

The total there is \$244 billion personal property, about \$102 billion real property, so the total figure is \$347 billion, not the \$200 billion that I gave. That is \$347 billion.

This though, again as I recall these, puts in military hardware at the acquisition cost.

Mr. GAINSBROUGH. Nearly \$150 billion of that is Department of Defense.

Representative CURTIS. Yes; so this is where the discrepancy could occur.

Mr. GAINSBROUGH. Since this is so germane to your subject, I would propose now to stay with my statement in closing.

Few if any changes in the market structure have been so laden with social, economic, and political significance as the movement of government into areas of activity previously reserved for tax-paying enterprise.

What has happened as a result of this is that we have practically obliterated such borderlines as may have existed earlier between the public and the private sector.

I offer some illustrations here, and there are many others. Public production of electric energy provides the classical illustration of entrance of government into an industry almost solely privately financed and owned. In 1929 the publicly owned facilities accounted for only 5 percent of all electrical power generated for public use. Investor owned utilities have raised their output from 88 billion watt hours in 1929 to more than 881 billion kilowatt-hours in 1965. That is an impressive record. This is one of our most pronounced growth industries. Yet Government-owned electrical energy output continues to outstrip even this high rate of expansion, so that currently nearly 23 percent of all power is publicly owned.

Of the total production of electrical energy back in 1929, 5 percent was publicly owned. In 1950, 18.9 percent, and in 1966, 23 percent, and you can see the growth in part at the State level and part at the municipal level, and the tremendous increase at the Federal level.

In similar fashion, the Rural Electrification Administration's activities grow and assume new dimensions, well after fulfillment of its original purpose of electrification of all farms. It too has moved into commercial type ventures aided by low-interest rate at which it can borrow funds from the Federal Government.

The primary purpose in many of these areas is to provide yardstick operations rather than its initial purpose.

Others that we have singled out—shipbuilding, distribution, particularly through PX operations, construction, and printing—are only a small part of what would be a longer list.

These are other major sectors where the Federal Government enterprise competes vigorously with private business. This one you have to see to believe. Sales of Government-run commissary and PX operations totaled, before Vietnam, \$3.2 billion in 1965. This is the third largest retailing activity in the United States. It is outranked only by Sears, Roebuck and A. & P.

Of all the ship construction and maintenance performed for the U.S. Navy in 1964, the public sector performed 28 percent of it.

I wish we had more data on counterpart activities at the State and local level, because I think the figures would be equally sensational.