

UNITED STATES



OF AMERICA

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 89<sup>th</sup> CONGRESS  
FIRST SESSION

VOLUME 111—PART 9

MAY 25, 1965, TO JUNE 8, 1965

(PAGES 11453 TO 12894)

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ANALYSIS OF THE APW BACKLOG

From areas eligible under the Area Redevelopment Act on April 15, 1965—excluding the "labor surplus areas" eligible only under the Public Works Acceleration Act—the Community Facilities Administration of HHFA and the Public Health Service of DHEW had on hand 2,518 applications requesting \$468 million in APW grants.

However, these figures have only very limited significance as a measure of the potential demand for grants under section 101 of the Public Works and Economic Development Act for the following reasons:

(1) The principal purpose of the APW program was to create jobs, and projects had only to fulfill an essential public need, not necessarily related to economic development. Under the new act, each project must tend to improve either directly or indirectly the opportunity for the successful establishment or expansion of industrial or commercial plants or facilities, or assist otherwise in the creation of additional long-term employment opportunities, or primarily benefit the long-term unemployed and members of low-income families or otherwise substantially further the objectives of the Economic Opportunity Act of 1965.

(2) While apparently eligible under the provisions of the Public Works Acceleration Act, many of the pending APW applications clearly do not meet the requirements of the new act. For instance, the total includes 368 grant requests for courthouses, townhalls, and the like, amounting to \$61 million, and 51 grant requests for hospitals and other health facilities amounting to \$29 million, most of which do not meet the new requirements.

(3) Many of the pending APW applications date back to 1962 and 1963, and we do not know how many of these projects have been built in the meantime.

(4) Among the 624 grant requests for water and sewer facilities and other utilities amounting to \$129 million, there appears to be a preponderance of projects which may not meet the test of contributing to economic development, and the same appears to be true of the 573 grant requests for streets and roads, amounting to \$92 million.

Conservatively estimated, no more than one-third of the APW "backlog," or about \$150 million in grant requests, will be eligible under the new act.

On the other hand, the flow of new applications under the Public Works Acceleration Act was drastically reduced in the spring of 1963, when both CPA and DHEW announced that APW funds were already oversubscribed. A large influx of new applications which would be eligible under the new act may, therefore, be anticipated as soon as the new law is passed.

Mr. COOPER. This analysis was prepared by the Secretary of Commerce. It states:

Conservatively estimated, no more than one-third of the APW "backlog," or about \$150 million in grant requests, will be eligible under the new act.

Mr. MUSKIE. Mr. President, the words are "conservatively estimated." Whatever figure is used to settle down that \$450 million figure will be an estimate. His guess may be better than mine, and his guess may be more conservative than mine. Whatever the size of the backlog, it gives a running start for communities which have applications on file, and militates against communities which do not have applications

on file, even though their need might be greater.

I now yield 10 minutes to the Senator from Minnesota.

MINNESOTA AND THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT

Mr. MONDALE. Mr. President, I welcome this opportunity to speak in support of S. 1648, the Public Works and Economic Development Act of 1965. I welcome the opportunity because this legislation represents a sound approach to the problems of labor surplus and economic decline in many areas of the Nation. It extends and improves the important features of the area redevelopment program, the accelerated public works program, and the Appalachian redevelopment experience. It proposes to deal with underdevelopment by a concerted regional and areawide attack, grouping distressed areas together to form economically viable development districts.

Those of us who have worked closely with the ARA and the accelerated public works in the past will recognize in the new bill many substantive and technical improvements which will make these programs more effective and more suited to the task of mobilizing our economic resources.

The greatest promise of America has always been the unqualified assurance of equal opportunity for all people regardless of their background or circumstances. We have made it a fundamental principle that every American be afforded the chance to build a full life for himself and his family. Today in America there are a wide range of programs and projects to guarantee that no one is denied this chance because of race, because of a lack of education, or because of the poverty of his birth.

But today opportunity is closed to many of our fellow Americans because of the economic decline of the area in which they live. In such distressed areas, which spread throughout the country, young people leave school early to help their families and thus rob themselves of the skills and knowledge needed for a full and rich life. The same young people leave the area entirely, stripping it of the youth and vigor necessary to fight its economic problems. These circumstances lead to blocked progress and further decline.

We simply cannot afford to waste our human and natural resources. Loss of economic power stunts national growth and inhibits our position as the leading nation in the world community.

Most of all, we cannot sit contentedly by and allow millions of Americans to be foreclosed from the fulfillment of hope that the rest of us share. This would deny the American promise I spoke of earlier—the unqualified assurance of equal opportunity for all.

