

administer the funds. It would seem to me, however, that there would need to be some broad guidelines set forth, providing for, in a sense, a foundation type of grant, and then some provision for correcting that, in terms of areas that have density of population, and high mobility.

This, I think, could apply in areas likewise where there may be a sparsity of population as well, but there must be some override, or there should be some override, if this plan is followed through, so that the large cities with the problems that have been outlined today would have some advantage with respect to a specific amount that might be allocated under a foundation program.

I think this should be pointed out also: that most of the large cities, and I speak specifically for my own, at the present time are exhausting all the resources that are available at the local level. We have presently in the State legislature a bill to increase our taxing power locally. This is not voted by the people. It is enacted by the State legislature in our State, for our school district.

The moneys that come from categorical aids do not provide additional funds for the general budget. There are constant increases that are made, arising from increasing costs, arising from upward adjustments of salary schedules, that apply throughout the entire city, obviously.

And it is possible, as these times go up, and categorical aids can be used only for expansion or new programs, and specifically, where there is a matching feature, that you reach the place, ultimately, where out of your own local revenues that in terms of legislation have a ceiling, that you cannot any longer provide matching funds in order to accomplish the purposes set forth. Otherwise, you will run yourself into bankruptcy trying to avail yourself of some of these categorical aids. This is a theoretical determination.

So it seems to me that when we move to general aids, if we do—and I agree with the others that this is an ultimate objective, as far as we are concerned—that you then place it on some kind of foundation program with an override, or the large cities, and permit it to be handled through the State department of public instruction, as far as we are concerned.

Mr. QUIE. Let me ask a question on three particular programs, then. The one will be title II of NDEA, the equipment title, which has been in operation for some time, and I imagine your schools have done a pretty good job of purchasing equipment.

The other one will be title II of ESEA, which is in a way similar, but newer, limited to textbooks and library books and materials, and, the third will be title I, which is a program aimed at a specific group of young people.

Would you feel that each of those three programs could move to be financed as you see fit under a general-aid program? And, if you do, what problems you would have with any one of them do you see in your administration?

And perhaps Mr. Donovan could answer that, and Mr. Briggs could see if he agrees.

Mr. DONOVAN. Well, I think two of them, NDEA, which you are talking about in title III in it, which is essentially equipment, there is