

Thus, the rates and terms of sale of advertising, which is an important component of the price of most consumer products, is largely unregulated.

Similarly, publishers, broadcasters, and networks have taken false shelter under the doctrine of freedom of the press to engage in price fixing and other monopoly practices in the sale of essential news, editorial, and programing services. It is currently reported that the three television networks now own or have profit participations in all but 15 of the hundreds of programs they carry. These participations and "coproduction" concessions have been coerced from independent producers and advertisers in exchange for time clearances and preferences.

The afternoon panel on "Consumer Credit: Truth in Lending" included the following participants: Dr. Warren Banner, Research Director, National Urban League; Professor Persia Campbell, chairman, Department of Economics, Queens College; Louis J. Asterita, deputy manager, American Bankers Association. The following are excerpts from their remarks.

From the remarks of Dr. Warren Banner:

Few will question the purchase of most durable goods on the installment plan. Homes are usually bought this way. However, most of us do not know what is happening not only in the calculations for the costs above the stated price (insurance, taxes, utilities, etc.), but to a greater extent are thrown into confusion about the charges at closing time.

Various reports show that installment credit costs up to 42 percent per year, allowed under State law. Usually stated rates of 5 or 6 percent amount to twice as much where the interest rate is constant even though the outstanding balance is decreasing with each payment. This may sound confusing to some but it is easily understood if review is made of the tables prepared by those who have calculated the actual cost to the consumers of installment buying.

I have always felt that the best deal for all of us of small means is to deposit our funds in a savings bank, where interest is paid each quarter, and make purchases from our cash.

Until there is some assurance that you will not fall prey to the small print of a contract, deal with reputable concerns and there will be less chance that you will be taken advantage of. Buy only what you need and know you can and will pay for it. While lending institutions are anxious to have their money work, you should be just as anxious to have them use some of your money with interest.

From the remarks of Prof. Persia Campbell:

Consumer credit is an advance of purchasing power obtained at a price; it is a commitment of debt on terms. Over the decade the percentage rate of increase for consumer credit (about 110 percent) was almost twice that of disposable income (about 60 percent); from about 13 percent of disposable income, consumer credit has increased to about 17 percent.

Except in particular categories, notably monthly charge accounts, credit is paid for by the borrowers at an estimated average rate of from 14 to 15 percent per year; the strange thing is that the borrowers, now constituting well over half the American families, rarely know what they are paying for it. This strange phenomenon of blind buying has different causes; a significant cause is the fact that credit charges are stated in different ways according to the type and source of credit.

At hearings on the Douglas truth-in-lending bill, Mr. McChesney Martin, Chairman of the Federal Reserve Board, admitted that he himself could not make out the comparative cost of different types of credit under these circumstances, which may all be legal, under the hodge-podge of different laws applying separately to small loan companies, banks, credit unions, pawnshops, and to retail installment sales and revolving credit plans. It was to help the consumer exercise informed choice in the credit market that Senator Douglas and his associates introduced the truth-in-lending bill which requires, in brief, that all types of credit charges be stated both in dollar cost (which enables a quick comparison between cash and time-sale prices) and also with the equivalent annual interest rate (to facilitate comparative shopping between different types and sources of credit). Since the vitality of a competitive market, central to our economic system, depends on informed choice, the Douglas bill has been put under the jurisdiction of a subcommittee of the Banking and Currency Committee; it provides for administration by the Federal Trade Commission as part of its fair-labeling program.

Summary of remarks of Mr. Louis J. Asterita:

Banks have not engaged in the installment loan business at high rates, but rather have sought to extend consumer loans on an ethical basis and at reasonable rates. By following the principle of lending to credit-worthy risks for any useful purpose, banks make direct loans to individuals to buy automobiles at lower rates than those generally associated with dealer-originated business. Moreover, bankers discovered they could loan for business purposes on a term basis by making installment loans to small business and adopting the installment credit method. Other loan areas that have been developed include charge account financing, revolving check credit, on-the-job bank service, financing medical and dental expenses and loans to improve or modernize your home. However, the extension of this credit following World War II, has focussed attention upon practices involved in the extension of consumer credit. Consumer credit has grown from 21,395 million in 1950 to 68 billion year-end 1963. Installment credit, which is the credit under discussion today, rose from 14.7 billion in 1950 to 53 billion in 1963.