I am most happy that the bill specifically provides for relief and assistance to those living in substandard and poverty conditions on Indian reservations in the United States. This bill recognizes that the great majority of these areas are among the most critical in the United States in terms of labor surplus, economic distress, and poverty.

As former attorney general of Minnesota and one who has long been interested in Indian affairs as well as the problem of economic development in economically distressed areas, I myself was shocked by a recent review of the economic conditions of our own Indians.

In the State of Minnesota there are entire communities, not just isolated families, living on Indian reservations in poverty and in destitution. The median family income of the Indians on Leech Lake, White Earth, and Nett Lake Reservations is under \$1,000 a year, which, as I understand it, Mr. President, is less than one-third of the minimum which our Government has ascribed as the poverty line and poverty level.

The unemployment rate on Leech Lake ranges from 40 to 80 percent depending upon the time of the year. At Nett Lake the average rate is 69 percent, at White Earth 60 percent, at Red Lake 47 percent.

Ninety percent of the Indians at Leech Lake live in substandard housing, and 70 to 100 percent of the children drop out of the public schools in the area before graduating from the 12th grade.

I do not believe there is any other area in the country or any other people in the country that could mark a higher rate of dropout than that.

This is, I think, a pathetic circumstance of incalculable proportions in the midst of the richest nation in the world. I would like to see an attempt in Minnesota to harness experienced, retired managerial talent, making them available for an extended period of time to work with those on Indian reservations and train them in management and development skills.

I think our businessmen would find such a project exciting, if we could say to them, "You are now retired at the age of 65. You are in good health. Why do you not help us put together an industry that will provide employment, diversification, and give these people a chance to get started?"

The bill does make it abundantly clear that technical and management assistance will be made available to local development areas. Many of these areas lack the technical skills and know-how to attack their problems in an efficient and practical fashion. The technical assistance the Secretary is authorized to provide to redevelopment areas includes project planning and feasibility studies, management and operational assistance, and studies evaluating the needs of and developing potentialities for economic growth of such areas. This section will provide local areas with assistance in developing their staff, their action programs, and liaison with Federal and other agencies that will be needed to further their progress under this act. It will assist them in understanding what the economic potential of their area is. It will help them pinpoint methods by which they might harness the economic resources they possess.

In this connection, the bill will allow the Secretary to provide such technical and managerial assistance through experienced retired managerial talent. It seems to me a terrible waste to have hundreds of top executive personnel, who

have spent their whole lives in the unique and rewarding experience of entrepreneurial ventures, who have behind them skills and talents to assemble capital, to development of management systems, to train and assemble what is necessary to make an enterprise work not being fully used by our society.

I might add at that point that many leading executives in Minnesota who have reached retirement age have come to me and said, "Now, what do I do? I am in good health. I should like to help in some fashion. Is there some area in which I can contribute my talents and time?"

I believe that one of the most exciting features of the Economic Development Act of 1965 is the provision to use those talents where they are most needed.

In addition, I was most happy to see included in the bill language to insure that eligible areas will not lose designation or have their eligibility removed in cases where economic growth may be short term or where the growth is primarily the result of increased temporary employment. In many areas, an influx of construction labor, with a corresponding rise of employment, will cause a rise in unemployment statistics which is purely temporary and passing. Once the construction workers leave, affected areas would have to wait 3 years for renewed eligibility, and many of the good effects of the Federal programs would be lost in the intervening period. This amendment would allow a sufficient period of time during which it could be demonstrated with some assurance that the expansive effects in certain areas were not merely temporary.

I see this amendment as one of the keys to the success of the program in the State of Minnesota and in many other regions across the Nation.

I had specifically in mind the problem with which we are confronted in northeastern Minnesota, in the heart of Minnesota's traditional Iron Range. There we are experiencing the beginning of a taconite development which stretches across that range. Approximately five persons will be engaged in construction labor for every one person who is finally employed in the taconite mines once the industry is in full operation. There will be several thousand construction laborers and workers in related construction work on the range during the next few years, and that fact would probably make St. Louis County and Itasca County technically ineligible under the ARA. But once the plants were in full operation, I believe the statistics would reflect that those counties would once again be eligible.

What the amendment, incorporated in the bill, would provide is that those counties might continue to be eligible during that period, recognizing the temporary nature of the employment.

