

tee earlier but I think the record shows he is having some problems in helping these people.

Chairman PERKINS. I agree with the gentleman from Michigan that any Federal installation is an economic benefit to that local school district. I feel that the State should recognize that fact, should make recognition of it. I feel if all of us belabored under the impression down there, and I understand the Attorney General has ruled otherwise, that the Commonwealth of Kentucky has no right to participate in the education of children strictly on Federal property, I think he is altogether wrong.

I view it as a great economic benefit, and I think with some more persuasion within a reasonable period of time we will get the legislature.

Mr. FORD. I think it would be very persuasive if those people had the money cut off and had to go to him instead of coming here. Mr. Chairman, there is nothing that puts pressure on like pinching somebody's pocketbook.

Chairman PERKINS. I agree with you, Mr. Ford, that that is true, and I know all committees on this legislation have tried to be as reasonable and sometimes perhaps have leaned over backwards in being reasonable, but I certainly do not intend to ask for any other postponement beyond June 30, another year.

I agree with you, we ought to write something in there and let's put them on notice and say this is the last time that we are going to make this extension. I don't know how many schools or States or which are involved.

Do you know, Mr. Lillywhite?

Mr. LILLYWHITE. Yes, Mr. Chairman, there are not more than half a dozen.

Chairman PERKINS. I think Tennessee, maybe Georgia——

Mr. FORD. How much money are you paying out now?

Mr. LILLYWHITE. Under 874 we are paying out for Federal operations \$27 million in the budget for 1968 for 50,300 children expected to be on Federal property.

This is because States are unable because of State law or the education is unsuitable. Most of those States have already worked out the arrangement so that the penalty would not apply and they would be willing, when the Federal operations terminate, to provide the State aid and the local funds to operate schools.

There are just two or three which are still problems.

Chairman PERKINS. I think we have a lot of progress in this direction in the last 4 or 5 years or 8 to 10 years in getting the Federal Government out of this business.

Mr. MEEDS. I might suggest that the chairman do what I am doing at this time. I don't know how long you will be able to hold out but I have a number of school districts in my State which have for several years been taking funds in lieu of taxes and have been taking funds and putting them into capital investment instead of per pupil expenditure. When we changed the law last year to provide against this I received letters from every one of them inveighing against the provision or at least asking that we extend it 1 year. So far I have not succumbed to this pressure but I don't think these schools are en-