

NEW LEGISLATION AN OPPORTUNITY TO STRENGTHEN SMALLER
COMMUNITIES

Once again we appreciate your comments, Governor Rockefeller. One of the greatly growing problems as I see it in the country is this trend toward urbanization. And as a result, it has in effect created a source of brain drain in the rural communities of America to a point where some 70 percent of the people live on 1 percent of the land.

Many of us are very concerned about this. And I am sure that you would share this concern.

In this legislation I believe we have an opportunity to do something about it. I think there is an opportunity for us to establish the kind of allocation so that local units of government can move forward in providing the type of sewage treatment facilities necessary in order to accommodate industry should industry want to decentralize. May I have your comments on this? Do you agree with what I am saying?

Governor ROCKEFELLER. I think we have found that has already been true under the present legislation; but I do not know how it would work out under some of the features of the new legislation.

Now, a community can expand its sewage system and its sewage treatment plant to include the requirements of a local industry. Thus, the financing can be undertaken by government, getting the benefits that government is providing through the Federal aid and the State aid, where there is State aid and the tax exemption. This becomes an attractive feature in bringing in industry or holding an industry, which is otherwise faced with a very high charge on preparing and installing its own treatment facilities.

I recommended, 2 years ago, I think, that the Federal Government give tax exemption, or 1-year writeoff rather, because it does not tax on real property. 1-year writeoff against income on the installation of any sewage treatment facility. This would be very helpful. I do not think such a writeoff has been granted yet.

Therefore, this other feature which you are talking about is a very important one and does permit local communities to be competitive with a city where the city is already handling the waste of the industry, which is located in the city.

Mr. CLAUSEN. As you know, there has been an arbitrary cutoff in this legislation for communities 125,000 and above. These would be the only ones to be really considered. And so there are some of us that feel that this is really an oversight and should be corrected.

Would you agree with this point of view?

Governor ROCKEFELLER. I think really it is trying to compensate for what was in the original bill, which was a penalty against the larger cities.

Frankly, the legislation in the original form, in the prior years, was discriminatory against big cities, because half the money had to go to communities under a certain size. There was also a per plant limit, and I think that on one of the big plants in New York City,