The afternoon panel on "Environmental Health: Air, Food, Drugs" included the following participants: George P. Larrick, Commissioner, U.S. Food and Drug Administration; Arthur J. Benline, Commissioner of Air Pollution Control, New York City; Ethel L. Ginsberg, Citizens Committee for Children of New York City.

From the remarks of George P. Larrick:

Our food and drug law helps to protect the public health, and this of course has great economic significance. But this law has other benefits. It conserves the consumer's purchasing power. It stimulates technological progress. It fosters fair competitive practices. It is an underlying factor in our free competitive economy, by aiding consumer choice in the marketplace based on reliable product information.

Experience has shown that without laws to protect the consumer many dishonest practices would flourish. Vigorous and continuing control is needed to prevent such practices as short-weight packaging, substitution of cheaper ingredients, and the sale of spoiled or contaminated products.

Most of this food was pure and wholesome, safe to use, and honestly packaged. But if—let us assume—there had been a shortage in

the net weight averaging only a quarter of an ounce per pound—it would have cost consumers over a billion dollars a year.

Establishment of food standards helps to protect consumer purchasing power and consumer health. The food standard regulations prevent adulteration—for example by added water. They require food to contain what is expected.

Enrichment of selected foods with vitamins and minerals is carried on through the food standards program. This has helped to reduce or wipe out diseases caused by dietary deficiencies.

Under the law the Secretary of Health, Education, and Welfare is required to establish a food standard whenever such action is needed to "promote honesty and fair dealing in the interest of consumers." Thus food standards are also concerned with promoting fair competition in the production and marketing of foods.

There is no way to measure accurately the cost of misbranding and misinformation in the health field. It has been estimated at more than a billion dollars a year. Vitamin quackery and other food fads are said to cost the public half a billion dollars a year. But the cost would be far more were it not for the protection of our Federal, State, and local laws.

Here it would be appropriate to ask what is the cost of the protection provided by the FDA. In the current fiscal year the appropriation for enforcing the Federal Food, Drug, and Cosmetic Act is \$35,800,000, about 18½ cents for each person in the United States. We are sure that this insurance saves the consumer many times its annual cost.

Commissioner Arthur J. Benline:

New York City's Commissioner of Air Pollution Arthur J. Benline told the group that smokestacks and chimneys, residential and industrial incinerators, and car, bus, and truck exhaust fumes are the basic sources of air pollution in the city. More research is needed in purifying auto exhausts and in smoke abatement devices.

Protecting health against air pollution depends on preventing pollutants from entering the air. He explained that litter in the streets up to your knees would not endanger public health as much as the pollutants in the air now do.

The afternoon panel on "Taxation and the Consumer" included the following participants: Prof. Emma C. Llewellyn, Department of Economics, Sarah Lawrence College; Peter Bernstein, author of "Price of Prosperity" and "Primer on Government Spending"; J. A. Stockfisch, Deputy Assistant Secretary, Treasury Department. A summary follows:

Prof. Emma Llewellyn expressed her view that the tax bill did not give adequate recognition for lower income individuals. She took the position that at this time there was a greater need to stimulate consumption rather than investment. Professor Llewellyn stated that the tax bill tended to place too much emphasis on investment.

Peter Bernstein stated that, while he favors a reduction in income taxes as a badly needed stimulant to business expansion, he has reservations on two levels.

First, we have made no real progress on tax reform, he said. We are still allowing too large a portion of high incomes to escape the tax collector's net. Our income tax schedules give an extraordinarily misleading impression of the degree to which our tax structure is progressive: it accomplishes far less in this regard than most people like to believe.

