

Mr. HUGHES. I do not know that I can answer that, Mr. Cleveland. I certainly am not here speaking for the State, local, or city organizations.

The question Mr. Cramer asked and the one I was responding to was related to work done with them and what the possibilities were for resolving this tax exemption question. And we certainly are aware of the problem and have worked closely with and tried to keep the State and local organizations fully informed as to our problems, and we have tried to be acquainted with their problems.

We certainly are aware we have not resolved all of them.

Mr. CLEVELAND. You have not resolved—I think that is a euphemistic way of stating it.

It would appear to me, from this letter and from what you told me, although you have talked to these people, it was more in the nature of a warning. It did not sound to me like any kind of partnership, cooperative effort.

If I have heard it once, I have heard it 100 times—I know the Secretary feels this way—if we are going to lick this water pollution problem in this country, it has to be done on a cooperative partnership basis by the Federal Government, State, and local governments. I have heard that so many times.

It is very distressing to me that a bill like this was never apparently discussed in advance, never had any acceptance from not only my own State, but all of the New England States.

Mr. HUGHES. Mr. Cleveland, the bill was discussed with the organizations of State, county, and local people and we would be pleased to meet with the New England people to talk about it, about their particular problems. But it was discussed extensively and in no sense on a notice-giving basis.

We were trying honestly to acquaint them with some of the problems we saw in the guaranteeing of tax exempt obligations and to seek ways of cooperatively dealing with this problem.

POSITION OF FEDERAL AGENCIES

Mr. CLEVELAND. Now, Mr. Hughes, are you with the Bureau of the Budget?

Mr. HUGHES. Yes.

Mr. CLEVELAND. I take it this legislation has the approval of the Bureau of the Budget?

Mr. HUGHES. That is correct.

Mr. CLEVELAND. And we know that it has the approval of the Department of the Interior, because the Secretary is here and is in support of the legislation.

Has the Department of the Treasury been asked its opinion on this legislation?

Mr. HUGHES. Yes, we have consulted with the Treasury as the legislation was developed.

Mr. CLEVELAND. Is the Department of the Treasury in favor of this legislation?

Mr. HUGHES. It is. It supports the bill as it is before the committee.