

tions on file for \$45 million of waste treatment facility construction eligible for Federal grants. Approximately \$23 million of Federal waste treatment facility construction grant funds are being requested to help finance this construction. Most Wisconsin projects are currently eligible for 50 percent Federal grants, though some projects in regional planning areas are eligible for 55-percent grants.

In this fiscal year, 1968, Wisconsin will receive approximately \$4 million in Federal waste treatment facility construction grant funds. One million dollars will be used to reimburse communities for past construction work, and \$3 million of Federal funds to meet \$23 million of applications for Federal money. The applications outstrip the Federal money nearly eight times.

In order that the Federal grant money may go further, top priority Wisconsin projects will this year receive 20 percent Federal financing, instead of the 50 percent or in some cases 55 percent, Federal financing which would be paid if sufficient Federal funds were available.

Even on this watered-down, 20-percent-payment basis, only one-third of the Wisconsin backlog will receive Federal funds this year.

In Milwaukee, a city which has done an extraordinary job over the years of treating its sewage, the 11-year-old Federal waste treatment facility grant program has brought little relief to the overburdened Milwaukee taxpayer. In early years, Milwaukee qualified for only small grants because of the series of low ceilings on maximum grants. Since July 1, 1967, when the 1966 act became effective, Milwaukee has received only a fraction of its Federal share because of small appropriations.

From 1956 to date, the Metropolitan Milwaukee Sewerage Commission has undertaken \$128 million in waste treatment facility projects eligible for Federal assistance. It has received less than \$4 million in Federal assistance. Since July 1, 1967, Milwaukee has made application for \$12 million worth of waste treatment construction projects. It is entitled to \$6.6 million in Federal grants, 55 percent. It will receive \$2.4 million, 20 percent. Some other amounts may later be reimbursed.

Mr. Chairman, I am sure that the Wisconsin and Milwaukee figures which I have recited do not surprise your committee. For it is this very shortage of Federal funds which your committee labored to overcome 2 years ago, when it helped enact the unprecedented increase in construction grant authorizations in the Clean Waters Restoration Act of 1966. The plain fact is that the intent of your committee has been defeated by the budget squeeze.

BILL A CREATIVE SOLUTION

By financing the Federal share of waste treatment projects through bond issues, H.R. 15907 provides a creative solution for stretching scarce Federal dollars.

The Secretary of the Interior has said that this new financing program will allow the Federal Government to commit the full \$700 million authorization in fiscal 1969.

I see nothing wrong with financing capital expenditures through borrowing, though the long-term cost is, of course, higher. The total