Second, he continued, the tax cut does little or nothing to aid those people who need help most—the families whose incomes are

so small that they pay little or no income tax in any case. Indeed, he would far rather that we begin to look at taxes, not as a burden, but as a means of buying the things we so badly need in terms of cleaner, healthier, safer, more comfortable, and better educated communities.

Mr. Stockfish explained the main features of the tax bill as it was at that time before the Senate Finance Committee. He explained what income classes would get a reduction and indicated that the bill would have some elements of reform, although not as much as had been hoped for in President Kennedy's original proposal.

He also dealt with the question of whether the Congress would accept the important Treasury amendment on capital gains—to maintain the existing tax rates on capital gains. He pointed out the importance of this amendment, and of eliminating the dividend credit provision which would mean a lessening in the present tendency to tax different types of incomes differently. This in itself would be a very healthy step in the right direction and a type of reform.

Mr. Stockfish stated that he thought the tax bill would make inroads in areas that had never been touched before and that the bill should be given more credit than its critics are willing to admit.

Connecticut Development Commission Supports Area Redevelopment

EXTENSION OF REMARKS

OF

HON. WILLIAM L. ST. ONGE

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1964

Mr. ST. ONGE. Mr. Speaker, I am in receipt of a letter from the Connecticut Development Commission, signed by its managing director Mr. LeRoy Jones, in support of the administration's area redevelopment program. In fact, in his opening sentence Mr. Jones states that the ARA program "has been of considerable help in assisting new industrial ventures in Connecticut".

The letter also refers to a resolution adopted last year by the Connecticut Development Commission recommending an amendment to the Area Redevelopment Act to "permit repayment of the local loan in no shorter a period of time and at no faster an amortization rate than the Federal financial assistance is being repaid". I would strongly urge our colleagues of the House Banking and Currency Committee, who have been working on the bill H.R. 4996, the Area Redevelopment Act Amendments, to give earnest consideration to the amendment proposed by the Connecticut Development Commission. May I add that I look forward to early action and passage of legislation to continue the ARA program, which is benefiting many areas throughout the country.

Under leave to extend my remarks, I wish to include the letter from the Connecticut Development Commission which reads as follows:

MAY 6, 1964.

HON. WILLIAM L. ST. ONGE,
Congressman From Connecticut,
House Office Building, Washington, D.C.

DEAR BILL: The program of the Area Redevelopment Administration has been of

considerable help in assisting new industrial ventures in Connecticut. We are very hopeful that Congress will continue the program and are somewhat concerned that action has not yet been taken on passage of the Area Redevelopment Act. We realize, of course, that many important pieces of legislation have been held up.

Anticipating early action on this year's area redevelopment bill, I would like to remind you that our Commission is concerned about one of the major amendment proposals which would make the program much more useful in Connecticut. I refer to the proposal on the amortization of the local funds at the same rate of time as amortization of the Federal loan. In this connection, I would like to repeat a resolution originally passed by our Commission at its official meeting on April 17, 1963:

"Whereas there presently exist in the State of Connecticut 3 redevelopment areas designated under the Area Redevelopment Act of 1961, comprising 16 municipalities, in which expanding industries are eligible to receive financial assistance from the Federal Government; and

"Whereas such Federal financial assistance is contingent upon local participation to the extent of 10 percent of the cost of the project; and

"Whereas the present requirement of the Government that the Federal loan be fully repaid before any repayments be made on the local 10-percent loan; and

"Whereas this requirement freezes local investment funds for up to 25 years, thus possibly nullifying the locality's capabilities to assist other projects for that time period; and

"Whereas Congress is now considering an amendment to the law to permit repayment of the local share at the same time as the repayment of the Federal share: Now, therefore, be it

Resolved, That the Connecticut Development Commission urges Congress to enact the amending section 8(b)(3)(B) of H.R. 4996 which would permit repayment of the local loan in no shorter a period of time and at no faster an amortization rate than the Federal financial assistance is being repaid."

