

18528

CONGRESSIONAL RECORD — SENATE

August 12

Loan authorization—Continued

[Out of the general revenues of the Federal Treasury]

Item	Appropriations, 1964 ¹	Budget esti- mates, 1965 ²	House bill, 1965	Senate bill, 1965	Conference action
RECAPITULATION BY FUNDS					
General fund.....	\$264,264,607	\$301,336,800	\$283,182,100	\$286,912,375	\$286,166,660
Highway fund.....	21,641,384	28,972,700	27,542,000	27,741,500	27,578,500
Highway fund (parking account).....	3,160,500	867,300	836,300	867,300	836,300
Water fund.....	11,364,188	10,964,100	10,936,900	10,944,900	10,944,900
Sanitary sewage works fund.....	12,997,079	15,650,800	15,627,300	15,635,300	15,635,300
Metropolitan area sanitary sewage works fund.....	32,760	80,600	80,600	80,600	80,600
Total, all funds.....	313,469,518	357,862,300	338,205,200	342,181,975	341,242,200

¹ Includes \$353,856 in Public Law 88-317.² Includes \$1,850,300 submitted in H. Doc. No. 227 and \$160,000 submitted in S. Doc. No. 80

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER (Mr. SALINGER in the chair) laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 10199, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,

August 12, 1964.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 10 to the bill (H.R. 10199) entitled "An Act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1965, and for other purposes", and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "\$74,670,000".

Mr. BYRD of West Virginia. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 10.

The motion was agreed to.

LEGISLATIVE BRANCH APPROPRIATIONS—CONFERENCE REPORT

Mr. MONRONEY. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10723) making appropriations for the legislative branch for the fiscal year ending June 30, 1965, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. SALINGER in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of August 6, 1964, p. 17749, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 11380) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. GRUENING. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield 10 minutes to the Senator from Alaska.

WHY NOT DOMESTIC AID AS WELL?

WHY THE INACTION ON ACCELERATED PUBLIC WORKS?

Mr. GRUENING. Mr. President, my amendment No. 1138 would add to H.R. 11380 the provisions of S. 1856, which is now on the Senate Calendar, Order No. 995, and was reported by the able and distinguished senior Senator from West Virginia [Mr. RANDOLPH] from the Committee on Public Works on June 1, 1964. It has reposed on the calendar ever since, gathering cobwebs.

This is an unusual amendment to the Foreign Assistance Act. I shall offer it because I want to call attention again, as I have repeatedly, in the past, during my 5 years in the Senate, to the double standard which guides our policies at home and abroad.

Two years ago Congress enacted the Accelerated Public Works Act. It provided for local matching, whether by State, County or other political district of Federal funds for the construction of worthwhile public projects, sewer and waterworks, street paving, public buildings, local roads, and so forth. The amount authorized was far too small—only \$900 million, of which only \$880 million was appropriated, and it was quickly used up. But with it, worthwhile projects were constructed all over the United States, giving employment to people on the site of the project, at the factory where the materials for the project were manufactured and in the transportation industry—by which these products were carried from factory site to the project.

The funds ran out a year and a half ago, leaving hundreds of millions of dollars of worthwhile projects, approved, ready to go with no chance for them to be initiated. They total, by now, over \$700 million.

The Accelerated Public Works bill is supported by the AFL-CIO, by the Communications Workers of America, the Associated General Contractors of America, the National Farmer's Union, the Citizens' Committee on Natural Resources, the Associated General Contractors of West Virginia, the Area Redevelopment Administration of the Department of Commerce, the Housing and Home Finance Agency, the American Hospital Association, the National Association of Counties, the Conference of Economic Progress, the County Officials Association of West Virginia, the Penn-

sylvania League of Cities, and the Association of County Commissioners, and the County Services Association of Tennessee.

Among the Governors supporting the accelerated public works bill are Gov. Richard J. Hughes, of New Jersey; Gov. W. W. Barron, of West Virginia; Gov. Bert Combs, of Kentucky; and Gov. William A. Egan, of Alaska.

