

share for the use of municipal facilities their costs are reduced in proportion to the subsidies already received by the municipality from Federal and State funds.

Furthermore, while industry has regarded it a dubious blessing that Government research may develop solutions to industrial waste control problems, which heretofore may have been conveniently cataloged as technologically unsolvable, the fact is that as insistence mounts for correction of these problems industry may benefit from findings that have emanated from Government supported research.

In terms of dollar expenditures, federally sponsored research is not insignificant. In fiscal 1966, for example, the budget of the Public Health Service, Division of Water Supply and Pollution Control, has allocated \$6 million for research grants (an increase of 44 percent) for in-house research, technical, and training activities. Industry must regard itself as one of the beneficiaries of whatever these investigations contribute to the art and technology of pollution control.

(3) *Institutional issues*

With respect to institutional arrangements the issues that have dominated public debate are:

(1) On what level of government—Federal or State—should primary reliance be placed for the administration of pollution control; and

(2) Where in the Federal Establishment among the several agencies engaged with water resources activities is it appropriate to lodge responsibilities for pollution control?

Preoccupation with these issues has submerged attention to the potentialities of other institutional arrangements for effectuating pollution control. Considering the billions of dollars that are estimated to be spent for this purpose, and taking into account shortcomings inherent in both State and Federal regulatory approaches, it would be in the national interest to explore the potentialities of various instrumentalities that could be suited to the management of river quality.

The conservancy district procedures pioneered in Ohio and the recently enacted legislation in Michigan to promote establishment of watershed councils and river district management agencies are illustrative of institutional devices that claim attention in the search for more effective solutions to the "pollution" problem than are currently employed.

In this connection, who can say that the potentialities of the interstate compact have been adequately proved? This device has unique capabilities, a number of which have not yet been exploited in water resources management.

More on this matter of institutional arrangement will be discussed in the section of this report dealing with mechanisms for the implementation of policy. Something further needs to be said at this point about the two issues that have captured primary attention.

Issue No. 1.—As matters now stand, it appears destined that water pollution control affairs will be increasingly dominated by activities and actions on the Federal level of Government. Along with similar tendencies in other Federal-State relationships, the central fact is that in pollution control State prerogatives are being attenuated rather than strengthened.