

National Aid to Higher Education

By

GEORGE C. S. BENSON

and

JOHN M. PAYNE



PUBLISHED AND DISTRIBUTED
BY THE

AMERICAN ENTERPRISE ASSOCIATION
WASHINGTON, D. C.

National Aid to Higher Education

By GEORGE C. S. BENSON
and
JOHN M. PAYNE



PUBLISHED AND DISTRIBUTED BY THE
AMERICAN ENTERPRISE ASSOCIATION
WASHINGTON, D. C.

May, 1958

For Additional Copies
Address
American Enterprise Association
1012 14th Street, N. W., Washington 5, D. C.

Single Copy: one dollar
Special Prices Will Be Quoted on Quantities

© 1958 American Enterprise Association. All rights reserved under
International and Pan-American Copyright Conventions

AMERICAN ENTERPRISE ASSOCIATION

THE AMERICAN ENTERPRISE ASSOCIATION, established in 1943, is a nonpartisan research organization which studies national policy problems. It was organized by a representative group from Congress, the business community and the academic world to apply objective research to the analysis of complex national issues.

Association publications take two major forms:

1. **BILL ANALYSES**—factual analyses of current legislative proposals before the Congress prepared with the help of a panel of distinguished law firms throughout the country. A typical analysis features: (1) a brief statement of pertinent background, (2) a digest of significant provisions, (3) an inquiry into the implications of the proposal, and (4) a series of questions designed to bring out the basic issues.
2. **LONGER RANGE STUDIES**—basic studies of major national problems of significance for public policy.

As an educational and nonpartisan research organization, AEA takes no stand either in favor of or against any proposed legislation. The Association, with the counsel of its Advisory Board, utilizes the services of competent authors, but assumes no responsibility for their opinions.

* * *

National Aid to Higher Education is the first in a series of studies on the problems of financing higher education, which AEA hopes to publish. This study was supported by funds received from the Donner Foundation, Inc.

AMERICAN ENTERPRISE ASSOCIATION

OFFICERS

Chairman

ROBERT A. HORNBY

WALTER C. BECKJORD

HENRY T. BODMAN

President

ALLEN D. MARSHALL

THOMAS F. PATTON

H. W. PRENTIS, JR.

Vice-Presidents

CARL N. JACOBS

Treasurer

HENRY T. BODMAN

TRUSTEES

WALTER C. BECKJORD

FREDERICK S. BLACKALL, JR.

HENRY T. BODMAN

HARRY L. BRADLEY

ROBERT P. BURROUGHS

FULLER E. CALLAWAY, JR.

L. M. CASSIDY

COLBY M. CHESTER

J. D. STETSON COLEMAN

JOHN S. COLEMAN

R. K. EVANS

ALFRED C. FULLER

POWELL C. GRONER

W. HARNISCHFEGER

RICHARD HARTE

JOHN B. HOLLISTER

CHARLES R. HOOK

ROBERT A. HORNBY

B. E. HUTCHINSON

N. BAXTER JACKSON

CARL N. JACOBS

OSWALD W. KNAUTH

CHESTER H. LANG

EDWARD H. LITTLE

RAYMOND S. LIVINGSTONE

GEORGE P. MACNICHOL, JR.

W. L. MCGRATH

ALLEN D. MARSHALL

H. S. MIDDENDORF

ROBERT L. MINCKLER

DON G. MITCHELL

NICHOLAS H. NOYES

THOMAS F. PATTON

H. LADD PLUMLEY

H. W. PRENTIS, JR.

EDMUND W. PUGH, JR.

HOBART C. RAMSEY

HERMAN J. SCHMIDT

FRANK H. SPARKS

E. LEE TALMAN

ERRETT VAN NICE

WILLIAM J. BAROODY
Executive Vice-President

W. GLENN CAMPBELL
Director of Research

ADVISORY BOARD

H. F. DEGRAFF, *Chairman*

Babcock Professor of Food Economics, Cornell University

DONALD J. COWLING
*Former President
Carleton College*

JAMES E. MCCARTHY
*Dean Emeritus
School of Commerce
Notre Dame University*

ROSCOE POUND
*Professor Emeritus
Harvard University*

MILTON FRIEDMAN
*Professor of Economics
University of Chicago*

FELIX MORLEY
Editor and Author

DAVID McCORD WRIGHT
*William Dow Professor
of Economics and
Political Science
McGill University*

Secretary, VIRGIL SALERA, Senior Economist, American Enterprise Association

Contents

I. INTRODUCTION	1
The Issue	1
Three Points of View	1
II. PROPOSALS BEFORE CONGRESS	5
The Main Bills	5
Tax Exemptions	6
Other Types of Bills	8
III. GRANTS WITHOUT CONTROL?	9
The American Experience with Federal Grants	9
Agricultural Research	10
Cooperative Agricultural Extension Work	10
Resident Instruction at Land-Grant Colleges	11
School Lunches	12
School Operation and Maintenance in Federally Affected Areas	12
Vocational Education	12
Vocational Rehabilitation	13
International Academic Exchange	13
Research Grants	14
Training Programs	14
G.I. Bill of Rights	14
ROTC	15
Summary of American Experience	15
Controls Implicit in Proposals Now Before Congress	17
Experience in Other Countries	19
Responsible Government and Fiscal Control	20
Two Dangers	21
A Note About Administration	22
IV. CONCLUSIONS	24
Administration Proposals	24
National Defense	26
Responsible Government	26
Some Alternatives	27
Two Choices	28
<i>Appendix</i>	31
<i>AEA Publications</i>	37

NATIONAL AID TO HIGHER EDUCATION*

I. INTRODUCTION

The Issue

DO WE need National Government aid to our colleges and universities? What good would it do? What harm?

Until last fall, the question of major National Government aid to education had been pigeonholed. Congress, recognizing the real differences of opinion, had decided against it. Now, due almost entirely to our concern over Russian satellites, the issue is again wide open.

We have awakened to find that we may be behind the Russians in some aspects of scientific progress. Education is the natural scapegoat. "We are short of good scientists because educators aren't doing their job." So runs the logic. Pressure to "do something" has led to the proposal that an Administration-sponsored program of scholarships should be adopted at this session of Congress.

Are we short of scientists? Could the shortage be remedied by giving more money to higher education? Much of today's talk is on these two points. But neither of them really should be the main consideration in determining whether we should have broad National Government aid to education. That decision involves a third point: What are the effects of national aid? What has been its history in this country and elsewhere? What is the gist of the proposals now before Congress?

This study seeks answers to these questions. We believe that, in the long run, they involve principles of government which are at least as important as our supply of scientists.

Three Points of View

Opinions about national aid to education fall roughly into three major groups. One group wants to see the National Government

*This study reflects the views of the authors and not those of Claremont Men's College.

take an active lead in a system of public higher (as well as lower) education. Another body of opinion regards any further activity by the National Government as undesirable and feels that the proposed move into the field of education is extremely dangerous. The third view acknowledges that national aid has definite dangers, but feels that the current international situation justifies some temporary action.

The views of the more-national-aid proponents were crystallized in 1947 in the recommendations of the Zook Commission on "Higher Education for American Democracy." Its report to President Truman urged grants to states for higher education; outright aid to state universities to enlarge their budgets and expand their plants; extensive scholarships and fellowships; and contracts for services like research.

The Zook Commission report had two distinguishing features—its multi-million dollar proposals for putting the National Government into higher education and its preference for helping public institutions.

The diametrically opposing viewpoint has been stated forcefully by such conservative members of Congress as Representative Ralph Gwinn, New York. His argument is that education is potentially the most powerful weapon for a would-be dictator, and that to put it in the hands of the National Government would be to invite tyranny. He feels that any concessions in that direction will ultimately lead to all-out centralized control.

Firm opposition to any further National Government aid was also expressed by the Commission on Financing Higher Education, 1952, after a three-year study sponsored by the Association of American Universities.