Mayors, city administrators, and city managers testifying in favor of the accelerated public works bill include city officials from Athens, Tenn.; Lawrence, Mass.; Newark, N.J.; Detroit, Mich.; Savannah, Tenn.; Sweetwater, Tenn.; Jellico, Tenn.; Dyersburg, Tenn.; Miami, Fla.; Charleston, W. Va.; Greenville, Tenn.; Clairton, Pa.; Philadelphia, Pa.; Vienna, W. Va.; Johnstown, Pa.; Jersey City, N.J.; San Diego, Calif.; Fresno, Calif.; Chattanooga, Tenn.; Kinloch, Mo.; and Muskogee, Okla.

U.S. Senators testifying or submitting statements in favor of the accelerated public works bill include: the senior Senator from Pennsylvania [Mr. CLARK], the senior Senator from Illinois [Mr. DOUGLAS], the junior Senator from Arkansas [Mr. FULBRIGHT], the senior Senator from Tennessee [Mr. GORE], the junior Senator from Michigan [Mr. HART], the junior Senator from Montana [Mr. METCALF], the junior Senator from Utah [Mr. MOSS], the senior Senator from West Virginia [Mr. RANDOLPH], the senior Senator from Missouri [Mr. SYMINGTON], the junior Senator from Tennessee [Mr. WALTERS], and the junior Senator from New Jersey [Mr. WILLIAMS].

Money to fund worthwhile accelerated public works projects is urgently needed. The legislation to facilitate this work has been languishing for 1½ years. Even now S. 1856 has been on the Senate Calendar since June 1 when it was reported by the diligent Senator from West Virginia [Mr. RANDOLPH] for the Committee on Public Works. Unless this amendment is adopted and enacted as a part of the Foreign Assistance Act, accelerated public works will die in this Congress. We shall have to start all over again next year.

As a member of the Senate Public Works Committee, I voted to report the original accelerated public works bill to the floor of the Senate for action. However, I said then, in separate views, that the amount was far too little. That was on April 25, 1962. In committee I had stated that we should increase the amount to be authorized to at least \$2.6 billion—an amount equal to the amount authorized by sections 202, 212, 401, and

1964

CONGRESSIONAL RECORD — SENATE

18529

451 of the Foreign Assistance Act of 1961 for fiscal year 1962. I was prepared to offer an amendment in committee to carry out this proposal but deferred because I did not want to delay enactment of the modest sum that was authorized.

History during the past 2 years has, unfortunately, proved that I was correct in my prediction that the amount authorized and the lesser amount appropriated were way insufficient.

The cost of the pending unfunded accelerated public works projects in the 50 States now exceeds \$700 million. In Alaska the value of the 21 pending projects is \$5,417,000. I ask unanimous consent that the projects pending in the 49th State appear as exhibit 1 at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRUENING. These projects, if funded, could bolster substantially the economy of Anchorage, Ketchikan, Wrangell, Petersburg, Cordova, Valdez, Palmer, Wasilla, Talkeetna, Seward, Kodiak, Fairbanks, Fort Yukon, and other areas.

I believe it will be of interest to mention the total of projects pending in several other States. In Pennsylvania the value of the pending projects, now unfunded, is \$43 million. The able Senators from Pennsylvania [Mr. CLARK and Mr. SCOTT] realize the contribution which \$43 million could make to the economy of their State.

Accelerated public works projects pending but unfunded in Massachusetts are valued at \$5 million. The able Senators from Massachusetts [Mr. SALTONSTALL and Mr. KENNEDY] appreciate the contribution \$5 million can make to the economy of a State.

Far to the West in California the sum of \$23 million is needed to fund projects pending there. The able Senators from California [Mr. KUCHEL and Mr. SALIN-

GER] know the impact \$23 million could make on the economy of their Golden State.

To the South, in Louisiana, the sum of \$22 million is required to fund pending accelerated public works projects. The able Senators from Louisiana [Mr. ELLENDER and Mr. LONG] appreciate the worth of \$22 million added to the economy of their State.

In the great Midwest, in Michigan, pending accelerated public works projects which could be started were funding available total \$34 million. The able Senators from Michigan [Mr. McNAMARA and Mr. HART] know the assistance which would be forthcoming were \$34 million injected into the economy of their State.

