over the life of the September issue is estimated at $1.7 million. "The only conclusion that can be drawn is that the higher interest is the result of the imminent New York City default," says Henry Parker, the State treasurer.

JERSEY CITY

In May the city sold bonds at 8.7 percent; in September it sold bonds at 10.375 percent, the highest rate in the city's history. "If New York defaults," says James McCarthy, budget director, "all municipalities throughout the country will have difficulty."

MASSACHUSETTS

The Massachusetts Housing Finance Agency sold long-term bonds at 5.89 percent in July, had to cancel a September sale because of market conditions, and sold only $12 million of a $30 million offering in October at 9.2 percent, the highest rate in history. "All of this trouble is directly attributable to the New York situation," says William White, the executive director. "If the trend continues, we'll have to go out of business and our public purpose will be subverted."

CLEVELAND

In August the city sold notes at 6.73 percent, and paid 7.7 percent on similar notes sold in September. "Obviously, New York has had an effect on the interest we're paying," says Warren D. Riebe, the city finance director. Ohio has an 8-percent interest ceiling. "If the market continues to deteriorate," Mr. Riebe warns, "we'll have to ask the State to increase the ceiling" or the city will be shut out of the market.

NEWARK

The city already is shut out of the market for its own issues. In March the city rejected as too high the lone bid of 9.25 percent for $22 million of bonds. In June the city rejected a single bid of 9.6 percent for half the issue. The city still has not sold these bonds. "Quite clearly, we've been affected by the New York situation," says Dennis Sullivan, the finance director. "In recent offerings we've encountered the phenomenon of single bids. If New York defaults, we're concerned that we won't receive any bids."

WEST VIRGINIA

In late October, the State sold bonds at 6.48 percent, which officials believe included a penalty of between one-half and 1 percentage point. "The municipal bond market is in one of the most unstable periods in its history because of the impending New York default," comments Ron Pierson, State treasurer.

Mr. Speaker, in addition to the survey by the Banking Committee staff, a major survey has been conducted by the Municipal Finance Officers Association.

This report also documents the impact of the New York fiscal crisis on the municipal bond market, putting to rest much of the debate about whether the bond market has been adversely affected. The answer clearly is "Yes," it has.

The report estimates that the long-term impact of higher interest rates outside of New York will cost taxpayers between $800 million and $1.5 billion.

A summary of the major findings of the 40-page report follows:

MAJOR FINDINGS

1. Recent erosion of credit confidence in State and local government bonds has increased borrowing costs on average for all State and local governmental borrowers. For State and local long-term debt sold the first 9 months of this year, credit concerns have added an additional $100 million a year in interest costs. This will accumulate to about $1 billion in added interest cost over the life of these bonds that have been already sold.

2. Looking ahead for the year period starting in the third quarter of 1975 and noting the present deteriorated condition of investor confidence, it is estimated that annual interest costs on State and local bonds will be increased by $80 to $130 million for borrowers *other* than the New York Municipal Assistance Corporation. If MAC is included, the total annual increase would swell to between $150 and $180 million. Furthermore, it is estimated that the increased lifetime debt costs for borrowers other than New York State and MAC will amount to between $800 million and $1.5 billion. Addition of the MAC borrowings increases these lifetime costs to a total of $1.1 to $1.8 billion.

3. Borrowing costs have risen for all governments, but not uniformly throughout the nation. Since July, the estimated added cost due to credit concerns have increased municipal bond interest rates from a relatively small .08 percentage points in North Central states to .55 in the Middle Atlantic region. Based on recent borrowing levels, the resulting average increase in annual interest payments by states range from $6.2 million in Pennsylvania to $25 thousand in North Dakota.

4. Other research results indicate that the cost of short-term borrowing has also risen since July of 1975. These increases, most dramatic in the lower grades of municipal securities and concentrated in the Northeastern United States, have further inflated annual borrowing costs by $200 to $300 million. This is in addition to the increases in bond interest costs reported above.

WORKERS' ILLNESS DUE TO PCB'S

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey, (Mr. DOMINICK V. DANIELS) is recognized for 5 minutes.

Mr. DOMINICK V. DANIELS. Mr. Speaker, another tragic story of workers being deprived of their basic right to a safe and healthful workplace is unfolding in New York State this fall, as the State Department of Environmental Conservation investigates the problem of contamination due to polychlorinated biphenyls—PCB's.

The New York Times today reported that at least 65 of the employees of the General Electric Co. at Fort Edward and Hudson Falls have suffered illness due to exposure to PCB's over a 15-year period. These GE plants make capacitors, and in the course of manufacturing, workers are exposed to PCB's. I am including the Times article for the information of my colleagues.

According to the Environmental Protection Agency, in testimony before the Senate Commerce Committee on October 24, 1975:

We have known for some time that PCB's are a group of chemicals which at certain levels can cause serious toxic effects on man and can adversely affect our ecological resources.

The Subcommittee on Manpower, Compensation, and Health and Safety, which I chair, has jurisdiction over the Occupational Safety and Health Act, and my staff is currently investigating the problem of worker exposure to PCB's. The toxic effects of this dangerous chemical group affect the worker as well as the general environment. I intend to thoroughly investigate the problem and report to my colleagues on my findings.

The article follows:

[From the New York Times, Nov. 11, 1975]

GE ADMITS 65 GOT SICK FROM EXPOSURE TO PCB

(By Richard Severo)

ALBANY, November 10.—The General Electric Company conceded today that at least 65 of its employes had become ill over a 15-year period under conditions that "may have been caused by or aggravated by exposure to P.C.B.'s" or polychlorinated biphenyls.

G.E. made the response in testimony that became public here during a hearing called by the State Department of Environmental Conservation, which has filed a complaint against General Electric.

The complaint alleges that the company violated water-quality standards of New York by dumping PCB's from two of its plants north of here into the Hudson River.

PCB's are used by General Electric in the manufacture of capacitors at Fort Edward and Hudson Falls.

The company said that 49 of about 1,800 employees working in areas exposed to PCB's had reported to its dispensaries "complaining of allergic dermatitis," and added that 16 more had reported nausea, dizziness, eye irritation, nasal irritation, asthmatic bronchitis and fungus.

The testimony was in apparent contradiction to testimony given by Dr. Edward L. Simons, a G.E. official in charge of environmental problems, who testified in May of 1974 that "the only medical effects that had been reported during the four decades we were in this business have been occasional cases of chloracne or other minor skin irritations of a nonchronic nature which disappeared upon the transfer of the employee to some other operation."

Dr. Simon's testimony was given in a hearing conducted by the Federal Environmental Protection Agency.

In today's testimony—which was prepared in advance and represented the company's official position—General Electric refused a request from Philip H. Gitlen, assistant counsel for the Department of Environmental Conservation, to disclose the names of employees who had become ill.

N. Earle Evans Jr., an attorney for G.E., said he thought that such a disclosure would violate the confidential nature of relationship between physician and patient. Mr. Gitlen argued that such information would be vital in determining the effect of PCB's on humans.

The chemical in various forms has had a documented toxic effect on laboratory animals, causing liver damage, cancer and massive reproductive failures.

Last August state researchers reported they had found PCB's in dangerously high levels in fish taken from the Hudson River, with the result that Commissioner Ogden R. Reid of the Department of Environmental Conservation warned consumers to be wary of the fish, especially striped bass.

LET US TAKE A HARD LOOK AT THE BUDGET PROCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

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