tions here over the years. He has been an outstanding leader in this field and in the entire Nation. We are grateful, and I am sure I speak on behalf of the members of this committee, when I express my deep appreciation to you for your help to us and for the country in this very critical field.

Governor ROCKEFELLER. You are very generous. Thank you, sir.

Mr. BLATNIK. Thank you.

Mr. Cramer.

Mr. CRAMER. I will yield to the gentleman from New York.

Mr. GROVER. Mr. Cramer, thank you for yielding.

Governor, some 2 years ago you provided the leadership which led us to a great breakthrough in this field. Congressman McEwen and I had the privilege of working with you in our New York State Legislature in other landmark legislation—and we look forward to a continuing relationship.

Thank you, sir.

Mr. CRAMER. I am delighted to see you here, Governor, to comment on this subject and others. You are always most welcome, and certainly being very helpful to us by pointing out some of the weaknesses of the approach being made, some of which we have been discussing for a few days.

There are two or three fields where this plows new ground as far as the Federal Government. You put your finger on one of them, that is, taking away of the tax exemption, and it is a condition for getting Federation money. I know of no precedent for that; do you?

Governor ROCKEFELLER. No.

Mr. CRAMER. Secretary Udall could not think of one yesterday. Of course—and I say this to the gentleman from New Hampshire—maybe we will have Treasury up later. Maybe they know some precedents. I do not know of any precedents. Do you, Governor?

Governor ROCKEFELLER. No.

COST OF CONTRACT PROGRAM

Mr. CRAMER. Second, the basic concept of bond issue deficit financing by the Federal Government for public works purposes, I think, is something that we are going to have to examine extremely carefully. Of course it has the interesting result of not coming under the debt limit, so I guess the Treasury did have a fine hand in this matter after all.

I can understand the desire to maybe accomplish that through this sort of a procedure. However, when we look at the figures in terms of actual construction, it leads me to ask the question: Is this the intelligent approach for the Federal Government to start on a deficit financing bond issue approach, having the alternative of tax increases or direct appropriations? And looking at the issues, according to the testimony yesterday, under this bill in a 3-year period the Federal share would be about $2.275 billion. Of course the Federal Government also guarantees the local share, is that not the way you understand the bill?

Governor ROCKEFELLER. That is right.