And in Kentucky, in Appalachia, accelerated public works projects totaling \$30 million need to be funded. The able Senators from Kentucky [Mr. COOPER and Mr. MORTON] know what \$30 million would do to improve the economy of Kentucky.

The projects, Mr. President, are pending, and they represent but a sample of the work projects we need to start here in our own United States.

I want to comment on the desirability of certain specific accelerated public works projects which could be initiated were funds available.

The Clearfield County, Pa., Hospital could be constructed were \$1,063,000 in APW funds available. I suggest that my good friends from Pennsylvania [Mr. CLARK and Mr. SCOTT] would agree that the hospital in their State is desirable. Under our foreign aid program, with funds loaned at three-fourths of 1 percent interest, the Nepal Industrial Development Corporation, Government of India, received \$1 million—an amount which could have been used to construct the hospital in Clearfield County, Pa.

In Walker County, Ga., a water-sewer project could be constructed under the accelerated public works program if

\$337,000 were available. The project is approved, as were the others I have named. Obviously the construction of the Walker County, Ga., project, would help the economy of that State far more than the feasibility studies of Keban and Ciceroy in Turkey which cost \$350,000, a comparable amount. The able Senators from Georgia [Mr. RUSSELL and Mr. TALMADGE] appreciate the effect an injection of \$337,000 would have in the Georgian economy.

In Graham County, N.C., funds are needed for a pending accelerated public works water and sewer project which will cost \$91,000. That project and others could have been started with the \$250,000 our Federal Government loaned to the Government of Tanganyika for a commodity development training center. The able Senators from North Carolina [Mr. ERVIN and Mr. JORDAN] know that a modest project totaling \$91,000 can help a State's economy.

In Laurel County, Ky., three water-sewer projects, costing \$1,012,000, are pending accelerated public works projects which cannot be funded. Again, I suggest to my friends from Kentucky [Mr. COOPER and Mr. MORTON] that \$1 million would help substantially the economy of their State. We loaned slightly more than that amount, \$1,100,000, to the Government of Mali for a central veterinary laboratory at Bamako.

There are other comparisons of interest.

I ask unanimous consent that a table comparing pending accelerated public works projects with previously committed low-interest-rate, long-term loans abroad and a second chart comparing approved, funded APW projects and foreign grants we have made to many nations be printed in the RECORD at this point in my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Comparison of pending APW projects and foreign loans already committed at $\frac{3}{4}$ of 1 percent

APW PENDING AS OF JUNE 1964

Accelerated public works		Foreign loans	
County, State, and purpose	Amount	Borrower and purpose	Amount
Clearfield County, Pa.: Hospital.....	\$1,063,000	Government of Nepal: Nepal Industrial Development Corporation....	\$1,000,000
Graham County, N.C.: Water and sewer.....	91,000	Government of Tanganyika: Commodity Development Training Center.....	250,000
Laurel County, Ky.: 3 water-sewer projects.....	1,012,000	Government of Mali: Central Veterinary Laboratory at Bamako.....	1,100,000
Allegany County, Md.: Water and sewer.....	617,000	Government of Pakistan: CPS and Maini-Rechna DCAB project.....	750,000
Jefferson County, Ala.: Hospital.....	592,000	Government of Niger: Development bank.....	500,000
Palmer, Alaska: Sewer system.....	273,000	Government of Tanganyika: Electrical equipment.....	300,000
San Diego, Calif.: Dock terminal.....	1,500,000	Government of Ivory Coast: Highway equipment.....	1,700,000
Miami, Fla.: San Marco storm and sanitary sewer project.....	683,000	Government of Tanganyika: University College.....	800,000
Walker County, Ga.: Water and sewer.....	337,000	Government of Turkey: Keban and Ciceroy feasibility studies.....	350,000

APW PENDING AS OF MAR. 19, 1963

Lincoln County, Nev.: Highway.....	\$1,600,000	Government of Ecuador: Administrative and fiscal reform.....	\$1,600,000
Alamosa County, Colo.: Sanitary sewer.....	330,000	Government of Tanganyika: Teacher Training College.....	800,000
Adams County, Ohio: Ohio Brush Creek Reservoir.....	3,530,700	Government of Sudan: Khartoum sewerage.....	3,800,000
Bristol County, Conn.: Sewage treatment.....	2,535,000	Government of Afghanistan: Ariana Afghan Airlines.....	2,625,000
Hawaii: Highways.....	14,427,500	Government of Tunisia: Commodity assistance.....	15,000,000

18530

CONGRESSIONAL RECORD — SENATE

August 12

How was our money better spent?