The third view—in effect a compromise between the other two—was expressed just before the Sputnik Age, by the President's Committee on Education Beyond the High School (the Josephs Committee). Its recommendations, made to President Eisenhower last year, were for a nationally sponsored work-study program, further income tax relief for tuition-paying parents, continued long-term loans for dormitory construction, grants-in-aid for facilities such as

classrooms and laboratories, and payment of full costs on research done on contract with the government.

Thus, while the Zook Commission in 1947 would have put the National Government actively and permanently into higher education, the Josephs Committee emphasized help through facilities and loans and pointedly avoided recommending any active role by the National Government in directly subsidizing higher education.

There are some obvious reasons for this difference. The latter commission was appointed by an administration which was pledged to decentralization, the earlier by a president committed to more centralized government. The Zook Commission, furthermore, was concerned that too few people would be going to college when the G. I. Bill of Rights ceased to operate. Ten years later, it was clear that more students would seek college training than the colleges could accommodate.

But there is another reason for the difference—a growing concern that a national program could mean that in the long run education will be directed from Washington, D. C. Many educational leaders are more cautious about inviting National Government aid than they were ten years ago.

These major studies of educational needs were not politicians' ways of avoiding definite decisions. They were in response to a definite need. Even the most conservative estimates hold that beginning in 1960, there will be a flood tide of students seeking a college education. In 1954 the college and university population was two and a half million students. In 1960 it is expected to be about three and a quarter million. By 1973 this could become over five million and possibly seven million students.¹

This means that we must provide more teachers, more classrooms, more laboratories, more everything. It all costs money. The educator, swamped with growing demands, is grateful for anything that offers relief. It will be the rare college or university president who does not also look longingly in the direction of national funds. Some will suggest that colleges and universities restrict themselves

¹ *Teachers for Tomorrow*, The Fund for the Advancement of Education, 1955.

only to the best qualified students, and adopt the European plan of higher education primarily for the elite. But American traditions do not accept that alternative. We look for our future leaders in all social levels.

Since last summer, the question of science training has had top priority. But it takes a long time to train a scientist. So the two problems, the flood of students and the need for scientists, really become one: of providing enough facilities and able teachers. Both are urgent.

II. PROPOSALS BEFORE CONGRESS

The Main Bills

IN THE LAST three years, hundreds of bills have been introduced in Congress to provide National Government funds for scholarships for college students. A new flood of proposals now filling legislative hopppers reflects the "we must keep up with Russia" idea. Many of these are aimed at helping students in science.

The bellwether is the Administration's four-year plan made public December 30, 1957 and embodied in Senate bill 3163 and H.R. 10278. It calls for thousands of scholarships and fellowships and would emphasize teaching of science, mathematics and foreign languages.

The leading Democratic proposal, as represented by S. 3187 (Hill) and H.R. 10381 (Elliott), covers the same ground as the Administration bill but on undergraduate scholarships and aids to teaching is substantially more generous. The Administration proposal is more generous in its aids to science, mathematics and language teaching and in its fellowships for graduate study.

The Democratic bill has several features that the Administration is not proposing. It would have a student loan program;² would encourage summer and night school study by teachers; would give further aid to vocational schools; would set up an office of educational aids to help with matters such as television, radio and motion pictures; would provide a science information service; and would award Congressional medals to top high school seniors.

Despite the parallels, there are basic differences between the Administration proposal and the Democratic one. The Democratic

² It is noteworthy that the need for loans is not entirely clear. The President's Committee on Education Beyond High School (Second Report, July 1957, page 49) found that there was an apparent surplus of existing loan funds in some colleges but a need for loans in others. Many colleges have difficulty in finding borrowers from their existing funds, particularly for undergraduates. As a matter of fact, people of college age seem less eager to borrow for an education than they do for other things, such as automobiles. Apparently the problem is not so much the availability of money but the interest of young people in an education.

bill sets up several permanent programs; the Administration bill is limited to a four-year period. While it proposes to spend a total of \$1 billion, S. 3187 calls for appropriations of about \$3 billion—aside from its permanent features.

The National Education Association, for many years chief proponent of National Government action in education, has flatly stated through its legislative commission that “federal financial support for education at all levels has become a national necessity.”³ Many of its proposals are embodied in the Hill-Elliott bill.

According to the *Congressional Quarterly* if any law is enacted, five of the hundreds of proposals now before Congress will be the basis for it. These are the Administration bill and the Democratic bill outlined above, two tax bills which are discussed below, and H.R. 11378 to help communities build schools to accommodate children of National Government employees. (Some of the multitude of other proposals are discussed in the Appendix.)

Tax Exemptions

A large group of bills would in the long run provide help for higher education via tax exemptions. Bills sponsored by two members of the Ways and Means Committee, Representatives Boggs (H.R. 1064) and McCarthy (H.R. 765), would allow a 30 percent credit for tuition and other fees up to \$1,500 of the cost of the student's college or university education. This would permit the taxpayer to subtract from his actual taxes as much as \$450 a year per dependent student.

A number of bills would simply allow the taxpayer to deduct from his income all or part of a dependent student's tuition and fees. Some go farther and provide exemptions for living expenses as well.

Still another proposal would increase the exemption for college-age dependents. Representative Chelf's H.R. 590 would permit an exemption of \$1,800 a year for each child under 21 who is

³ “A Legislative Program for the Second Session, 85th Congress,” Report of the NEA Legislative Commission to the Executive Secretary of the NEA, Washington, December 20, 1957.

attending a business school, college or university. The present law permits the taxpayer only the usual \$600 exemption in spite of the heavy additional expense he has when he sends children to college.

Tax exemptions of this kind would not be a direct aid to education because they would not immediately mean any more funds to colleges and universities, but they would presumably help parents to pay the cost of their children's higher education.

There apparently is widespread support for the Boggs and McCarthy bills. Among their supporters is the American Council on Education, on which most colleges, universities and junior colleges are represented. Objections to tax aid are coming primarily from the Administration. The Treasury Department contends that exemptions are bad practice and always make trouble for the tax collector. The Treasury estimates that a 30 percent tax credit would reduce revenue by \$250 million a year—about the cost of the proposed Administration program. Marion B. Folsom, the Secretary of Health, Education and Welfare, claims that the tax deduction would give most help to the higher income families who are already able to afford higher education. The American Council on Education replies that the benefits would pass down through the educational system and in the long run make more scholarship aid available to needy students.

A different approach is to give teachers (in some case administrators also) deductions for expenses that they incur in furthering their own education. There is some basis for this inasmuch as educational expenses are costs of producing income and hence should be deductible as are expenses in connection with property. Representatives King and Jenkins, members of the Ways and Means Committee, are co-authors of a leading bill, H.R. 4662, which would permit any established teacher to deduct up to \$600 a year of expenses for advanced study. Deductible items would include tuition, books, educational tools and any travel or living expenses above normal.

A recent regulation of the Internal Revenue Service, however, has gone a long way toward treating educational expenses as costs of

producing income. Thus, the IRS ruled on April 3, 1958 that teachers in computing their income tax may deduct, retroactively to 1954, the cost of courses—together with incidental expenses—taken voluntarily to improve their skill in their work. Previously, teachers could deduct for tax purposes only expenses for education required by their school boards.

Yet another form of indirect aid to education would be tax rebates to encourage giving by corporations. House Majority Leader McCormack has proposed raising from 5 percent to 10 percent the amount of corporate income that may be deducted for corporate gifts to charitable and educational institutions.

Other Types of Bills

Not all of the bills before Congress deal with scholarships, loans and tax exemptions. For instance, Mrs. St. George of New York last year proposed the establishment of a Science Academy (like the service Academies). Since then at least a dozen other Congressmen have made similar proposals.

Two bills introduced by Senator Case of New Jersey in the last session would provide National Government funds to states for planning and building new college facilities. A bill introduced by Senator Murray for himself and twelve other Democratic senators would give assistance to states and local communities to pay higher teachers' salaries and build more classrooms.

Other proposals would help colleges and universities to acquire laboratory facilities; would give special training to education specialists; would help high schools step up their science education; and would provide funds for national scientific research.

The two most "gravy-train," twin proposals, S. 1021 and H.R. 4218, would give National Science Foundation scholarships of \$500 to high school seniors merely for passing a high school mathematics examination. The next year, their first in college, if they passed a test in calculus, they would each be given \$500 more!

