

The alarm has already been sounded by Frank J. Barry, Solicitor of the Department of Interior. The Bureau of National Affairs reported in its Daily Report of July 28, 1967, the following:

"The Water Quality Act of 1965 'is not a law at all,' in the judgment of Interior Department Solicitor, Frank J. Barry, but merely a 'methodology' for developing water-pollution-control standards of doubtful enforceability.

"Mr. Barry was one of four speakers here (San Francisco) at a water pollution program sponsored by the Federal Bar Association's Real Estate Committee at the association's 1967 convention.

"He recognized that the 1965 act will serve the purpose of focusing public attention on those industries and communities that are 'the bad guys' of water pollution. In that sense, he viewed it is a small step in the right direction.

"But a solution to the water pollution problem and preservation of our vital water resource, he went on, call for a major adjustment in our society. Unless the adjustment is made—and 'there will be some bitter battles fought'—water pollution is one of the ways we can 'burn up our civilization,' he declared."

Dr. Mitchell Wendell, Legal Counsel to the Council of State Governments, and Secretary of this Association of State Industrial Water Pollution Control Administrators, has also raised the warning flag. At the Water Pollution Control Federation Meeting, earlier this year, Dr. Wendell questioned the enforceability of the FWPCA's requirements that state water quality standards demand secondary treatment or its equivalent.

Our federal and state government officials could well afford to take a new look at the present effort. Uniformity of effluent standards may readily be conceded as the approach which makes administration easier. But, is it best for the country? Is it worth the cost to the taxpayer and the consumer on whom the burden ultimately falls? In the long run, will it be a source of pride to the administrators of the program?

The topic of the discussions today is tax incentive for industrial waste treatment facilities. The word "incentive" is actually a misnomer. The social responsibility of industry and the laws provide the incentives. What society, including the municipalities and industries, should be looking for is the mechanism which would permit, at the lowest level possible, the fastest achievement of pollution control at the least cost to the general public.

Because Congress determined as a matter of policy that pollution should be controlled and abated at a vastly accelerated rate and made the federal government a party to the action, it is reasonable to expect that the federal government would provide a portion of the funding required. Congress has already provided some financial assistance to municipalities. In addition, many members of Congress, both in the Senate and House, have introduced legislation to extend the policy of financial assistance to industry. These proposals would give industry additional tax credits ranging from 7% on up for investments made in waste treatment facilities. However, no formal Congressional Committee action has been given to these bills. The Senate Committee on Public Works, as Mr. Richard Royce, Chief Clerk, has indicated, believes Congress should give consideration to tax relief proposals for industrial pollution control activities. The Committee has properly based its reasoning on the fact that pollution control does not constitute a revenue-producing investment to industry, but rather is an environmental improvement. The Committee report stated, "Installation of pollution control devices is costly and in many cases nonremunerative. The billion dollars of capital investment which will have to be made by the industrial sector for the benefit of the entire society will place a substantial burden on corporate resources and ultimately on the general public."

Industry has supported the use of tax credits. In fact, industry has sought them to offset the high cost of constructing pollution control and abatement facilities. Furthermore, if the FWPCA requires the states to demand secondary treatment of all waste water discharges, industry will be required to ask Congress for substantial increases in the tax credits allowed for capital investments in waste treatment facilities, if it is to be able to have the financial capability for continuing productive capacity expansion.

The Board of Directors of the National Chamber of Commerce has gone on record to say:

"Present federal pollution control programs emphasize treatment methods and construction of facilities. This emphasis requires that industry make large capital investments and expensive attempts to improve performance of present govern-