We will most appreciate any efforts you can make in behalf of the passage of the Area Redevelopment Act, including this much needed change in the law. If there is any additional information you would like in regard to our feelings about this proposed amendment, please contact me.

Very truly yours,

LEROY JONES,
Managing Director.

Administration Continues To Pile Error Upon Error in South Vietnam

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 13, 1964

Mr. ALGER. Mr. Speaker, with each passing day and with each contradictory statement of administration spokesmen, it is becoming increasingly clear that our top leadership doesn't know how to win the war in South Vietnam or how to get out of it. Meantime, American boys are dying there. Is it too much to ask that at the very least a firm and definite policy be established?

The extent of the errors committed in this tragic affair is outlined in the following editorial from the Wall Street Journal for May 13, 1964.

ERROR UPON ERROR

Ten years almost to the day after the fall of Dienbienphu, Secretary McNamara is in Saigon—for the second time in the past couple of months. Yet no matter how many high officials visit Vietnam, or how frequently, nothing gets clarified. Except, that is, the continuing failure of U.S. policy.

Though the conjunction of the Secretary's trip with the anniversary of the French defeat is accidental, it could be unpleasantly symbolic. With a far greater force than the United States has committed, the French fought the Communists for some 8 grisly years, and lost.

Vietnam was then divided north and south, Korea-like, but unlike Korea the border was fluid and not patrolled by large contingents of United States or any other troops. The Communists predictably made the most of their opportunity, first as infiltrators and guerrilla fighters; now they are so strong they can and do attack in force.

Today the French wonder aloud how the United States expects to win at the rate it is going. They are not the only ones; American servicemen and reporters have long been saying we are losing the war. U.S. officials are alternately reassuring and gloomy.

Part of the official attitude appears to be that we are not supposed to win in a formal sense; only help the South Vietnamese drive the Communists out and keep them out. But even this limited objective keeps going glimmering. After all the U.S.-supported fighting, the Communists are said to be in effective control of sizable and important parts of South Vietnam.

In view of that, it is almost impossible to figure out what is the U.S. strategy, if any—that is, how it thinks it can in fact drive the Communists out and keep them out. Not that anyone expects the Pentagon to reveal its war plans in detail; it is rather that the evidence indicates the lack of any plan which promises to be workable against the varied and successful tactics of the Communists.

Not even the commitment of many more American soldiers or the bombing of Communist bases in the north, which has been talked of off and on, would be guaranteed to accomplish the objective.

In other circumstances perhaps, but not necessarily against this particular enemy, in this particular terrain, with this particular ally.

At the same time the French "solution" of neutralizing all of Vietnam sounds like a proposal in a vacuum, at least for the present. Why should Ho Chi Minh, the dictator of the North, want to neutralize when he is doing so well as it is. Of if he did want to, we may be sure he would see it as a means of continuing the conquest.

We do not rule out the possibility that the United States may somehow some day turn the tide, any more than we rule out the possibility that the realities of the situation may finally dictate withdrawal. But whatever happens, the U.S. involvement in Vietnam reveals a series of classic military and political errors from which it may be hoped the Government will eventually profit.

First, the United States drifted into the war, initially intending only to advise. It evidently overestimated the fighting capacity of the South Vietnamese troops while underestimating the Communist Vietcong.

Second, the United States got into a war where the enemy chose the field. The field, moreover, is extremely disadvantageous for us not only in terms of terrain but of distance from our shores.

Third, it got into a war without allies, even though the interests of many nations are affected. If its allies care at all, they are

willing to let the United States do it. Its only ally, South Vietnam itself, has never given an impressive demonstration of a will to win, on the part of the people, the troops, or the successive governments.

To all this it may well be objected that the alternative was to let South Vietnam go down the Red drain, and perhaps the rest of southeast Asia with it. The objection, we think, begs the real issues.

