This means that if you do it that way, the local government, becaus(it will build and run the facility, usually has its own contractual ar- rangements with industry with regard to treating the particular typ(of effluent that industry may have.

The calculation on our study that we did last year is, we came up with $8 billion for the public sector, with a range of from $2.6 to $4.6 billion in the industrial sector. This is in the inital phase.

Ths would seem to be better than 2 to 1 in terms of the total picture.

Mr. CLAUSEN. That is actually in the public sector?

Secretary UDALL. Yes. The $8 billion is in the public sector; the $2.6 to $4.6 billion in the private sector.

Mr. CLAUSEN. As you know, I was the author of an amendment during previous water quality legislation that would study ways and means of permitting the private sector, in particular, to have for instance tax credits or something like this to encourage them to do the job. Could you respond on the type of progress we are making and what your thoughts are on this?

Secretary UDALL. Congressman, there was a great deal of discussion as I recall 2 years ago when we came before you on the 1966 act with regard to industry and the various tax credit proposals.

I think we have seen a rather significant development in this field in the last 2 years. I do not see any loud demand by industry for incentives. I think this is to the credit of industry, and I want to say why I think this has happened. Because the 1965 act and the 1966 act put industry nationwide on the same footing. In other words, if it is a steel company, pulp mill or whatever it is, and they are in Minnesota, California, or Arkansas, they are roughly going to have the same water quality standards. Therefore, industry realized that since the Nation now had a new goal of cleaning up its waters, and they were going to have to put in modern waste treatment works, that if they invested and other similar companies in other parts of the country were having to make similar investments, added to the cost of the product, then the normal economics were not disrupted.

I do not want to misrepresent the situation that there are not industries that still are not advocating tax incentives. But I think they realized that this really was putting a new burden on them, and that they said, "We are going to do business differently." When it was apparent, too, that there was difficulty in Congress in developing the right kind of tax incentives, this meant that industry would not drag their feet. I think industry has done quite well in the last year or two, and I think most of them are moving right ahead with your projects and programs, and I tend to want to give them a pat on the back, because I think in the main industry has faced their responsibility and done quite well. I noticed about a year ago that Fortune magazine for much of the same reasons I have recited here came out against any tax incentives for pollution control on the basis that industry should do it as part of the cost of doing business and pass it on to the consumer.

Mr. CLAUSEN. I have other questions, but I will yield.

Mr. BLATNIK. Mr. Howard.