Many Senators must share the praise for the drafting and work on this good bill. As a member of the Banking and Currency Subcommittee which considered titles II and IV of this legislation, I think that my chairman, the Senator from Illinois [Mr. DOUGLAS] and the other members of the subcommittee, the

Senator from Wisconsin [Mr. PROXMIER] and the Senator from Maine [Mr. MUSKIE] are to be commended and congratulated on the fine result of their work. I also thank the Senator from Michigan [Mr. McNAMARA] for his excellent work in preparing this bill in the Public Works Committee. I was most happy to have had the opportunity to play a role in drafting this legislation.

Mr. MCINTYRE. Mr. President, will the Senator yield?

Mr. MUSKIE. Mr. President, I yield 5 minutes to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from Maine has 2 minutes remaining on the amendment. Does he yield 3 minutes on the bill also?

Mr. MUSKIE. Yes. I yield the necessary time on the bill.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 5 minutes.

Mr. MCINTYRE. Mr. President, I wish to urge my colleagues to support the bill before the Senate, S. 1648, the Public Works and Economic Development Act of 1965.

The citizens of Portsmouth, N.H., and the Maine-New Hampshire seacoast area, as well as the citizens of other communities which are about to be hit by the loss of major sources of employment, will all share my appreciation for the action of the Senate Committee on Public Works in retaining, and indeed, strengthening, the language of my bill, S. 400, which would have amended the Area Redevelopment Act.

I would like to express my own sincere thanks to the distinguished Senator from Michigan [Mr. McNAMARA], the distinguished Senator from Illinois [Mr. DOUGLAS], and my neighbor from Maine [Mr. MUSKIE], for their assistance and contributions toward the best possible legislation for the problems facing Portsmouth.

What section 401(a) (4) does is to provide the full assistance of the Federal Government earmarked for redevelopment areas for communities such as Portsmouth which are threatened with severe unemployment because of the planned, future loss of a major source of employment. In the case of Portsmouth and the seacoast area, such a threat has been posed by the statements of the Department of Defense that the workload at the Portsmouth Naval Shipyard will undergo a severe drop by 1968.

The testimony before the Subcommittee on Production and Stabilization of the Senate Committee on Banking and Currency clearly brought out the seacoast region's need for this type of assistance.

Mr. President, again I urge my colleagues to support the pending bill.

Mr. STENNIS. Mr. President, will the Senator yield 5 minutes?

Mr. MUSKIE. Mr. President, I yield 5 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 5 minutes.

Mr. STENNIS. Mr. President, I invite the attention of the Senator from Maine

[Mr. MUSKIE] to my statement, which will be brief. At the end of it I expect to ask a question.

First, I shall support the bill. I believe that we should have good, strong, permanent legislation in the field of public works. We might call it made-work, or whatever we will. The program is necessary particularly in view of the fact that a great many areas are so depleted financially and their resources are so thin that they cannot modernize, if we might use that term, fast enough to get into the running and thereby support a viable economy at the present time. With a little lift they could get over that barrier.

As the Senator from Michigan knows, title IV establishes the basic standards for designation of redevelopment areas under the pending bill. The two primary criteria are that an area first, must have an unemployment rate in excess of the national average; or second, have a family median income not in excess of 40 percent of the national family median income. I am aware that these criteria were drawn purposefully to be more restrictive than the standards which were established by the Area Redevelopment Act and the Accelerated Public Works Act. In addition they are concerned with economic factors rather than labor surplus standards.

Although I agree that the standards under this bill should be more restrictive than those of previous acts, I question the particular standards set up in title IV.

Under the operation of the bill, 20 counties in my State would not be able to qualify. Some of those counties have a relatively thin economic status and standing.

As will be recalled, the Economic Opportunity Act of 1964 adopted the standard that a family whose annual income was less than \$3,000 should be classified as a poverty stricken family. Nationwide, 21.4 percent of all families had an income of less than \$3,000. The average for the State of Mississippi, however, was 51.1 percent of all families, and every county in the State exceeded the national average of 21.4 percent. Therefore, all of the 20 counties excluded under this bill exceed the national average for families with less than \$3,000. For example, in Prentiss County 62.1 percent of all families have less than \$3,000 income; in all of the 20 counties except one, the percent of families having less than \$3,000 exceeds 30 percent. So it is clear that 19 of these 20 counties far exceed the national average for poverty standards as adopted last year when Congress passed the antipoverty bill. In view of these facts I believe it would be well to consider modifying the standards.

I shall not offer an amendment, because this is a complicated subject to deal with, and needs the benefit of the consideration of Senators who are members of the committee and of their experts. I hope that as the bill progresses through Congress, those handling it on the part of the Senate will consider the additional facts that the debate has brought out, to see if some standard could be adopted which would protect the