No nation should count on military success, even limited, in the most unfavorable circumstances. No piece of territory is beyond all price, worth any cost, as the French finally discovered 10 years ago after such great cost. And the United States, for all its great power, cannot forever police the world alone and unaided.

Watershed Development in the Decade Ahead

EXTENSION OF REMARKS

HON. WILBUR D. MILLS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 13, 1964

Mr. MILLS. Mr. Speaker, it was my privilege to participate in the 11th National Watershed Congress held recently in my home State of Arkansas, at Little Rock.

This Congress, Mr. Speaker, is sponsored by 17 of our leading national farm, conservation, and business organizations. It does not adopt resolutions or promote projects; it serves as a forum for the exchange of ideas and discussion of problems.

Theme of the congress this year was watershed development in the decade ahead.

Because they contain so much information that will be useful to the Members of the House, I should like to introduce in the RECORD the Watershed Congress addresses of Secretary of Agriculture Orville L. Freeman and Hollis R. Williams, Deputy Administrator for Watersheds of the Soil Conservation Service.

The addresses follow:

THE FIRST 10 YEARS OF PROGRESS IN DEVELOPING THE NATION'S WATERSHEDS

(Address by Hollis R. Williams, Deputy Administrator for Watersheds, Soil Conservation Service, U.S. Department of Agriculture, at the 11th National Watershed Congress, Little Rock, Ark., April 27, 1964)

I am honored to participate in the 11th National Watershed Congress.

I feel that I have a right to welcome you to Arkansas, and to Little Rock, even though that is not my charge. For this is my home State, and this is virtually my home city. I was born not so far from here, and I own a farm near my birthplace. Although I have spent perhaps half of my professional life away from here, it was my privilege to head the Soil Conservation Service activities in this State for more than a decade, from 1946 to 1957. This is home, and it's always good to come home.

Let me, then, as a native son, add my voice to the welcome you have already received.

You honor us by your presence. And you honor me by the privilege of this platform. This is a distinguished forum, a forum of national stature and prestige. Because many

great Americans and many eloquent spokesmen have preceded me to this platform in the 10 years since first you met, I approach with great humility the task of being your keynoter. This, I would have you know, is a high point in my professional career. I beg your indulgence.

My assignment is to discuss "The First 10 Years of Progress in Developing the Nation's Watersheds." This is a topic of such tremendous scope that I'm sure you understand I shall be able to hit only the highspots. Besides, I do wish to save a few minutes to comment, if I may, on the theme of this Congress, "Watershed Development—The Next Decade." For, as Oliver Wendell Holmes said, "The great thing in this world is not so much where we stand as in what direction we are moving."

And across the front of one of our beautiful buildings in Washington—the National Archives—these words are inscribed: "What is past is prologue."

I submit that the applicable moral of these quotations is this: What has gone before is worth recounting and remembering not for itself but only for its contribution to the fulfillment of all our hopes and dreams for developing the Nation's watersheds.

Some historical perspective is important if we are to understand our decade of progress.

Although the Department of Agriculture was created 102 years ago, it was not until 1936 that the Congress assigned to it some responsibility in watershed work. The Flood Control Act of 1936 authorized and directed the Secretary of Agriculture to initiate a program of "investigations of watersheds and measures for runoff and waterflow retardation and soil erosion prevention on watersheds."

Here, for the very first time, Agriculture was given the upstream equivalent, in principle at least, of the authorization of the Corps of Engineers for "investigations and improvements of rivers and harbors and other waterways for flood control and allied purposes."

For Agriculture this was a "survey, report, and plan" period—not an "action" period. And, it is important to record, plans for upstream programs were essentially limited to land treatment measures and minor structures for land stabilization. This was true even when operations programs were authorized in 11 river basins comprising 31 million acres by the Flood Control Act of 1944.