III. GRANTS WITHOUT CONTROL?

THERE ARE very few advocates of federal *control* of education. Nearly everyone recognizes the danger of repeating what happened in Nazi Germany and is now true in Russia. Proponents of federal aid contend that there need be no control. In fact, many of their bills (such as those of Senators Humphrey and Case) go out of their way to prohibit expressly any National Government control as federal funds are distributed to education.

Are such disavowals valid, or do controls inevitably accompany grants? On that point we have three rich sources of information.

1. The history of other grants by the United States to state and local governments.
2. The present proposals. What controls, if any, do they actually foreshadow?
3. The record abroad. What has happened in other countries when the National Government has subsidized higher education?

The American Experience with Federal Grants

Our National Government naturally inclines toward detailed controls. Its grants are usually initially framed by a pressure group or a bureau which has certain specific purposes. They are then hammered into final shape by a congressional committee, which may have a purpose different from that of the bureau but is also very specific. Thus, both the initial pressure group and the congressional committee have attached their specific conditions to the grant while nowhere in the process is there any real review from the standpoint of the budgetary and administrative problems of the unit receiving the grant. So the recipient simply has to live with the detailed controls whether they are acceptable or not.

The tendency towards specific controls is further increased by the nature of the appropriations process in Congress. "Riders" are frequently attached to appropriations by a small committee of Congressmen who are reacting to specific pressures. In the hectic closing moments of a congressional session other members of

Congress and the President accept such riders rather than endanger the whole appropriation.

Many of these controls are well intended in themselves. Sometimes they result in higher governmental standards on the part of the grant-receiving agency. But they cannot help reducing the responsibility and budgetary autonomy of the grant-receiving agency. If they did not reduce that responsibility, they would be defeating their own purpose.

Let us summarize rapidly some of the existing body of grants and comment on the controls involved in each grant. The discussion will follow that of a staff report to the Commission on Intergovernmental Relations, commonly known as the Kestnbaum Commission.

The grants discussed here have been selected in part because of their connection with education. The discussion, however, covers more than strictly educational grants in order to give the flavor of a variety of National Government programs. It is a reasonable guess that any system of federal grants to higher education will resemble some one of several of the following grants in conditions and controls.

Agricultural Research

Some federal acts authorize grants to state agencies for agricultural research. Most of the funds are directed to state experiment stations which are frequently located at land-grant colleges. These stations submit an overall program each year to the Department of Agriculture. Their funds are received for individual research projects. They must report on such projects to the department which inspects their operations and exercises its control through advice or through declining to approve continued National Government financing made to land-grant colleges.

Cooperative Agricultural Extension Work

Under several statutes the Department of Agriculture makes grants for cooperative agricultural extension. Each state submits a detailed annual work plan and budget covering all funds. This is subjected to both substantive and fiscal review by the Depart-

ment of Agriculture. There is a regular fiscal audit. The Federal Government may withhold funds if the state agency has not used past funds correctly. The Federal Government exerts an administrative supervision which can fairly be described as informal. It does, however, insist on approval of all state and county personnel, although federal approval is usually automatic if the candidate meets the minimum qualifications.

In a number of cases these quite rigidly controlled grants are made directly to academic institutions, the so-called land-grant colleges.

Resident Instruction at Land-Grant Colleges

Cash grants have been made by the Federal Government for nearly 70 years to the "land-grant" colleges of each state or territory. They go to institutions which originally received gifts of land from the Federal Government upon these conditions: that they teach military science, agriculture, and the mechanic arts; that they would invest the funds, not use them for building; that they render an annual accounting to the Federal Government.

The National Government has no formal supervision and conducts no audits. Reports are made to the U. S. Office of Education. It may withhold funds but only rarely takes any remedial action. Therefore, these grants are in sharp contrast to the detailed control exerted over agricultural extension grants which are sometimes made to the same institutions. They are frequently cited as an example of how limited National Government control could be, but this lack of control should be qualified by three important points before it can be used to estimate the controls which would be attached to any new program for National Government aid to higher education.

First, cash land grants are very small in relation to the institutional budgets. (Cash totalled only \$5 million and the income from the land endowment less than \$2 million in fiscal 1953.)

Second, the conditions attached to these grants in a sense secured their results several decades ago. The grants did shape the land-grant colleges and affect the public higher educational system of

many states. Much of the high quality of American agricultural practice was directly or indirectly stimulated by them. Some of our lack of concern for "liberal arts" is one of their results.

Third, the conditions attached to these grants may at any time be altered or increased by a "rider" to an appropriation act. An example of this was a recent "rider" on a defense appropriation which forbade payment of any Army funds or use of equipment by any person who had not signed a complicated oath regarding subversive organizations. Great universities interpreted the land-grant act as requiring basic Reserve Officers Training of all students; the rider prohibited equipment for those who could not in honesty sign the oath. The result was that a few freshmen had to take ROTC drill in civilian clothing as marked men. The rider was soon repealed, but could, of course, recur.

School Lunches

Grants of commodities and of cash for school lunches are issued only to states which provide state plans and budgets to the Department of Agriculture. Reports and audits are required and a number of conditions are attached. Matching of federal funds is required; certain types of lunches must be served, and specific equipment is mandatory.

School Operation and Maintenance in Federally Affected Areas

The National Government gives help to school districts which have a fiscal problem resulting from federal activity in their area. To receive grants, school districts must maintain attendance records for federal review, but there is no effort at National Government control of curriculum or personnel. The percentage of federal payments was about 5.3 percent of the total expenditures of the affected districts in fiscal 1953. Total costs were small, about \$35 million in that year.

Vocational Education

The vocational education program goes back to an original act of 1914, later extended. It supports specific projects of vocational education in the public schools and for adults. A state plan is

required. So is an annual report, which is test checked, and examined in a "program audit" in each state by U. S. Office of Education personnel. Part or all of federal allotments may be withheld. The Office of Education requires "vocational competence" of teachers. In practice its standards have an important effect on state personnel and policies, although in recent years state and local expenditures have become five times as great as National Government expenditures in the field.

Vocational Rehabilitation

Grants for vocational rehabilitation have existed since 1920 to aid handicapped individuals who are unfit for remunerative employment. To secure this money, states must submit a plan which establishes a vocational rehabilitation agency, provides state supervision, meets personnel standards, provides matching funds and does numerous other things. Reports are required, and payment may be withheld.

The grants which have been thus far summarized are those which go primarily to other governmental agencies. An additional body of grants is made by federal departments directly to scholars or to institutions. Some of these will be discussed briefly.

International Academic Exchange

A substantial fraction of academic travel between the United States and other countries is partly financed by the Federal Government under the Fulbright Act, Smith-Mundt Act, and some other provisions. The Federal Government, careful to refrain from interference with the individual professors who receive the grants, has largely delegated the selection process to academic groups. Naturally, the existence of the program and the choice of individuals and the countries to which they are going affects academic life. While it is not a direct control, it is a situation in which a subtle control can operate at least temporarily. A professor who is hoping to go abroad on a Fulbright fellowship might naturally hesitate to criticize the Department of State while his application was under consideration.

In some ways overlapping with the Fulbright programs are

the international academic exchanges sponsored by the International Cooperation Administration. The ICA finances exchanges between foreign and American universities. These programs have been subjected to no basic criticism on the ground of infringement of academic autonomy.

Research Grants

Hundreds of millions of dollars are spent each year by the National Government, especially by the Department of Defense, in grants to colleges and universities for various kinds of research—mostly applied rather than basic. Some institutions receive large percentages of their total budget from federal research grants. These grants have led to a number of administrative and policy problems. Some institutions have felt that federal research money has resulted in under-emphasis on much needed basic research. There have been disputes as to the percentage of overhead which the National Government should pay and there has been difficulty as to security requirements. There have been problems as to length of grant and as to ownership of equipment. But to date there has been little or no complaint of efforts at National Government control of other policies of the institutions receiving research grants.

