

to meet these interest charges plus our normal expenses. Within our organization as of April 30, there were 160 full-time permanent employees. All but 35 of these are employed in the operation and maintenance of the facility. In 1967 the Corporation earned from tolls a little more than \$6 million. This represents 27 percent of the total of the tolls collected by the Canadian and American agencies. Our total expenses, including depreciation, came to \$8.8 million. I think our accounting system differs from that of the normal Government agency. We are subject to the Government Corporation Control Act which provides for congressional control of our financial operations through annual audits by the GAO.

Our accounting system is on an accrued-cost basis rather than on an obligation basis. Of course, the interest repayment is a major program of the Corporation. In 1967 the Corporation paid the Treasury \$4 million. In 1966 we paid \$5.2 million toward our interest requirements. Since 1959 the Corporation has paid the Treasury a total of more than \$29 million in interest payments. One of our major problems with the seaway now is the rehabilitation of the Eisenhower and Snell locks. It has been anticipated that more than \$13 million will have to be spent to complete this rehabilitation program.

Legislation has been submitted to Congress requesting that this program be financed by appropriated funds. The problem includes replacing deteriorated concrete and remedying some structural defects.

Mr. BROOKS. Would you give us for the record an analysis why that concrete is deteriorating? I would not want to have any misconception that the \$29 million they paid in interest to the Federal Government was not what you call a net profit, since we had borrowed that money and given it to the seaway for its use.

Mr. McCANN. Yes, sir.

Mr. BROOKS. They were paying us for what we paid for the money.

Mr. McCANN. That is right.

Mr. BROOKS. Are they making a profit now?

Mr. McCANN. No, sir. We are running behind now.

In order to break even, which is what we are attempting to do, we would need about a 25-percent increase in either revenues or traffic at this moment.

Mr. BROOKS. Traffic has not been increasing?

Mr. McCANN. Yes; we are going up very rapidly now. We are going up faster than was anticipated. We started from a lower base than was anticipated so this threw us behind.

Mr. BROOKS. There is one other problem that I wish you would answer for us for the record—that is, the controversy over damages in New York from overflow and wave action as ships pass through the channel.

There was mention of that last week at a hearing in New York. If you would give us an analysis of that we would appreciate it.

Mr. McCANN. I think this would be the port of New York which we would have no connection with. We are strictly the St. Lawrence Seaway Inland Waterway.

Secretary BOYD. I think the Coast Guard might be the more appropriate agency to provide that.

Mr. BROOKS. Very well. Please give us an analysis of that.

(The information requested follows:)