

such cut on the lumber industry in my State, in Washington, Alaska, and the Pacific Northwest and generally for that matter anywhere else in the country.

Well, with that little message to the administration we are ready to hear the next witness. But first, I want to insert in the record at this point the newspaper article to which I referred.

(The news article referred to follows:)

[From the Washington Post, Jan. 19, 1968]

FREEMAN CUTS '68 SPENDING

\$386 MILLION TRIM AFFECTS FOOD FOR PEACE

(By Walter Pincus and Carroll Kilpatrick)

The Department of Agriculture is cutting \$386,530,821 from its originally programmed spending for the next six months, it was learned yesterday.

The cutbacks during the last half of fiscal 1968 are being made in response to the 1967 law requiring Federal agencies to trim payroll costs by two per cent and program costs by 10 per cent.

The cuts were detailed by Secretary Orville L. Freeman in letters to House and Senate chairmen of subcommittees handling department appropriations.

The biggest reduction is \$167 million to be cut from Food for Peace shipments to needy countries between now and July 1.

Overseas Jobs Are Cut

The Agriculture action became known as the White House confirmed a story in yesterday's editions of The Washington Post that the President was ordering a 10 per cent cut in Federal employment overseas, except for Vietnam.

[United Press International reported that President Johnson is considering cutting back the Federal highway construction fund by \$600 million as part of his economy drive. Transportation Secretary Alan S. Boyd had warned in November that cuts might be made if Congress forced deep cuts in Government spending.]

In addition to announcing the overseas employment reduction, the White House revealed yesterday that the President also sent out a memorandum aimed at cutting travel abroad by Government officials.

The personnel and travel reductions are part of an overall program to cut Government dollar expenditures abroad by \$500 million in 1968.

25,000 Work Abroad

Americans serving under ambassadors overseas, exclusive of Vietnam, total 25,000 and include about 7000 from the State Department, 1500 from the United States Information Agency, 5300 from the Agency for International Development, 9000 from the Defense Department, 500 Peace Corps officials, and 1500 from the Departments of Commerce, Agriculture, Labor and other agencies.

No mention was made in the President's directive of Central Intelligence Agency employes overseas, for which no estimate of numbers or assignments is available.

In ordering a curb on official travel, the President told officials to reduce the number of international conferences to which the Government sends delegates, to limit the number of officials attending those held and to schedule as many conferences as possible in the United States.

Among the Agriculture reductions, in addition to the Food for Peace cuts:

- ① \$40 million to be cut from available Rural Electrification Administration loan funds.
- ② \$5.6 million from the school lunch program. Agriculture officials say obligations will still run \$9 million above those of a year earlier.
- ③ \$25 million from agriculture research programs.
- ④ \$26.4 million from soil conservation programs with \$20 million to come from watershed and flood control construction funds.
- ⑤ \$50 million from Farmers Home Administration funds.
- ⑥ \$21.5 million from the U.S. Forest Service.