

has come to me recently and has advised that they have in a very quiet way had a meeting about technology assessment and what they need to do. This is an example of a company developing within themselves a new policy about the second order consequences, so we see already voluntary action taking place.

Whether that will reach out far enough ahead to take care of the situation is another matter.

I would expect that there will need to be correlated activity from a governmental point of view. I see this developing somewhat in this way. The Congress must build a new mechanism through which technology assessments can be made in areas of immediate importance. These assessments must be done with such strength and be formidable enough in the nature of their presentation to the public, that from these will come voluntary adjustment to what need to be done in these areas—detergents could be a good example. But if voluntary action is not taken there would then be back-up activities which would immediately move in to do what was necessary.

I doubt that this, as we go along, will be as big a problem, Senator Carter, as you indicate. I do not say this because I believe the people have become unselfish and would not look for advantage, but rather because I think it is becoming recognized that the failure to act, in itself, imposes restrictions on us anyway. These restrictions can become so weighty that they can change the whole nature of our society and the way in which we, as a people, can live freely in the kind of environment that is being developed.

It appears to me that the relationship that we are developing through the involvement of the kinds of people we are talking about is a good development. It will allow us to do much more of what the Government needs to do in this area. It will encourage the private sector to do more, because we are relating to each other better than we have ever done in the past. This is one of the most important functions that we as legislators can serve: to bring together early enough the people who are going to be affected so that we can come to an understanding and so that people can in fact develop the right solutions.

Senator Carter: Thank you.

Senator Grosart: I have a supplementary, if I may, Mr. Chairman. Sir, you have spoken of the second order of control, or the second

order of action. What have you to say about first order action? Have you any body of laws now requiring firms that are starting up to meet certain standards?

Congressman Daddario: There are many regulatory agencies in the country, at the federal state and local levels. They do a presentable job in many areas, although certainly not in all areas.

There are regulations and there are controls in that regard. The important thing here, however, is to look not at one development but at them all. For example, there is the supersonic airplane problem and the noise pollution problem. There are the meteorological effects of the SST. These are matters which the people are generally concerned with. What are we to do about them? Do we allow the airplane to be built at any noise level or do we in the first instance impose on them the requirement that they cannot fly unless they restrict themselves to certain levels?

That is one area of importance; another, for example, is the detergent field. Should a company be allowed to dump detergents and say they will pay damages for any harm that results, which would be an external cost? Or should we say, rather: how can these problems be considered in the first instance, internally, in the companies' own accounting systems? How can they in fact come to early conclusions about what might be the consequences of their technology? Bearing that in mind, should we impose upon them the requirement in the first instance that there are certain levels beyond which they cannot go?

This takes a tremendous amount of doing from the standpoint of research, and legislative understanding about what this will amount to. We are in the process of developing these mechanisms now. We would hope that we could specifically establish, as we go along, ways and means through which the second order consequences will be better fitted into the economics of industry, which is one of the fundamental problems.

Congressman Fulton: If I may interject here, on the federal level the budget for pollution has been increased from \$200 million to \$800 million under President Nixon. This will pay for sewage-disposal plants which are erected to meet local situations. We in Pittsburgh are on the greatest mineral wealth in the world, the Pittsburgh coal seam. But by virtue of local statutes and ordinances we are