When work was started in those basins in 1946, it became apparent, as had long been suspected, that the measures authorized by the survey reports would provide very limited flood protection benefits. There was strong and building desire for more positive flood protection in the small tributaries.

As a result, language was included in subsequent Department of Agriculture appropriations to authorize funds for both land treatment and complementary structural measures necessary to achieve desired levels of flood prevention in the tributary watersheds.

That is how floodwater retarding dams got into the picture in the 11 flood prevention watersheds. And it was a time for bell ringing, that day in 1948, when the very first upstream floodwater retarding dam was completed to supplement a land treatment program for flood prevention. This happened in the Cloud Creek tributary of the Washita Basin in Oklahoma.

Many of you were active participants in significant events from this point on. The broadened concept of land treatment combined with dams in the upstream watersheds received immediate and strong public support.

By 1950 more than 300 watershed associations and similar groups were seeking help in developing watershed projects for flood prevention and allied purposes.

The first bill to provide new legislation was introduced by Congressman Bob Poage of Texas in 1952. Pending legislative action, the House Subcommittee on Agricultural Appropriations included \$5 million in the Department of Agriculture Appropriation Act for fiscal year 1954 to start a widespread pilot watershed demonstration patterned after the work being done in the subwatersheds of the 11 river basins authorized in 1944.

Legislation to implement the small watershed program permanently was in the making when your National Watershed Congress met for the first time on May 21, 1954. You and the organizations you represent had created this climate. And your efforts, with the help of others, quickly culminated in enactment of the Watershed Protection and Flood Prevention Act, Public Law 566, just a few months later that year—in August 1954.

Thus, 10 years ago the Watershed Protection and Flood Prevention Act launched a hopeful experiment in Federal-State-local teamwork for communitywide resource conservation and development.

You as proponents of the program felt strongly that this kind of locally operated watershed program could be a key that would unlock all manner of community development opportunities.

You envisioned water as the common denominator that would bring rural and urban interests together around local conference tables. Beginning with the obvious mutual problem of flood prevention, such groups gained the experience of cooperation that enabled them to move toward solution of other problems such as supplies of water for municipal and industrial as well as for agricultural use. You saw also the opportunity to develop water for recreational and fish and wildlife developments and for a variety of other purposes meaningful in the orderly, desirable development of community resources.

This was the hoped-for goal for the watershed program at its beginning a decade ago.

I believe the program has measured up to the hopes and dreams of its proponents.

It has demonstrated its effectiveness as a tool in flood prevention, sediment reduction, erosion control, and water management.

It has helped to accelerate land treatment and has, in addition, achieved an important beginning in shifting out of crops land ill suited for cultivation.

It has demonstrated its validity as a workable mechanism of Federal-State-local partnership in resource conservation and development.

It has proved an effective means by which diverse community interests can work together toward common goals.

How well it has demonstrated these values can, in fact, be measured.

The program's popularity among local communities is evident in the large and growing backlog of applications for help.

Its acceptance as a valid and purposeful mechanism for Federal-State-local cooperation is seen in the enactment of a large number of pieces of legislation to enable local people to better participate in the program.

Its merit as a means toward multipurpose development of soil and water resources is shown by the fact that more than 40 percent of the approved watershed projects now combine watershed protection and flood prevention with other purposes such as recreation, fish and wildlife development, irrigation, drainage, and municipal water supply.

Its practical value to the States is further evidenced by the growing willingness and interest of the State governments to make substantial financial contributions to the planning process. Contributions of 25 States totaled more than \$2 million in fiscal year 1964.

Part of our decade of progress can be traced to improvements in the original Public Law 566 act. These improvements represent an evolution of purpose that calls for brief review if we are to understand why we are where we are, and where we may be headed.

The first amendment to Public Law 566, embodied in Public Law 1018 enacted in 1956, was an enlightened major step for it recognized that watershed projects, like river basin developments, should be comprehensive in scope and have multiple purposes.

