year 1967 had almost tripled to \$692 million in FY 1971, and skyrocketed by almost tripling again during the single fiscal year of 1972 to an estimated \$2 billion. The projection for the current fiscal year, unless the legislation gets an overhauling (and that has been voted down once) is for the cost to double again to \$4 billion and then to reach \$6 billion during the next year.

The Senate, at the urging of the Nixon Administration, did vote for a \$2.5 billion ceiling to the program in the Labor-HEW appropriation bill in view of the continuing federal deficit. Although the \$2.5 billion ceiling would require no cutbacks in current programs, the House refused to go along with the spending limit. The limitation was deleted in the House-Senate conference and replaced with provisions which merely "urge" that the program be tightened up. The Senate approved the conference report by a vote of 62-to-22 and the House by 240-to-167, despite the threatened Presidential veto.

I voted against the conference report because I believe this legislation contains some of the clearest evidence available against open-ended federal funding programs which give incentive to the states and local units of government to raid the federal treasury while decreasing their own responsibility. There are no incentives in the program for the states and local units of government to increase or improve the effectiveness of their own programs.

In Illinois, for example, the state expects to spend some \$205 million in federal funds for social-service programs, which equals the funds obtained over the past two years. But none of the money is going for new services. All of it is going for existing programs, with the state burden increasing only one fourth as fast as the federal burden.

In Georgia, which expects to be spending at the rate of \$222 million annually by the end of this fiscal year for social-service programs, the funds are going for such things as: a "homeless project" in Atlanta for 100 persons at a cost of \$58,410, which equals more than \$500 per person; "test-taking training" for 350 persons at a cost of \$109,333, which equals \$110 per person; and "family life education" with a total bill of \$475,152. And in Ohio, a state which apparently got on the bandwagon late in the game,

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\$45 million was used to expand social-services last year, with \$36 million paid for by Washington.

The most trenchant comment on the program came from a state official who said in a recent interview, "We are so busy just writing up contracts to get the federal money that we haven't had the opportunity to evaluate results of those services."

In any program which has mushroomed so fast as welfare at the expense of the federal government while state and local costs and accountability remains low, one must seriously question government responsibility to the taxpayers. The President has assured by his veto of the Labor-HEW appropriation bill that the question will at least get a second look. Taxpayers have a clear choice on this issue between Congressional profligacy and the President's toughness.



**Fiscal 1973 budget deficit**

The following is an analysis of the budget deficit for fiscal year 1973, reflecting budget revisions, amendments and congressional action to date, August 18, 1972:

	Deficit estimate (millions)
Original deficit estimate, January 1972	\$25,472
Budget revisions, as of June 5, 1972:	
Net outlay increase due to certain congressional actions, mainly black lung benefits	+895
Shift of fiscal 1972 revenue sharing request into fiscal 1973, assuming enactment of retro-active provisions of pending legislation	+2,250
Net outlay changes, including interest	+583
Revenue revisions	-2,200
Revised deficit estimate, as of June 5	27,000
Amendments to the 1973 budget estimates, as transmitted to date:	
Additional outlays for Vietnam war	+1,200
Disaster-relief outlays incident to Hurricane Agnes, etc.	+900
Additional outlays for drug abuse programs	+100
Deficit estimate, as revised and amended	29,200
Congressional action to date (in addition to amounts included in the June 5 budget revisions):	
Social security:	
Payments, 20% increase	+2,100
Revenue loss (due to delay in effective date)	+1,600
All other outlay changes, net	+613
Deficit estimate, as revised and amended, and adjusted by Congressional action	33,513
Deduct: revenue sharing legislation included above in June 5 revisions, but still pending final Congressional action	-2,250
Deficit estimate, as revised and amended, and adjusted by Congressional action to date, August 18, 1972	*31,263

\*On this basis, estimated fiscal 1973 outlays would be \$252.7 billion, as compared with estimated revenues of \$221.4 billion. The resulting unified budget deficit estimate of \$31.3 billion for fiscal 1973 reflects a federal funds deficit of \$38.4 billion and a trust fund surplus of \$7.1 billion.

**Fiscal year 1972**

Final figures for fiscal year 1972 recently announced indicate that actual outlays were \$231.6 billion and receipts were \$208.6 billion, and the unified budget deficit for fiscal year 1972 was \$23 billion (reflecting a federal funds deficit of \$28.9 billion and a trust fund surplus of \$5.9 billion).

## EXPLANATORY NOTES

## PURPOSE AND SCOPE

This scorekeeping report is designed to show the impact of congressional actions (or inactions) in the current session on the President's budget estimates for new authority, outlays and receipts. These impact estimates may then be related to the President's surplus or deficit estimates, as a part of the scorekeeping process. While the primary purpose of the report is to estimate the impact of congressional action, it also is designed to reflect any subsequent revisions made by the President in the form of budget amendments or official reestimates.