Training Programs

Several federal departments have made arrangements for training their own employees or persons related to their activities at particular universities. Public Health Service grants to the states have constantly emphasized education of state and local personnel. Some of the Defense agencies have worked out elaborate programs. Usually the federal agency has been content to make arrangements for its people without any great alteration of the school program. The amounts of money spent for such purposes are much smaller than those spent on federal research grants.

G. I. Bill of Rights

The educational benefits given veterans of World War II and Korea were on the whole administered with a minimum of interference with academic operation. They threw heavy loads on

the university system and involved so much extra administrative work on our colleges, however, that it could be argued that the Federal Government did not really pay for the extra work it caused. Unfortunately too, the G. I. Bill became a battleground between private and public institutions but the Federal Government was clear of any charge of using this program to alter our academic pattern.

ROTC

All three of the major services have for years maintained Reserve Officers Training programs in a number of colleges and universities. The instruction in military subjects and the equipment is furnished by the government. In the case of the Navy's Holloway program, the government pays room, board, and tuition for certain selected students.

There is much that is good in the ROTC programs, and they have been a good example of patriotic cooperation between the colleges and the Federal Government, but it must be regretfully asserted that these programs have sometimes had disturbing effects on academic programs and that the Defense agencies have not always shown the greatest wisdom in their requirements.

Summary of American Experience

This selection from the many contacts of our National Government with education indicates its present scope and variety. The range is great—from the much too detailed controls of vocational education and ROTC, to the commendable restraint in the land grants.

We can make a few generalizations. *First*, the larger and more permanent grants usually, and properly, involve more controls. (The G. I. Bill of Rights was an exception, perhaps because it was temporary.)

Second, any substantial grant program will affect university programs and planning. Grant administrators may exercise the greatest restraint but money received to help certain people or programs will alter the academic work load and will emphasize certain subjects at the expense of others.

Third, all grants may have (and some have had) additional controls thrown on them at any time by riders on congressional appropriations. Pious bows to academic freedom in the original act mean nothing when such riders (as in the case of the 1953 ROTC appropriations) are attached.

There is one important segment of American experience that has not been mentioned—education grants by the states to localities. It would seem that if federal grants tend toward restrictions, the same pattern would apply to state grants, but here the pattern varies. In New York state about 40 percent of local school revenue is state money. This has provided a basis for some interference by the state with school district powers (in the matter of regents examinations, for example), but it is contended that in most respects local school districts retain independence.

On the other hand, in some other states such as West Virginia, the effect of state aid has been virtually to destroy local control and substitute for it a state system of schools administered through the counties.

Tradition and personalities perhaps account for these differences. Nevertheless, two general conclusions are certainly justified. One is that grants by states to their localities tend to be less restrictive than grants by the National Government to the states. The states, considering cities and schools as the organic units, to a large degree have recognized their role as that of an equalizing rather than a controlling and centralizing agency. Perhaps more important, representatives in the state legislature are close to their local districts and sensitive to the wishes of the citizens. Neither of these two factors has been true of the National Government vis-à-vis the states.

A second general comment, and in our minds a conclusive one, is this: Even state grants, for example in cases such as West Virginia, have largely destroyed the vitality of local school districts.

Returning then to our original question: "Can we have national grants to education without controls?" On the basis of our experience in this country to date, the answer is, "No."

Controls Implicit in Proposals Now Before Congress

The same conclusion is indicated by the proposals now before Congress. Let us look for a moment at some of the controls that are contained in the bills in the 1957-58 legislative hopper.

First, a number of the grants are to be restricted as to the area of their use. They must be used for armed forces (H.R. 7245); or for science and engineering (H.R. 1976); or for training teachers (H.R. 2450); or for improving university extension (H.R. 9170).

Some of the bills would limit the funds as to type of use: for loans, or for scholarships; or for surveys of educational facilities (S. 2763); or for construction of "public community colleges" (S. 9247).

There are requirements that funds be distributed in a certain way—either by the states or with the proviso that there be matching funds (S. 2810). Many bills stipulate that the colleges and universities which will benefit must be recognized—either by the federal officer (H.R. 1976); by state boards (S. 869); or by recognized private accrediting agencies (H.R. 5247). Some require all three.

Some proposals set forth conditions to be met by the beneficiary. For example, one bill requires that any person who is granted a fellowship for graduate study in engineering must then teach engineering for at least three years (H.R. 2450). The proposal to create a national Academy of Science (H.R. 6164) includes the requirement that its students must swear loyalty to the National Government higher than their loyalty to any state government.

From the overall standpoint it may be serious enough if a scholarship binds a college graduate to a term of government service. But from the vantage of colleges and universities, the question that counts is this: *Would these grants have an effect on the institutions themselves?*

For one thing, courses of study at colleges and universities are bound to be affected by any of the proposals which give special aid to scientists, mathematicians and engineers. This in effect puts

the government on the side of science against the humanities and social studies.

There is also the built-in control of inertia in any continuing grant. If the National Government sets up a fund for scholarships, and the people and state authorities become accustomed to relying on it as a source of revenue, then the mere possibility of its withdrawal constitutes an implicit control. Witness the hue and cry that goes up from any congressional district where an air base is being closed or a defense plant is being cut back. At the time of final decision, when it is determined whether or not to shut down or cut back, the president of the defense plant and the vendors who supply the air base devoutly hope that they have good connections in Washington. It is to their advantage to cultivate the men who allocate the money. There is no reason to believe that it would not be the same in the case of university presidents and trustees. Monetary pressure is quiet, but it is potent.

Would the president of an engineering school which was getting a big federal grant feel free to criticize his Congressman publicly? Would the faculty be asked to take a loyalty oath?

Suppose Congress learned that national educational aid was going to a college which included a number of "leftists." Would not Congress wish to retain some surveillance to cover cases of this type?

Some of the scholarship proposals provide that awards are to be made on nomination of the representative from each Congressional District (H.R. 5030). Other things being equal (or nearly so), would the Congressman nominate the son of the man who supported him or the boy whose father gave funds to his opponent's campaign?

Most of the scholarship and loan proposals prohibit discrimination due to race, creed, color or national origin. (H.R. 821 is an example.) Most of them (like H.R. 5642) also require that the institution where the scholarship students attend file with the National Government "necessary" reports and information.

Higher education could function within such limitations. *But the point is that conditions are attached—and always will be in*

such grants. Talk about "no conditions" is uninformed. If the grants are made, and conditions are attached, is it then likely that education will remain free and liberal?

Experience in Other Countries

It is abundantly clear that the Nazi government in Germany, for example, relied heavily on government-centered education to maintain control. "But that is different," reply advocates of national aid. "Nazi Germany was nationalized in every way. It made no attempt to keep education free; in fact, it wanted to control it. But the United States has a different tradition and we can avoid federal controls. A better case in point would be in England. It has kept its universities free from interference since the Second World War in spite of enormous governmental grants."

That is, apparently, true. Parliamentary grants to universities in England in 1949-50 constituted nearly two-thirds of all university revenue, twice as large a percentage as was the case fourteen years earlier.

Three thoughtful memoranda on government assistance to universities in Great Britain⁴ were submitted in 1952 to the Commission on Financing Higher Education by ex-President Harold W. Dodds of Princeton and Professors Louis M. Hacker and Lindsay Rogers of Columbia. Their little volume suggests that the large amount of government subsidy to universities in Great Britain has not resulted in any serious government effort to control curricula or teaching, except as subsidies for certain types of professorships have expanded the total field of instruction. However, they concur in the judgment that the techniques which Great Britain has followed to insulate its universities from government controls are peculiarly British.

Professor Rogers comments, "In the United States, on the federal level, any adaptation of the British system is well-nigh inconceivable. Congress or the Treasury or the Bureau of Educa-

⁴ Dodds, Hadley and Rogers—*Government Assistance to Universities in Great Britain*, Columbia University Press, 1952; pp. 108-09; this is also discussed in a later section of the present study.

tion would not keep hands off. The country is so vast and the number of institutions is so large that even if the Washington atmosphere were as favorable as the Whitehall atmosphere, a single University Grants Committee would face an impossible task."

