students because our revenue bonds are based on the fees we assess the student.

Consequently, I have a limit to the bonding capacity from that source. So, some other way of providing a capital facility in higher education is very much needed.

Mr. CAREY. You can detect no leadership or encouragement from the Federal Government at this time as we can see it happening in the housing field?

Mr. CURLEY. Yes. I read with great interest the housing message and the incentives that are being provided there through Federal legislation.

I do not speak against it. Certainly it is a necessary thing. But no such set of incentives exists to attract private capital here.

We have talked with insurance companies. I have talked with many of them attempting to get them interested in a leaseback arrangement in higher education. I think we will elicit some interest but with some incentives or stimulation or some break in some way we could shift some of the capital that is available to higher education and greatly alleviate the problem of capital construction.

Mr. CAREY. My last question is on, for want of a better term, the Kentucky brain drain.

I know that our chairman has exerted great leadership, the chairman of the full committee, in seeking assistance in education professions for the teachers in Kentucky, and so forth, in the hope that you would have an adequate number of good instructors for the Kentucky public schools. But I am also aware that he has great concern that increasing numbers of Kentucky graduates go elsewhere to take advantage of better pay schedules, and so forth. This is one thing.

Is it not true in the wealthier States such as my own where we have burgeoning universities increasing their size and expanding their facili ties at a tremendously unprecedented rate, that there will be an increased tendency on the part of students who have the means, say, under the NDEA, or can get the means under NDEA, or the guaranteed student loan program, not only to go outside Kentucky after graduation but to seek undergraduate education and postgraduate education in some of the States that are expanding the base of their universities with State funds at a far greater rate than you can expand it?

Don't you see the brain drain increasing in Kentucky if this continues to happen?

Mr. MARTIN. Yes; I would like to comment on that, if I may.

To begin with, I think you have some misapprehension about the extent to which we are expanding our facilities. I represent an institution that 8 years ago had 2,900 enrolled. During those same 8 years, we spent $60 million in capital construction on campuses. From the grant program only about $2½ million has come from the Congress.

A great deal came from public housing. As I have said, that has evaporated in the last 2 years. We sold, the other day, $7 million notes for dormitories without any assistance from the Federal Government.

I also think that perhaps the information you had concerning the outmigration of teachers has been somewhat allayed since 1960 with the expansion of our program.

I will say, also, we do have a graduated income tax going back to 1935 and it is a substantial income tax.