The report identifies the portion of the President's budget which requires current action by Congress in this session—in appropriation and certain basic legislation, or in new legislative proposals. It is in this area that the Congress exercises direct control over the President's fiscal proposals, and may increase or decrease them accordingly or not act at all.

In addition, the Congress may initiate new or expanded activities or take revenue actions not contemplated in the President's budget proposals and, to the extent that such action may be mandatory, have further impact on the budget.

Scorekeeping in terms of budget authority can be calculated in fairly precise terms for the portions of the budget requiring congressional action. However, conversion of congressional actions into terms of budget outlays or receipts is less precise and the scorekeeping must be done in approximate amounts.

## THE SUMMARY—BOX SCORE

The summary—box score (page 5) shows in one page summary form the budget estimates for fiscal 1973 and 1972 in totals as originally transmitted and subsequently revised, breaking out the portions on which the Congress is expected to act in the current session. It then applies—in box score form—the impact of congressional actions to date on the President's estimates for budget authority, outlays, receipts and the deficit.

This summary table combines congressional actions on budget authority and outlays and budget receipts, shown in more detail on the two scorekeeping tables which follow. The combined impact of revenue and outlay actions are also related to the estimated budget deficits.

## THE SCOREKEEPING TABLES

The report contains two tabulations showing in detail the individual actions of Congress to date which have an impact on the President's budget estimates. These are the scorekeeping tables, and they relate separately to budget authority and outlays, and to budget receipts. They show each entry in terms of action on the respective bills by the House and the Senate and as enacted.

In the scorekeeping process failure on the part of Congress to act upon recommendations or legislative proposals in the President's budget estimates is generally scorekept at or near the end of the session, unless there is a specific action involved.

*Budget authority and outlays*

Table No. 1 (p. 6) shows the impact on budget authority and outlays, in terms of increases or decreases from the official estimates submitted by the President. In addition to action on individual appropriation bills, this tabulation includes action involving so-called "backdoor" contract and debt authority in substantive legislation, and it includes any other legislative actions by Congress of a mandatory nature (such as Federal pay raises and veterans benefits) where spending begins upon enactment.

*Revenue legislation*

Table No. 2 (p. 8) shows congressional actions on the revenue legislation proposed by the President, as included in

the estimated budget receipts for fiscal year 1973. The table also includes any revenue legislation initiated by the Congress during the session. The scorekeeping effect, if any, of revenue action is computed for each measure as action is recorded.

## SUPPORTING TABLES

The report contains four additional tabulations relating to the various types of legislative actions which have a bearing on the scorekeeping process. The tables show each item as acted upon by the House and Senate and as enacted.

*Appropriation bills*

Table No. 3 (p. 9) lists the individual appropriation bills to be considered in the current session, showing by bill the budget authority requested and transmitted to date, and estimates of outlays covered by the respective bills—setting forth the outlays resulting from the new authority requested.

*Proposed legislation (in budget)*

The President's budget estimates include certain new legislative proposals which the Congress must act on before they can be implemented by the executive branch. Since they are included in the budget estimates, action or inaction by the Congress on the proposals has a direct impact for scorekeeping purposes. These proposals are shown in this report in two separate tabulations according to their character.

Table No. 4 (p. 12) shows the legislative proposals which have the effect of reducing budget authority and outlays. These include certain reform legislation, change in financing, sale of Government property, etc. Congressional failure to enact any of these proposals has the effect of increasing the budget estimates by the negative amounts shown for each.

Table No. 5 (p. 13) shows the major legislative proposals for new or expanded programs and their associated cost. Congressional failure to enact any of these proposals has the effect of reducing the budget estimates by the amount shown for the proposal. However, increases on the part of Congress in any of these proposals does not necessarily increase the budget estimates, unless a mandatory spending program is involved, because subsequent appropriation action is usually necessary.

*Other legislation (not in budget)*

Table No. 6 (p. 17) shows legislative initiatives which are in addition to those in the President's budget estimates. Such legislation can be proposed by the executive or judicial branches and, of course, by the Congress. The table is confined to measures which have been reported or are on the calendar of either House, and which exceed \$500,000 in their 5-year cost.

For purposes of this report the impact of such legislative actions is scorekept only if it contains "backdoor" contract or debt authority, or if mandatory spending is involved, such as in the case of Federal pay raises or veterans benefits. Items of a "backdoor" or mandatory nature are identified in the table by an asterisk or footnote.

*Authorizing legislation*

Under the rules of the House and Senate, programs and activities of the Government must be authorized by specific legislation before appropriations can be enacted. Table No. 7 (p. 27) shows the programs included in the President's budget estimates for fiscal 1973 which require such periodic or annual renewal prior to further appropriation action.

Legislative action on these authorizations usually has no impact for scorekeeping purposes, since the effect of any congressional change is subject to further appropriation action or budget amendment. However, should any change involve "backdoor" contract or debt authority such action by Congress would be noted and recorded for scorekeeping purposes.