But the warning flags are flying in England, too. For instance, ex-President Dodds says:

I suggest that for various reasons, not all having to do with political ethics, the principle of greater accountability to Parliament will be in the long run victorious. The attitude of some in England who favor a larger share of governmental participation in university matters was expressed to me by a leader of educational opinion in the Labour Party. She will always remember, she said, the surprise with which she read the preamble to one of our bills before Congress for aid to schools which asserted that no federal controls were to follow the money. To her, this proposal seemed both fantastic and immoral.

Responsible Government and Fiscal Control

Accountability is but one aspect of control. It is necessary and proper. Government expenditure without controls is the first step towards financial irresponsibility. In a free society, the citizen presumably is sovereign. But there are really only two crucial points at which he exercises control. One is through the nominating and voting process. Since that opportunity comes but once every two, four or six years, there is considerable lag between the time of faltering and the day of reckoning.

The citizen's other weapon is budgetary control. The budget is a contract between the administrator (president, mayor or governor) and the citizens (through their representatives, the legislature). The governor makes up his budget and says: "Now citizens, this is what I will spend next year; and this is how I will spend it. You can rest assured that if it is not spent this way, it will not be spent at all."

Good budgeting involves a clear prediction of what is to be done and continuous reporting of what is being done. Suppose the National Government set up multi-million dollar funds for scholarships to be distributed to the universities or administered through the states without taking steps to see that these are used for the

purpose intended. What, then, would prevent the universities from building dormitories with scholarship money? What would keep the states from diverting school funds for roads?

Suppose some of the money went to a college where there was a nest of known Communist sympathizers; or to a student who was advocating overthrow of the National Government? Would not Congress wish to control this use?

The simple fact is that if we want the citizens to remain sovereign, there are bound to be controls attached to any appropriation that is made, and the fact that it is for education in no way relieves the government of that responsibility.

Two Dangers

The evidence indicates that with grants go controls which contain dangers

1. To our type of government;
2. To our educational pattern.

On the first point: Part of the foundation of the American system is its faith in decentralized political power. When the central government takes on more and more functions the vitality of local government wanes as citizens lose their sense of being responsible for it. And decisions made in Washington are less likely to fit local needs than if they are made by the people directly involved.

The writers prefer less government action generally, but whatever power the people grant to the government would be far better divided among levels than concentrated nationally. In our minds, further federal intervention in higher education is one more step of the central state in its march of several decades toward dominance of American life. If we ever have a dictatorship in this country it will be because we have, by putting out our hands once too often, given too much power to the national administration.

That brings us to our next point. Control of education is one of the most powerful of political weapons. Men who like power

are going to seize it. When they do, education will not be free. And education is misdirected unless it is free. We have before us some prime examples. Russia has succeeded with forced education in producing scientists and technologists, but in little else. Her scientific progress has been made at the price of the loss of the spirit of education. Her crash program in science is contrary to all liberal standards in a free society.

To devise an educational system that keeps academic freedom and yet finds adequate financing is a problem of major proportions. Our state and city-supported institutions have had their troubles in this respect. But the special status that they have worked out to protect themselves from interference by state legislatures and private pressure groups is almost impossible to duplicate on the national level. The Federal Government, working on a principle of direct operation, has given very little leeway to the academic institutions (such as the military and naval academies) it now operates and there is much reason to believe that large national grants to higher education would, in time, become a vehicle for congressional control of certain aspects of university life. All federal grants-in-aid to states have tended to develop controls.

A Note About Administration

A large majority of the proposals now before Congress would have the funds distributed and administered by the Secretary of Health, Education and Welfare and his Commissioner of Education. This is the logical place for handling funds for education but this location has consequences that are not apparent on the surface. The Office of Education is, quite properly, staffed by professional educators many of whom are known to favor more federal activity. The effect of administration through this office would likely be to encourage a broader program of national aid to higher education.

While the important question about Federal Government aid is one of principle—should we have it or not?—still the way it is done would make a difference. If federal aid to colleges were directly defense-related, geared primarily to basic research, and

administered by the National Science Foundation, it would have quite a different impact than if it were administered by the Secretary of Health, Education and Welfare and distributed broadly to cover all fields of learning.

The National Science Foundation is reliably reported to be opposed to any massive program of national aid or to any high priority for categorized scholarships.⁵ Its program is predicated on the belief that a more serious problem is to obtain better teachers and a more substantial curriculum below the college level. NSF has found evidence that poor teaching, particularly of science subjects, is not due merely to low salaries but to teachers colleges' influence on teacher training. Men who are to teach science often have had time only for a smattering of the science they are supposed to know best.

Britain, too, has found that the atmosphere of administration seems to affect the extent of control. One American observer, ex-President Harold Dodds of Princeton, indicates that the freedom of English universities under growing Parliamentary (national) grants is due at least in part to the fact that they have been distributed by the University Grants Committee, in the Treasury, rather than through the Ministry of Education.⁶

Some critics, however, have also said that we cannot think of the problem only in terms of insulation from government action. It is suggested that central control of grants even in the hands of an independent academic committee could almost unconsciously become a means of influencing instruction in the direction of the committee's scientific preconceptions. Over the years new viewpoints might find here an increasing obstacle.

Method is undoubtedly important. Still the basic question is one of principle: Can we have National Government grants to education in any form without controls?

⁵ See the column by E. W. Kenworthy in the *New York Times*, General News Section, p. 80, November 24, 1957. This was substantially confirmed March 6, 1958 in the National Science Foundation's testimony before the Senate Labor and Public Welfare Committee.

⁶ Dodds, Hadley, and Rogers, *op. cit.*

IV. CONCLUSIONS

Administration Proposals

PERHAPS the best way to summarize the thinking of this pamphlet is to appraise the proposals made by the Secretary of Health, Education and Welfare, Marion Folsom, on December 30, 1957, and embodied in the Administration bills, S. 3163 and H.R. 10278. They propose:

- (a) *Grants to states on a matching basis to encourage earlier and better testing of the abilities and aptitudes of students and to support improved counseling.*

Comment: These grants would probably be small, but would bring the National Government into continuous touch with the administration of our school systems. The possible effect in easing the shortage of scientists does not justify the extension of National Government control.

- (b) *Federal scholarships (presumably temporary) with preference to students with good preparation in science and mathematics.⁷*

Comment: The program would very probably become permanent. While scholarship grants involve less interference with educational autonomy than some other measures, the potential danger is still substantial. The proposed scholarship program is not confined to scientists. Moreover, it would not help the institutions except in a limited sense. Public universities and colleges, as a rule, charge little if any tuition. Private colleges would benefit only insofar as the federal scholarships would make it unnecessary

⁷ Secretary Folsom's announcement of December 29, 1957 said that 200,000 talented high school students annually are failing to go to college. Recent surveys suggest that this figure is somewhat exaggerated. A Kansas survey of the 30 percent of the students who made the best grades in high school found that nearly half of those good students who did not go on to college are doing something else worthwhile. They were married, in the military service, in trade schools or nursing training. A recent study by the Educational Testing Service in Princeton showed that of the upper 30 percent of high school students, 60 percent of the men and 46 percent of the girls went to college.

for them to appropriate operating funds to scholarships—a minor item. But there is a more important point. A scholarship in an indirect way tends to make the recipient, in effect, a direct ward of the central government. His obligation to Washington overrides his obligations to his local government and even to the institution which provides his education. The most direct example of the way this would work is in the case of the proposed science academy which requires that its graduates be United States Government employees for five years.

- (c) *Expansion and improvement of the teaching of science and mathematics in state and local school systems.*

Comment: This involves interference with the public school system. Moreover, the schools, without additional resources, can do much to alleviate present shortcomings if they:

1. Expect more of their students;
2. Use their resources on science subjects and eliminate courses like square dancing, life adjustment education and co-ed cooking for boys.

- (d) *The provision of fellowships for graduate students and direct grants to graduate schools on a matching basis.*

Comment: This involves some control of one of the most important policy-making locations in our educational system. The writers do not view it as desirable.