COMPARISON OF DOMESTIC APPROVED AND FUNDED APW PROJECTS AND U.S. FOREIGN GRANTS ABROAD

Approved accelerated public works		Foreign grants		
Location and purpose	Amount	Borrower and purpose	Date	Amount
Van Buren, Ark.: Sewer facilities.....	\$455,000	India: Fertilizer demonstration.....	1956	\$499,590
Camden, Del.: Sewer facilities.....	299,000	Sudan: Audiovisual training aids.....	1959	278,000
West Frankfort, Ill.: United Mine Workers Hospital.....	693,000	Vietnam: Expansion of Government information facilities.....	---	524,00
South Bend, Ind.: Sewage facilities.....	529,000	Turkey: Reconstruction of earthquake damage in Fethiye.....	1957	500,000
Lafayette, La.: Lafayette Memorial Hospital.....	1,325,000	India: Fertilizer demonstration.....	1955	1,177,000
Lowell, Mass.: St. Joseph's Hospital addition.....	1,816,000	Pakistan: Acquisition and distribution of fertilizer.....	1955	2,000,000
De Kalb, Miss.: Water and sewer facilities.....	376,000	Yugoslavia: Land use—Soil and water resources.....	1959	341,000
Neptune City, N.J.: Sewage treatment plant.....	1,429,000	Libya: Soil conservation.....	1959	1,510,000
Heavener, Okla.: Water facilities.....	487,000	Indonesia: Land development and conservation.....	1956	421,599
Buffalo, N.Y.: Hospital addition.....	1,987,000	Burma: Land restoration.....	1958	5,400,000
Remodel hospital.....	779,000			
Ogdensburg, N.Y.: Sewage treatment plant.....	1,755,000			
North Tonawanda: Hospital addition.....	1,231,000			
Total.....	5,752,000			
Providence, R.I.: Addition Roger Williams Hospital.....	344,000	Yugoslavia: Soil improvement and water resources.....	1958	309,000

Mr. GRUENING. Mr. President, on March 19, 1963, I introduced S. 1121 on behalf of myself and eight of my colleagues—Mr. Bartlett; Mr. Cannon; the late Senator from Tennessee, Mr. Ke-fauver; Mr. Metcalf; Mr. Morse; Mrs. Neuberger; Mr. Randolph; and Mr. Yarborough. The bill was designed to carry out the provisions of the amendment I had originally discussed in the Senate Public Works Committee which was raising the amount authorized to \$2,645 million—the equivalent to the amount authorized by the Foreign Assistance Act of 1961 for carrying out the economic aid provisions of sections 202, 212, 401, and 451 for fiscal year 1962.

The extensive hearings on the proposed extension of the Accelerated Public Works Act have demonstrated conclusively that the extension is desirable and needed. Senator Randolph has been acting as chairman of the ad hoc committee on the desirability of reactivating the accelerated public works program, a committee appointed by the chairman of the Public Works Committee, Senator McNamara.

The \$880 million appropriated under the initial legislation has helped to finance approximately one-half the cost of nearly 8,000 projects in more than 3,000 communities in every State of the Union, the Virgin Islands, and Puerto Rico.

Today at least three-fourths of a billion dollars could be used immediately were we to act on the authorizing legislation I suggest we add to the foreign aid bill.

