

The American Paper Institute, therefore, is pleased to endorse the purpose of H.R. 15907, which proposes to obtain maximum use of available funds by converting these appropriations to debt service payments covering restricted bond issues to finance the Federal share of waste treatment plant construction.

Since this legislation is primarily concerned with the financing of the grant program to aid in the construction of municipal pollution abatement plants, I feel that it may be in order to indicate why the paper industry is so concerned with this subject. To begin with, the pulp and paper industry has made manifest repeatedly its interest in the solution of environmental problems. A record of over 30 years of research on these problems on the part of the industry certainly gives testimony to this position. Also during the past few years when the subject has become one of national importance, the industry has repeatedly offered constructive testimony to representatives of both Houses of Congress in their effort to enact legislation which would further the abatement of the Nation's pollution problems.

Another measure of our industry's interest in and response to the problem can be found in our expenditures and investment in waste water treatment. First, with regard to expenditures for research, the National Council of the Paper Industry has spent over \$7.5 million for research on water quality problems. Other industry groups and many individual companies have spent additional millions on similar research.

Turning from research expenditures to industry investments in waste treatment facilities, at the present time the magnitude of the industry investment is over \$325 million, and this does not include the millions spent on operating costs for such facilities. The annual outlay of dollars estimated for operating costs industrywide is \$25 million and it is expected to increase to between \$35 and \$40 million over the next few years.

Furthermore, a recent survey by the National Council indicates that the industry will invest \$80 million in 1968 for waste water treatment equipment and \$90 million in 1969. These planned outlays over the next 2 years, when added to the investment to date of \$325 million, add up, by the end of 1969, to nearly \$500 million expended by waste water treatment installations on an industrywide basis.

It is, of course, recognized today within the pulp and paper industry that any newly constructed mill must embody in its basic design the necessary facilities for treatment of wastes to preserve the environmental quality with which this Congress is so deeply concerned. There is a large segment of the industry, however, whose original installations predate the statutory requirements for treated wastes. Most of the older installations, many of them small and in some cases marginal, are located within the jurisdiction of the smaller municipalities. The treatment of the wastes of these older plants at times is not only difficult from an engineering or technical standpoint but often is disproportionately expensive, with no prospect of any return on the investment. This is one basis on which our industry has supported the legislation which recognizes that the public sector must bear a fair share of the cost of abatement.