- (e) *Proposed federal financing, under the auspices of educational institutions, of training centers in foreign languages which have received little attention in this country.*

Comment: If this were a specific service for the State Department, there would not be much objection to it, but as an “improvement” program we can see no justification.

- (f) *Also included in the Administration bill is a proposal to have the Federal Government pay half of the states’ cost of improving or expanding their education statistics.*

Comment: Since the most any state would get would be \$50,000 it is obvious that if there is real interest in statistics the states can

provide for them in their present multimillion dollar education budgets.

National Defense

National defense is the most used and hardest to combat of all excuses for disseminating National Government funds—and subsequent control—into many aspects of American life. Yet exigencies do arise which seem to justify our making exceptions to the general rules against National Government aid. Russian satellite progress is a case in point.⁸

We cannot do away with defense, and once committed we cannot deny that this involves, at the most crucial level, long-range scientific research. At this point some national spending might be countenanced on a highly selective basis and a restricted scale, if it is limited by certain safeguards. These are that the grants be to individuals, not institutions, be temporary, be directed to some specific problem, and be administered by men (such as the National Science Foundation) who have an eye on scientific results rather than on social reform. Even such grants would interfere in a way with curriculum by increasing the emphasis on science. And research grants like all others, invite the National Government to enter the college door.

Responsible Government

If government is to be responsible, its appropriations must include controls. The history of national grants of many kinds has been that Congress lays down conditions under which money is spent. Sometimes negligible but often onerous, these conditions have almost invariably meant that the Federal Government, in effect, directed some policy of a state institution through its grant. In England, due to circumstances uniquely British, the colleges and universities have accepted major Parliamentary grants without appreciable controls, but, the record suggests, that will not go on indefinitely.

⁸ In spite of the fact that pressure interests are using the Sputnik as an excuse for federal activity that is not at all related to the real problem.

The proposals before our American Congress are very much in the American tradition. Nearly all of them contain controls. In fact, important appropriations will almost always be accompanied by qualifications which permit national officials to set policy to some extent.

The same is true of any general federal support of buildings or budgets of higher education. It creates opportunities for National Government control of one of the major fountains of public policy—our colleges and universities—and would lead towards greater centralization.

Some Alternatives

Many educators realize all this, but it does not help them to provide more classrooms and more teachers. Those who moralize about the dangers of federal grants are not going to command much of an audience among the men with the problems. They will be in the how-to-do-it seminar.

There are good alternatives short of National Government aid. Since 1953-54, teachers' salaries in colleges and universities have risen moderately. Faculties are larger and expenditures for plant construction ran about fifty percent higher in 1956-57 than they did in 1953-54. This recent improvement suggests that we are just about keeping up with expanding needs. If the per capita expenditure on higher education continues to rise at the same substantial rate, the Nation will approximate its estimated requirements in the peak year, 1970.⁹ Thus, the evidence indicates that the colleges and universities should meet their needs from existing sources without a sweeping program of national aid. Public institutions can look to the states for increased support and there is certainly no reason why public funds need to go from the states to Washington and back again.

Money available at the national level is but a total of the sums contributed from the states and there is enough tax leeway to sup-

⁹ The 1957 report of the President's Committee on Education Beyond the High School, pp. 86 and 87.

ply adequate support for education without looking to the Federal Government. Every state is large enough to collect and equalize school money. And money raised and spent by the same authorities tends to be spent with greater prudence than funds raised by one group of authorities and spent by another.

This is, of course, no answer for private colleges and universities but they, too, have courses open to them.

The independent colleges have been stepping up their fund-raising to a marked degree. They can also increase their tuitions.¹⁰ The National Government can be of real assistance here by granting exemption from income taxes for tuitions and fees, or simply enlarging the exemptions given to dependents if they are attending college. (See section on Tax Exemptions above.)

The National Government could also help by exempting from federal income tax students who pay for their own education. (At the moment, only what they receive on scholarship is tax exempt, so a hard-up student may have to pay income taxes on what he earns to pay his way through college.) Likewise, a student who borrows to finance his college education might be permitted a deduction in later years for the earnings out of which he repays his loans.

Finally, special exemptions to donors who make major capital gifts would materially help college building programs.

Any such proposals as these are conspicuously absent from Secretary Folsom's program, yet they are perhaps the best ways to help higher education without any danger of controls.

Two Choices

We believe our people will meet this new challenge in education as they have met past ones. But we may find that we can provide college education for every deserving man and woman only at a

¹⁰ On this point, there has been an impressive increase in the scholarships from private sources both in numbers and amounts in the last decade. (*Ibid.*, p. 11.) It is not at all certain that if the National Government made scholarships available, some of its private sources will not dry up or the funds be diverted to other channels.

sacrifice of quality—bigger classes, overworked teachers, crowded laboratories, catch-as-catch-can social life.

We do not like that alternative. Yet we consider it far better than the road of National Government grants, for we feel sure that they will, in the long run, mean controlled education. Not all grants would do immediate harm; some might never do direct damage. But any National Government appropriation for schools sets a precedent that makes it just that much easier to give new money next year. As the years go by, such action becomes more extensive, more expensive, more intrusive.

Any national grant is a camel's nose in education's tent. Both history and folklore suggest that the camel will eventually take over.

APPENDIX

IT IS IMPOSSIBLE in the space available to cover fully the hundreds of bills dealing with education that have been introduced in the 85th Congress. However, a summary statement of leading bills not discussed above will indicate the broad range of subjects and types of approach.

A shortcut way to look at a number of proposals is by way of S. 872, Humphrey, an omnibus bill that would, among other things, help states in school construction, establish scholarships and loans to college students, and give credit against income tax for college tuition and fees.

Most bills deal with two major subjects, scholarships and loans, and tax exemptions.

Scholarships and Loans

The bills to provide loans and scholarships follow a pattern, of which S. 869, also introduced by Senator Humphrey, is typical. It would set up a national council on student aid to administer loans and scholarships. This body would apportion \$160 million per year in scholarships, according to population and number of high school graduates in each state. Awards up to \$1,000 would be made on a competitive basis and the student might attend any accredited college or university which accepted him. The states would be invited to administer the program, but whatever they did would require reports to and approval by the National Commissioner of Education. The bill also would provide a national fund to insure up to \$25 million in loans made to students by colleges and universities. A student who had received a loan would not need to pay it all back in cash; he might repay part by putting in time as a teacher after he graduated from college.

A companion House bill to S. 869 is H.R. 4598, Roosevelt. Other bills before the House which would provide both loans and scholarships include H.R. 620, Elliott; H.R. 2802, Frelinghuysen; H.R. 4439, Thompson; and H.R. 11223, McGovern.

National Government Scholarships

Typical of scholarship proposals is S. 1237, introduced by Senators Clark and Morse to create a National Scholarship Council to provide up to 50,000 national scholarships a year at an annual cost of as much as \$100 million in National Government funds. The states are invited to participate and create their own councils to administer the scholarships subject to the approval of the National Council. Bills similar to S. 1237 are H.R. 6212, Porter; H.R. 8294, Flood; H.R. 8395, McGovern; H.R. 9413, Reuss; and H.R. 9506, Elliott.

Mr. Teller's H.R. 5247 would pay scholarship loans on a monthly basis and would make extra allowance for the needs of a student who has a family. The Commissioner of Education, who would administer the program, would approve educational institutions if they are accredited by their state departments of education or by a nationally recognized accrediting agency. However, he may also approve courses at nonaccredited institutions, thereby giving him power to withhold scholarship aid at his own

discretion. Institutions listed on the Attorney General's list are not to receive aid.

S. 3410, Neuberger, would provide for the establishment of a seven-year program of \$18½ million for federal scholarships and fellowships and \$2½ million of grants to institutions of higher education to expand training of teachers for the education of exceptional children. S. 3157, Flanders and others, would provide 1,000 national scholarships at a maximum of \$2,500 each per year in a special four-year program.

Science Scholarships

A number of bills provide for scholarships only in the scientific and engineering fields. Typical of these is H.R. 1976, Osmer. It calls for a competitive examination for students in engineering, physics, chemistry and related subjects and would award several thousand scholarships annually up to a maximum of \$1,000.

