

prefinancing aspect, in which you were instrumental in recommending to this committee, which was incorporated into Federal law in recent amendments; and at the same time perhaps utilizing the bonding program, contracting procedures, recommended by the Secretary.

I think the Secretary's or the administration's bill in trying to provide for a Federal guarantee of the entire bond, I think its intent is good.

Governor ROCKEFELLER. I do, too.

Mr. BLATNIK. As I understand it, that is their intent, to improve the capability or to minimize the difficulties the municipalities would have of getting such bonds and working up such arrangements; while the Secretary feels that the use of taxable rather than taxexempt bonds would also be significantly cheaper for the Federal Government, even with the interest subsidy.

You feel, however, that the possible advantage of a relatively minor improvement in Federal revenues, as you state, would be far outweighed by the impediments and difficulties that this proposal would impose on relationships in financing the program between the Federal Government and the States.

So I assure you that your testimony and your reasons on the financing will be given very serious consideration. We shall mouth this over and digest it as we get into executive session and seek other points of view on that particular aspect.

I was particularly pleased on the latter point of your testimony on the progress made in your State, which has already peaked on a construction program—peaked way ahead of most States in the country, and your monitoring program and many other areas.

Congressman Jones is very familiar with it.

I have more questions, but in the interest of time—and I know your schedule is a heavy one and you are to leave soon for other commitments—may we begin, if we can keep our questions rather to the point, and I would like to give every one an opportunity.

We will start at the right.

Mr. Jones.

Mr. JONES. Governor, it is a pleasure to have you once again. I certainly want to commend you and your administration in taking the leadership that you have displayed in making a real attack on an enormous problem. It has spilled over throughout the country, and there is new enthusiasm on behalf of the people being engaged in cleaning up our streams.

I was particularly impressed with your comments on the bonding arrangements. I can very well recall the community in your State, the Webster community, and they have just a small village, and they were able to construct facilities and contracts with Xerox Corp., and they made a splendid arrangement. It has been observed by communities throughout the country.

Under the proposal as you have discussed, the village would lose their capabilities, having engaged in that type of contract were the tax exemption feature removed. And it seems to me that the observation you have made certainly is worthy of continuation as they have in the past.