Yesterday, the Senate concurred in the amendments added by the House to S. 2642, the Economic Opportunity Act of 1964, generally known as the poverty bill. I am a cosponsor of this legislation. I highly approve of its purpose and warmly commend President Johnson for proposing this imaginative and construc-

tive move to seek economic equality among those of our citizens who are economically disadvantaged. But that program is long range. We must provide a program which can be put to use immediately. The Economic Opportunity Act provides no immediate jobs. Unemployment which is still with us and poverty are inseparably related. If the antipoverty bill is to show beneficial acts in the near future, something needs to be added. The amendment I am offering would supply the missing ingredient.

During the past decade and a half, we have spent more than \$100 billion to aid other countries. Surely we can afford to spend less than 3 percent of that amount to provide the same opportunity for American unemployed as we have offered the unemployed in 107 foreign countries.

My amendment No. 1138 in no way increases the amount to be authorized for our foreign aid program.

It has been pointed out that the proposed foreign aid program for the 1965 fiscal year is about \$6 billion. A large proportion of this sum will be used for public works in other countries. Therefore, it is appropriate and in a moral sense highly germane for us to add to the bill we are debating my amendment which would add \$1.5 billion for a public works program here at home. Moreover, the foreign assistance funds are voted annually. The accelerated public works funds represent a one-time shot.

Where is our money better spent? In Sukarno's Indonesia or in one of our own States?

Sukarno's "Djakarta Bypass," which we financed, cost \$8 million. That amount would pay for all of the 21 accelerated public works projects pending in the State of Alaska and leave enough to construct sewer, water, and hospital projects in all of the Appalachian States.

Was our money wisely appropriated

for a \$1,489,000 "Improvement of national government administration" in Indonesia? Might we not better have constructed a necessary \$1,500,000 dock terminal in San Diego, Calif.?

Should we have appropriated \$6,330,000 for "Mobrig re-equipment" in Indonesia when we could have financed two thirds of the amount required for the 18 hospital projects pending in Appalachia?

Should we have given \$1,481,000 for "Civil aviation development" in Syria when we could have built a sewer in Laurel County, Ky., for the same amount of U.S. taxpayer dollars?

Should we have allotted \$912,000 for the "East Jordan map plan" when we could have constructed a storm and sanitary sewer in Miami, Fla.?

Should we have given \$756,000 for a "Mapping and Geographical Institute" in Ethiopia when we could have completed a sewer project in Allegheny County, Md.?

Should we have financed a "Maritime Academy" in Indonesia when we could have completed a hospital in Clearfield County, Pa.?

Should we have appropriated \$140,000 for "Fertilizer and insecticide demonstration" in Brazil when we could have constructed a sewer in Graham County, S.C.?

Should we have given \$30,000 for "Training within industry" in Indonesia, \$30,000 for "Improved cooperative marketing" in Nasser's United Arab Republic; \$160,000 for "Advanced office procedures training" in Uganda; \$265,000 for "Book publishing" in Nigeria; \$135,000 for "Rural slaughter sheds" in Chad; \$800,000 for "Colonization" in Bolivia; \$47,000 for "Broadcasting" in the Somali Republic; \$18,000 for "Police training" in Syria; \$100,000 for a "Soil salinity study" in Senegal; \$61,000 for "Public administration" in British Guiana; \$43,000 for "Academy training" in

1964

CONGRESSIONAL RECORD — SENATE

18531

Cambodia; \$1,641,000 for "Highway maintenance" in Jordan; \$2,191,000 for "Farm machinery training and demonstration" in Sudan; \$20,000 for "Improvement of crop and livestock production" in the United Arab Republic; \$13,000 for "Audiovisual units" in the Central African Republic; \$463,000 for "Civil police and public safety" in Libya; \$300,000 for "Town plans"—requested for 1965 in Panama—should any of these have come first when projects are desperately needed in every section of our own country? These are domestic projects which could now be producing jobs and supporting the economy had we only

appropriated more accelerated public works funds initially.

Let us realize that the original appropriation for the accelerated public works program—an amount equal to that given the one, single, so-called neutral country of Indonesia in foreign aid—has not been enough. My accelerated public works amendment to H.R. 11380 provides the tools which will be necessary if we are to build the "Great Society."

I am not asking for a yea-and-nay vote, but I ask that the leadership accept this amendment and take it to conference.