An interesting bill, H.R. 2450, Holland, would set up National Science Foundation scholarships:

- a. To give supplementary salary grants for engineering teachers that would bring their salaries to the level of those paid nonacademic engineers, and
- b. To give scholarships and fellowships to engineering students.

A unique feature of this proposal is that any engineering graduate who promises to teach three years after his post-graduate work is to be eligible for a three-year fellowship to cover costs of his graduate education. Another interesting point: Before any national funds can be paid to a school of engineering under this program, the institution must guarantee that the money it receives will be paid to its engineering teachers as supplementary salary grants without any reduction otherwise in the payment of the teacher's regular salary. The university must, of course, agree to keep the National Science Foundation informed of its engineering salaries and provide any other information or assurances that the Foundation may require.

Most scholarship and loan bills invite the states to help administer them. However, H.R. 5642, Ashley, would award the scholarships on a national basis only; the states are not involved. The National Director who administers the fund may require as a condition of any payment of federal money that each individual scholarship holder and the institution he is attending submit any reports and other information that are considered necessary.

H.R. 560, Bennett, would provide scholarships and work study programs to train technicians for the armed forces. H.R. 10454, O'Konski, would help both technicians and scientists if they will serve in the Armed Forces. H.R. 9635, Brooks of Texas, would provide four-year college scholarships to 120,000 high school science graduates as well as loans to colleges and universities to provide science facilities. H.R. 9692, Martin, and H.R. 9725, Sieminski, would award up to \$12,000 of scholarship help to science stu-

dents who win competitive examinations. H.R. 10180, Sikes, would award scholarships under the National Science Foundation.

Loans to College Students

A number of bills now before Congress provide exclusively for making or insuring loans to college students.

Senator Langer's S. 191 provides loans of up to \$1,000 at 1 percent for fifteen-year periods to any one person and sets up a \$250 million revolving fund with the National Student Loan Board to administer it.

The Multer bill, H.R. 821, provides for a federal scholarship fund which would be administered by the states. The states would contribute to the fund and the amount of loans would be limited to the funds available.

The Lane bill, H.R. 8571, would insure loans only to science and engineering students. It would cover tuitions as high as \$1,000 a year up to a national total of \$25 million for any single year.

H.R. 10068, Rodino, provides federal loans for science students in undergraduate and postgraduate study.

Mr. Cramer in H.R. 11417 has proposed creating a fund to lend \$1,000 a year up to four years to any qualified student who wants to borrow to go to college.

The Javits bill, S. 1727, would make direct loans by the Federal Government and would also provide insurance for loans made to students by colleges and universities as well as by regular lending institutions. Moreover, it would prime the pump of state assistance in loans to college students by making direct grants up to \$100,000 a year to states which develop their own student loan programs. H.R. 10908, Gathings, would provide broad national insurance to colleges and universities against losses from loans to students.

Perhaps the most generous of the loan bills is H.R. 5479, introduced by Mrs. Knutson. It would set up a national revolving fund of \$10 billion from which a National Student Loan Board would lend at 3 percent to any high school graduate who can prove he needs it. The loan can be sufficient to reimburse the student for any expenses incurred by him in attending school—including board, room, tuition, fees, and nominal spending money.

Tax Exemptions

The leading bills on tax exemptions have been covered in the text of this pamphlet. At least fifty more proposals deal with the subject from two principal angles—tax relief to college students and their parents, and to teachers in furthering their own education.

Among the bills providing some exemptions to parents sending children to college are: H.R. 808, Multer; H.R. 5469, Fino; H.R. 6459, McDonough; H.R. 10506, Scott; H.R. 11011, Fulton; and H.R. 11312, Chamberlain.

Two Senate proposals would allow tax relief to college students. They are S. 3483, Thurmond; and S. 3527, Hill.

Tax relief for persons who pay tuition and fees either for their dependents or themselves is provided in: S. 868, Humphrey and its companion, H.R. 4597, Roosevelt; H.R. 712, Mrs. Kelly; H.R. 1036, Zelenko; H.R. 1064,

Boggs; H.R. 4396, Jackson; H.R. 4594, Rhodes; H.R. 5684, Perkins; H.R. 7002, Frelinghuysen; H.R. 10364, Westland; H.R. 10543, May; H.R. 10904, Curtis of Missouri; and H.R. 11393, Cramer.

Another large group of bills would give teachers (some also specify administrators) deductions for expenses incurred in furthering their own education. Among these are: S. 1810, Hruska; S. 3329, Kerr; S. 3353, Flanders and others; S. 3359, Langer; S. 3526, Hill; H.R. 5466, Elliott; H.R. 6410, Bolton; H.R. 6724, Riley; H.R. 7037, May; H.R. 8657, Berry; H.R. 8902, Holt; H.R. 9245, Wright; H.R. 9347, Poff; H.R. 10503, Rhodes; H.R. 10566, Hagen; H.R. 10685, Flood; H.R. 10804, Curtis; H.R. 10860, Knox; H.R. 10900, Collier; H.R. 10910, Hoeven; H.R. 10922, Tollefson; H.R. 10973, Nimtz; H.R. 11111, Boggs; H.R. 11224, Mack; H.R. 11225, Matthews; H.R. 11394, Cramer; H.R. 11196, Tewes.

Mr. Bennett's H.R. 9630 would allow an income tax deduction for a contribution made to the government to provide scholarships for science students, and H.R. 10834, Simpson, would allow a tax credit for contributions to basic research in science.

Aid to University Extension Programs

Two identical bills, H.R. 9170, Elliott and Green, and H.R. 8266, Mrs. Greene, would provide aid to university extension programs limited primarily to land-grant colleges. The bills would appropriate \$20,000 a year to any state that joins the plan and would divide another \$8 million the first year (varying in later years) among the states on the basis of population. (H.R. 4290, Metcalfe, is practically identical.) The bills contain no particular reason or justification for the expenditure or for the amounts given.

Construction Grants

Among proposals to provide federal assistance to states and communities for school construction are S. 3126, Javits, and the similar H.R. 9731, Teller, which would provide \$600 million a year on a matching basis with states, and would give credit assistance to states as well. H.R. 11625, Kearns, simply authorizes national aid to states to build schools.

H.R. 9830, Perkins, would appropriate \$600 million a year permanently to help states build school buildings and pay teachers' and administrators' salaries.

H.R. 11378, Thompson, New Jersey, and H.R. 10913, Montoya, would extend present financial assistance to school construction in areas where national installations like Army and Navy posts impose a heavy load on school facilities.

Construction of Military Science Buildings

A specialized group of four bills would allow federal grants to colleges and universities for construction or remodeling of buildings used in the teaching of Military Science, Naval Science or Air Training. There is little variation among them.

H.R. 7245, Rabaut, allows grants of up to 50 percent of the cost of the buildings. (The top limit allowed is \$1½ million.) Two identical bills, S. 845, Murray, and H.R. 314, Shelley, allow a total of \$175,000 to any one institution with an exception for large units.

H.R. 3419, Van Zandt, applies only to ROTC buildings and imposes both \$175,000 and the 50 percent limitations.

A still different approach is taken in H.R. 655, Harrison, which would give to the private colleges and universities the same exemptions from excise taxes that the public universities now enjoy.

Federal Aid to States in Planning College Facilities

Two bills introduced by Senator Case of New Jersey, S. 2763 and S. 2810, would provide federal funds to states for planning and building new college facilities. S. 2763 (and its companion, H.R. 9247, Dixon) would appropriate \$2½ million to help states survey the adequacy of their existing college facilities. S. 2810 would appropriate \$50 million for each of five years on a matching basis to help states build "public community colleges." These are sketchily defined but presumably include municipal universities and state colleges.

Section 11 of this last bill, entitled "Prohibition Against Federal Control" is quite typical of such disavowels. In effect it is this: The only major requirements would be that the funds provided by the National Government match those of the state for survey and construction. It is questionable whether grants would actually continue to be given year after year without committees of Congress giving some attention to the personnel of the colleges to which the Federal Government was giving money.

