

That is all there is on disasters.

There is only one minor amendment to 874 and that is a change in the definition of Federal property. We are supposed to make deductions for payments made with respect to Federal property including payments on property held in lease by private citizens.

We found payments made to a district in Oklahoma and one in Arizona that were never reported to the Office. So we had paid the district the full amount of the money.

Chairman PERKINS. Assuming that the leased property, several thousand acres, was leased by the military installation for farming purposes. Then would they not be considered federally connected children?

Mr. LILLYWHITE. We are not talking about federally connected children at all. We are talking only about deductions.

When we went to collect the deductions, the district would not pay. We turned one over to the General Accounting Office and we took the other one to the court and we lost in both cases. The court threw it out for this reason. It is the technical wording of the definition of Federal property.

Both of these were on land held in trust for individual Indians or Indian tribes and not land owned by the United States, and the wording of the law refers to land owned by the United States or leased therefrom.

The lease is not therefrom. It is leased from the Indians on which there is a restriction on alienation. This is all the change there. It just clears up what the Congress intended to do.

The others are the amendments to section 14. When these laws were first passed, Indian reservations were included the same as other areas but they didn't have increases in school enrollment like those characterized by a military installation so nobody was eligible for assistance, yet, there were still thousands of Indian children on reservations that did not have schools to go to.

So in 1953 after the first 2 years you amended this law and put in section 14 to provide a kind of a special arrangement adapted to those districts that have large Indian reservations. That program has worked very well. You put a limitation on \$20 million, then \$40 million, then \$60 million.

We spent \$54.8 million. The school district constructed with money 1,789 classrooms to house about 49,000 children. That is about 50 percent of all of the Indian children in public schools.

But there are a few problems now that are emerging that are not covered by this provision and the purpose of the amendment is to make this a little bit more liberal to meet the problems that exist.

The Bureau of Indian Affairs appearing before the Senate Committee on Appropriations last year were urged to make a study of the need for Federal funds for construction of school facilities in local districts for Indian children living on reservations. If a need was found to report by January 15 and provide language to meet that need.

The Bureau of Indian Affairs does not have any program or authority to build school facilities or grant money to build school facilities for school districts educating Indian children.

They build residential schools but not to grant money for construction of school. They have about \$10 million a year under the