This amendment made it possible for projects to include works of improvement for any beneficial use physically feasible and economically justified. It removed the prohibition against the Department of Agriculture sharing in the cost of water storage for purposes other than flood prevention. It authorized dams with a total capacity of 25,000 acre-feet providing that all capacity above 5,000 acre-feet be for purposes other than floodwater detention.

The amendment recognized that more than agriculture is involved in watershed projects by providing that the Public Works Committees of Congress should approve plans that included dams having more than 4,000 acre-feet of total capacity. It directed the Secretary of Agriculture to allocate costs and to use direct identifiable benefits as a basis for cost-sharing for agricultural water management.

Finally, this first major amendment of 1956 recognized the need for credit by authorizing long-term loans to local organizations at a low interest rate for financing non-Federal costs.

The amendment of September 1958 (Public Law 85-865) authorized Federal financial assistance for fish and wildlife purposes.

Public Law 86-468, approved in May 1960, extended the benefits of Public Law 566 to the 11 flood prevention watersheds authorized under the Flood Control Act of 1944.

Public Law 87-170, approved in August 1961, broadened the definition of local organizations to include irrigation or reservoir companies or associations of water users not operated for profit. This made it possible to carry out with established framework projects with irrigation objectives.

That brings our legislative review to more familiar ground—familiar because it is of more recent vintage and therefore fresher in our minds. The Food and Agriculture Act of 1962, Public Law 87-703, approved in September 1962, broadened the watershed act in four important ways.

It added recreational development as a purpose eligible for cost-sharing, including water resource improvement, basic facilities for water-based recreation and necessary land for recreational use. It authorized the Department of Agriculture to advance funds to preserve sites. It revised the basis for cost-sharing and made it possible for the Secretary of Agriculture to establish rates on a program rather than project basis and to follow the principles of assistance authorized under other Federal programs. Finally, the 1962 amendment extended the benefits of the Water Supply Act of 1958 to Public Law 566 so that capacity for future industrial and municipal water supply can be included in a project with repayment and interest charges deferred up to 10 years.

That rather sums up the Federal legislative evolution. It is a record we can be proud of. We have little to complain of, and much to be thankful for, when we consider the legislative tools that we have sought and have received.

During this period important legislative action was going on in the States. Between 1955 through 1963, 43 State legislatures enacted laws to expedite cooperation between State and local agencies and the Department of Agriculture in watershed project

activities. In all, 285 laws were enacted in the 43 States during this period.

Federal appropriations since 1955 have shown a fairly steady rise even though they have not fully met the demand. In fiscal year 1955, the appropriation was \$7.3 million. In 1959 it was \$25.5 million. In 1964 it was \$63.6 million.

The number of applications for watershed project assistance per year has maintained a fairly steady rate but there have been ups and downs in the watersheds authorized for planning and for operations, especially in recent years.

In fiscal year 1959, 82 projects were authorized for planning and 80 approved for operations. In 1961, 93 were authorized for planning and 48 for operations. In 1963, 121 were authorized for planning and 88 for operations. So far this fiscal year, up to April 1, 89 have been authorized for planning and 74 for operations.

The number of States appropriating funds for watershed planning increased from 9 in fiscal year 1959 to 25 this year. At the same time, the amount of non-Federal funds provided by local organizations and State governments for project planning quadrupled. This year, local and State contributions will amount to more than \$2.3 million.

Nearly half of the watershed projects approved for operations thus far are in counties known to have unemployment problems and have been so designated by the Department of Commerce or Labor. Project construction work in such counties, of course, provides local employment aside from the increased employment that may result from industrial, recreational, or other products of watershed development.

A large number—233 of the 547 projects approved for operations as of April 1—are multiple-purpose projects, which serve community needs best of all. The projects combine flood prevention with one or more of the following purposes: agricultural water management, recreation, fish and wildlife, and municipal water supply.

There is increasing interest in the recreation potential of watershed projects, especially since the 1962 amendment authorizing cost sharing for this purpose.