Science Academy

Since Mrs. St. George made a proposal, H.R. 6164, for a Science Academy at the last session of Congress (submitted in new form as H.R. 10931), a number of bills have been introduced for that same purpose. Among these, S. 2967, Gore; S. 3111, Jenner; H.R. 10067, Rodino and H.R. 10635, Radwan; and H.R. 10224, Adair. S. 3110, Potter; H.R. 10159, Griffin; and H.R. 10229, Broomfield, would set up a commission to study the idea. The Jenner and Adair bills would locate the Academy in their authors' state, Indiana.

Other Proposals

The following also indicate the extent of Congressional interest in education and the range of solutions being offered.

Mr. Dawson of Illinois has proposed in H.R. 10293 that a national scientific research reserve fund of \$200 million be established. Mr. Udall, H.R. 10290, would earmark tideland oil revenues for grants-in-aid to education. Mr. Wright has proposed in H.R. 9939 an annual appropriation of \$75 million to help high school science training. Mr. McGovern has suggested in H.R. 10842 that the Commissioner of Education be given authority to make grants to colleges and universities to train specialists in educating exceptional children.

Mr. Ray, H.R. 10501, would allow certain veterans who could not take advantage of their opportunity for college training another chance to get back on that program.

Senator Flanders has offered several bills. S. 3352 would provide federal grants of \$50 million a year for four years to help public high schools buy laboratory facilities. S. 3155 would allow educational institutions to import scientific and laboratory apparatus free of duty. S. 3156 would encourage the National Science Foundation to expand its programs for advanced teacher education and would set up a national humanities board to consult with NSF about advanced institutes for teachers in the field of humanities.

Companion bills, S. 3311, Murray and others, and H.R. 10763, Metcalfe, provide special aid for teachers' salaries and classroom construction based on the school-age population of the states. Beginning at \$25 per pupil in 1958, the appropriation becomes a permanent \$100 per pupil in four years.

Senator Humphrey in S. 3126 calls for setting up a Department of Science and Technology headed by a man of cabinet rank. It would take over the major science research functions of the Federal Government. The Department would wholly absorb the Atomic Energy Commission and the National Science Foundation as well as some functions of the Smithsonian Institution and the Department of Commerce.

PUBLICATIONS

Agricultural Surpluses and Export Policy, *Raymond F. Mikesell*—February, 1958

The Economic Analysis of Labor Union Power, *Edward H. Chamberlin*—January, 1958

Post-War West German and United Kingdom Recovery, *David McCord Wright*—December, 1957

The Regulation of Natural Gas, *James W. McKie*—June, 1957

Legal Immunities of Labor Unions, *Roscoe Pound*—May, 1957

*Automation—Its Impact on Economic Growth and Stability, *Almarin Phillips*—January, 1957

Involuntary Participation In Unionism, *Philip D. Bradley*—1956

The Role of Government in Developing Peaceful Uses of Atomic Energy, *Arthur Kemp*—1956

The Role of The Federal Government in Housing, *Paul F. Wendt*—1956

The Upper Colorado Reclamation Project, Pro by *Sen. Arthur V. Watkins*, Con by *Raymond Moley*—1956

Federal Aid to Education—Boon or Bane? *Roger A. Freeman*—1955

States Rights and the Law of Labor Relations, *Gerard D. Reilly*—1955

Three Taft-Hartley Issues: Secondary Boycotts, "Mandatory" Injunctions, Replaced Strikers' Votes, *Theodore R. Iserman*—1955

What Price Federal Reclamation? *Raymond Moley*—1955

Private Investments Abroad, *Charles R. Carroll*—1954

Price Fixing Controls and Allocation of Non-Ferrous Metals, *W. F. Boericke*—1954

*Farm Price Supports—Rigid or Flexible, *Karl Brandt*—1954

Currency Convertibility, *Gottfried Haberler*—1954

The International Labor Organization and United States Domestic Law, *Leonard J. Calhoun*—1953

The International Position and Commitments of the United States, *Charles C. Abbott*—1953

*Treaty Law and the Constitution, *Felix Morley*—1953

Price Control in the Machine Tool Industry, *Frederick S. Blackall, Jr.*—1953

The Control of the Location of Industry in Great Britain, *John Jewkes*—1952

The Walsh-Healey Public Contracts Act, *John V. Van Sickle*—1952

The Economics of Full Employment: An Analysis of the U.N. Report on National and International Measures for Full Employment, *Wilhelm Röpke*—1952

Price Fixing for Foodstuffs, *Earl L. Butz*—1951

Manpower Needs and the Labor Supply, *Clarence D. Long*—1951

An Economic Approach to Anti-trust Problems, *Clare E. Griffin*—1951, Price: one dollar

The Foreign Policy of the United States, *Felix Morley*—1951

Health Progress in the United States: A Survey of Recent Trends in Longevity, *Mortimer Spiegelman*—1950

*Valley Authorities, *Raymond Moley*—1950

Farm Price and Income Supports, *O. B. Jesness*—1950

How Much Social Security Can We Afford? *Leonard J. Calhoun*—1950

The Changing Forest Situation: A Study of Conservation on State and Private Forest Lands, *Frank Sweeney*—1950

*Out of Print

- Where Does Statism Begin? A Study of Pending Proposals to Expand Government Control of the Economy, *Joseph H. Ball*—1950
- *Monetary Policy and Economic Prosperity: Testimony of Dr. W. W. Stewart (July 3-4, 1930) before the Macmillan Committee. With introduction by *Donald B. Woodward*—1950
- Corporate Profits in Perspective, *John Linter*—1949
- Expanding Welfare in a Free Economy: A Commentary on the Ewing Report and Other Recent Government Publications, *Edna Lonigan*—1949
- Current Problems of Immigration Policy, *E. P. Hutchinson*—1949
- *The European Economic Situation—1948, *Frank Sweeney*—1948
- Guaranteed Employment and Wage Plans. A Summary and Critique of the Latimer Report and Related Documents, *William A. Berridge and Cedric Wolfe*—1948
- *Should Fertilizer Production Be Subsidized? An Analysis of the National Soil Fertility Act of 1947, *Richard Bradfield*—1947
- The Foreign Loan Policy of the United States, *J. B. Condliffe*—1947
- Industry-Wide Collective Bargaining and the Public Interest, *John V. Van Sickle*—1947
- *Farm Income and Prices: A Re-examination of National Policy—*L. J. Norton*—1947
- *Proposals for Consideration by an International Conference on Trade and Employment, *J. B. Condliffe*—1946
- The Market for Risk Capital, *Jules I. Bogen*—1946
- The Food Situation, *F. A. Harper*—1946
- The United States Patent System, *Lawrence I. Wood*—1946
- *Should State Unemployment Insurance Be Federalized? *Herman Gray*—1946
- The National Health Program Scheme: An Analysis of the Wagner-Murray Health Bill, *Earl E. Muntz*—1946
- *Proposals For Health, Old-Age and Unemployment Insurance: A Comparison of the 1943 and 1945 Wagner-Murray Bills, *Earl E. Muntz*—1946
- *Labor Adjustment Machinery, *Herbert R. Northrup*—1946
- The Charter of the United Nations: An Analysis, *Felix Morley*—1946
- *The Full Employment Bill: An Analysis, *Henry Hazlitt*—1945
- Postwar Public Relief Policies, *Edna Lonigan*—1945
- *American Trade Policy and Position, *Herbert Feis*—1945
- Wheat Under International Agreement, *Joseph S. Davis*—1945
- *International Monetary Reconstruction: the Bretton Woods Agreements, *Michael A. Heilperin*—1945
- *Railroad Social Insurance: Favored Treatment *versus* Uniform Social Insurance, *Rainard B. Robbins*—1945
- International Cartels in the Postwar World, *J. Anton de Hass*—1944
- Social Security: An Analysis of the Wagner-Murray Bill, *Earl E. Muntz*—1944
-
- *Out of Print

For Studies 1953 and Earlier, Each Study 50 Cents Unless Otherwise shown in Listing.

For All Studies 1954 to Date, Each Study One Dollar.