

*U.S. Congress.*

UNITED STATES



OF AMERICA

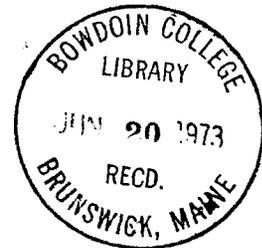
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insecurity, and spiraling prices as in other segments of the economy.

I do not believe Congress by delaying action on wage board reform legislation, should allow the wage board worker to become a sacrifice to the administration's ineffective effort to control inflation.

Mr. President, it would be my hope that the Post Office and Civil Service Committee would move H.R. 9092 to the Senate floor for our consideration in the fall.

The often forgotten wage board employee has waited long enough for long overdue improvements in the system used for setting his wages.

#### EMERGENCY EMPLOYMENT ACT

Mr. KENNEDY. Mr. President, I simply want to call the attention of the Senate to what I believe is the direct violation of the authorizing legislation under the Secretary of Labor's guidelines for the distribution of the funds for the Emergency Employment Act.

I think I should begin by noting that the administration pronouncements on behalf of the Emergency Employment Act since its passage contrast sharply with its refusal to endorse the measure before it had passed both Houses of Congress.

The Nation's unemployment hovered at the 6-percent mark for nearly the first 8 months of this year. Today, it rose once more from 5.6 percent to 5.8 percent and the administration has claimed a victory. In my own State of Massachusetts, industrial unemployment is at its highest point since the end of the depression in 1940 with a total of 184,600 out of work.

Yet throughout this session, the administration testified time and again in the Senate and in the House that it opposed the emergency legislation which I and other Senators had introduced to provide public service jobs for the unemployed. The Secretary of Labor testified in person at the first hearing of The Employment, Manpower, and Poverty Subcommittee that the President would in all likelihood veto such a bill.

That is the background of this administration's attitude toward aiding the more than 5.3 million persons who are out of work. That is the background of this administration's attitude toward the Emergency Employment Act. Only after the bill had passed both Houses of Congress and was in Congress did the administration announce that it would not veto the measure.

Now the Secretary of Labor has issued regulations and guidelines which may exceed his authority.

The law specifically includes among eligible applicants "units of Federal, State, and general local government." Yet, the Secretary has violated that mandate by announcing his intention to deny the status of eligible applicants to any city with less than a population of 75,000. And he has further opted to prejudice the interests of small towns by rejecting even the possibility that a consortium of small towns might apply as a single sponsor.

I find it hard to understand the Secretary's rationale for denying even this option to small towns and I find it even more difficult to understand how Public Law 54 gives him such an option.

However, the lateness of the session and the dire need to get some funds out to the unemployed means that there will be no time for a conference. For that reason, I have decided not to offer any amendment to this legislation but to indicate my strong feeling that the announced intentions of the Secretary unwisely and in an unauthorized manner prejudice the interest of local communities. I would hope that he would open the eligibility status to all cities that meet the other requirements of the law.

#### THE PUBLIC HOUSING PROGRAM

Mr. MONDALE. Mr. President, communities, large and small, are growing more and more concerned by a recent slowdown in activity by HUD's public housing program.

At this time 500,000 units have been applied for under the public housing program but no final action has been taken on any of these applications.

Long-standing delay in construction of badly needed units can be attributed primarily to the lack of funds which the administration has made available for this program.

But the recent slowdown appears to be related to a number of administrative factors such as the establishment of the HUD area offices, the freeze on available development funds, circular A-95 which requires clearance of all housing development to conform with comprehensive planning and a lack of personnel devoted to public housing production within the Department of Housing and Urban Development.

While community officials—and the poor—have been remarkably patient through all the delays resulting from the lack of funds and staff, they certainly do not want needless redtape to take up the scarce resources which are available.

And undoubtedly the overburdened taxpayer does not want to see his money wasted on a needless shuffling of papers.

Unfortunately, a new decision by HUD would recall all current public housing applications where a site has not been approved in accordance with the housing site guidelines.

In many large metropolitan areas, housing site guidelines are necessary to ensure the economic and social well-being of the community.

But for many smaller communities these guidelines do not apply at all. According to the newly announced HUD decisions, however, both small and large cities must resubmit their applications.

For local housing officials, this is an unnecessary waste of time and money. For HUD, it will mean more obstacles before any housing can be built.

In applications where the new site criteria is necessary I think there should be ways to include such without returning all applications to the local communities. The housing authorities could be asked to supply an addendum to the original application or else this could

be taken care of when HUD reviews the site that has been selected.

Senator PROXMIRE, Senator WILLIAMS, Senator CRANSTON, and I have written to HUD about all of these matters. We think its important that public housing applications be moved along as quickly and efficiently as possible. Toward this end, we have asked that HUD consider the development of a separate, less complicated review process for small, non-metropolitan housing authorities.

I would like to share with my colleagues in the Senate, our letter to HUD which fully describes these problems.

Mr. President, I ask unanimous consent that the letter be printed in full at this point in the RECORD.

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

U.S. SENATE,

Washington, D.C., August 6, 1971.

Hon. EUGENE A. GULLEDGE,  
Assistant Secretary for Mortgage Credit,  
FHA Commissioner, Department of Housing  
and Urban Development, HUD Building,  
Washington, D.C.

DEAR MR. GULLEDGE: Within the last few weeks we have become increasingly disturbed about what appears to be "slowing-down" in the production activity in the public housing program. Our constituents report to us that badly-needed construction for low income families is just not moving as it should. This report comes from both large and small communities.

The causes for this "slowing-down" appear to be related to the establishment of the HUD area offices, the freeze on available development funds, the issuance of the A-95 circular requiring clearance of all housing development for conformance with comprehensive planning—and most recently, the recall by HUD of all public housing applications where a site has not been approved to review them for conformance with the new housing site guidelines. Also, we note in the testimony of Secretary Romney in the House of Representatives last week and before the Senate Hearing and Urban Affairs Subcommittee this week, the statement that a major reason for not moving faster on public housing production is the lack of sufficient HUD personnel in the public housing production area.

We would like to express to you our serious concern about any slow down in public housing production activity. In particular, we would like to have your appraisal relative to the new site reviews, as to how much time such reviews will take; and what a local housing authority can anticipate in terms of a time schedule. We would like your judgment as to whether a separate, and perhaps less complicated site review process might be instituted for small communities in non-metropolitan areas.

We would greatly appreciate a response to us:

First, your judgment as to an adequate level of HUD personnel in the public housing production area, and your general judgment as to how fast the Department can move to implement the backlog of public housing production demand.

Second, your judgment as to the time which will be required to complete a site review for a local housing authority; and whether it might be feasible to develop a separate, less complicated review process for small, nonmetropolitan housing authorities.

We will look forward to your early response on these matters.

Sincerely yours,

WALTER F. MONDALE,  
ALAN CRANSTON,  
WILLIAM PROXMIRE,  
HARRISON A. WILLIAMS,  
U.S. Senators.