We have given preliminary approval for 68 recreational developments in 82 projects located in 29 States. These developments involve cost sharing for added reservoir capacity, land, easements and rights-of-way, and basic facilities. The estimated total cost of recreational developments in the 68 projects amounts to more than \$30 million, of which \$16 million would come from State and local funds. About 4 million annual user-days are anticipated.

An analysis of the first 500 projects approved for operations shows they involve a total estimated cost of \$743 million, of which approximately \$441 million will be Federal costs and \$301 million non-Federal. Of the \$301 million non-Federal costs, about \$197 million will be the costs of applying land treatment measures and the remaining \$104 million will be costs for land, easements, and rights-of-way, administering contracts, and other requirements of local organizations.

We have made important advances during our decade of progress in developing the Nation's watersheds. Indeed, in some respects our progress has been remarkable. But the job ahead is a tremendous one. Indeed, we have barely made a good beginning.

The best estimate we have is that there are 1 billion acres of land and water that need and are suitable for development as watershed projects.

Local organizations through their applications for assistance indicate that they have recognized this need on less than 15 percent of this vast billion-acre chunk of America.

We have authorized planning assistance for less than 7 percent of this area. We have approved plans for and work has been started on about 3 percent of this job.

Measured only against the size of the job ahead, our decade of progress loses much of its stature. But measured by the difficulties of implementing a great new national program, what we have accomplished in 10 years stands out tall and strong as one of the great achievements in American history.

But the size of the job ahead does indicate that the job has lost none of its urgency. Indeed, the fact that it is 10 years later intensifies the urgency of the job. It is imperative that we speed up our rate of progress.

An essential ingredient is wider public awareness of the value of small watershed projects in the economic development of communities across the land—many of which are doomed to a slow but sure decline and death unless they find a way out of the morass into which they are sinking.

Ten years ago we had to talk of the advantages of watershed projects in terms of ideas and opinions, based on limited experiences. Today we don't need to rely on opinions or guess. We have facts. The program has demonstrated its worth. It has proved itself. We don't think we know what a project will do for a community. We know.

Based on solid experience we can say that the 606 projects we expect to be operating in fiscal year 1965 will help some 1,800 communities develop their land and water resources on about 36 million acres involving a population of 4.1 million people. The protection of 2.9 million acres of flood plain will pay returns estimated at \$39 million annually and bring one or more new industries to some 150 communities.

Such a statement, if dimmed into every ear from every housetop and courthouse and city hall in the land should be enough to gain the attention of every thoughtful citizen.

Maybe we haven't been dinning enough. If we haven't, let's get going. For surely only through an informed public can we bring to bear all the forces required to stimulate adequate action and support at local, State, and Federal levels.

I could give you hundreds of examples, of watershed project benefits. Each of you knows of several, I'm sure.

The benefits of every project outweigh its costs. Each project is an investment that returns annual dividends of 8 percent on the average.

These are facts. We can document them. Have the American people ever been offered a better bargain? I doubt it.

To take full advantage of this bargain, this opportunity to invest in the welfare and prosperity of several thousand American communities—and thereby in all of America—that is the challenge.

The challenge is bigger today than it was 10 years ago. For we have in motion a great program that must maintain momentum. We dare not let it slow down or stand still. As Holmes said, "The great thing in this world is not so much where we stand but in what direction we are moving."

Shall we move forward? It's up to you.

ADDRESS BY SECRETARY OF AGRICULTURE ORVILLE L. FREEMAN AT 11TH NATIONAL WATERSHED CONGRESS, HOTEL MARION, LITTLE ROCK, ARK., APRIL 23, 1964

I have looked forward to this opportunity to join with you at your 11th National Watershed Congress, particularly because you are giving emphasis this year to the problems and prospects of watershed development in the decade ahead.

I welcome the chance to look ahead with you, for we have come to one of those rare moments in history where both this Nation and the world of nations seem to pause, to