U.S. DEPARTMENT OF COMMERCE, AREA REDEVELOPMENT ADMINISTRATION

Accelerated public works program—Pending HEW and CFA projects in Alaska as of June 1, 1964

Agency	Agency No.	Election district	Project description	Place	Cost (thousands)		
					Accelerated public works	Other	Total
5A. Anchorage:							
CFA	44	8	Harbor facilities	Anchorage	\$200	\$200	\$400
CFA	48	8	Office building	do	150	150	300
5B. Ketchikan-Prince of Wales: CFA	33	1	Water supply	Ketchikan	820	868	1,688
5B. Wrangell-Petersburg:							
CFA	36	2	Water system	Wrangell	119	61	180
CFA	46	2	do	Kake City	99	111	210
4B. Lyn Canal-Icy Straits:							
CFA	19	5	Sewer	Yakutat	93	32	125
CFA	45	5	Water system	Hoonah	242	97	339
5B. Cordova-Valdez:							
CFA	3	6	Harbor facilities	Cordova	245	82	327
CFA	43	6	Street	do	363	187	550
5B. Palmer-Wasilla-Talkeetna: CFA	43	7	Sewer	Palmer	274	621	895
5B. Seward: CFA	38	9	Railway system	Seward	157	207	364
5B. Kodiak: CFA	35	11	Harbor facilities	Kodiak	74	74	148
5B. Fairbanks-Fort Yukon:							
HEW	7	16	Waste treatment	Fairbanks	92	370	462
CFA	7	16	Heating system	do	395	395	790
CFA	9	16	Drainage	do	390	429	819
CFA	10	16	do	do	375	413	788
CFA	11	16	Electric system	do	100	100	200
CFA	12	16	Street	do	640	704	1,344
CFA	14	16	do	do	146	165	311
CFA	15	16	do	do	375	413	788
CFA	47	16	do	do	68	69	137
Total (21 projects)					5,417	5,748	11,165

Mr. RANDOLPH. Mr. President, will the Senator from Alaska yield?

Mr. GRUENING. I am happy to yield.

Mr. RANDOLPH. As has been stated, S. 1856 was reported by the Committee on Public Works on June 1. This measure would increase the authorization to carry on the program of the Accelerated Public Works Act. The original authorization was for \$900 million. S. 1856, as reported, would authorize expenditures of \$1.5 billion. The amendment of the Senator from Alaska would also amount to \$1.5 billion.

It is important at this point to recall that former President Kennedy asked, in essence, that Congress provide standby authority of up to \$2 billion for accelerated public works. It is also important to indicate the widespread approval of such public works programs. This is detailed in the remarks of the able Senator from Alaska (Mr. GRUENING), and will appear in the RECORD.

I remind Senators that as of May 28, 1964, a backlog of \$718 million worth of projects was on the shelf, ready to move forward. These were not projects that had been proposed; they were projects that had approval, but no Federal funds

are available. Financial arrangements for matching had been made at the local level. These projects are ready to move forward when the authorization is voted and necessary funds are appropriated.

I am in accord with the view of the Senator from Alaska that this program could move forward at once. Manpower could be used. Projects could come into being. The result would be a strengthening of the economic well-being of hundreds of communities throughout the country. Gainful employment could be provided for thousands of workers on useful and needed projects.

These projects, up to the first of this year, were moving into the pipeline at a rate of \$100 million a month.

The Senate Public Works Committee held several hearings on the proposed legislation, which has been referred to by the Senator from Alaska. These hearings were held in December of 1963, and again in March of 1964.

I have repeatedly urged the President of the United States to support enactment of this proposed legislation. I have urged the leadership of the Democratic Party in the Senate to realize the impor-

tance of moving this proposed legislation.

I am delighted that this afternoon the Senator from Alaska—who has served so well on the Committee on Public Works, and who was in attendance at the hearings and realizes the value of the program for his own State, and the value of the program nationally—has used this method to point out the importance of expansion and further acceleration of necessary public works.

I remind Senators that when we spend these dollars we do not merely add money, as it were, to the mounting costs of the Federal establishment. When we spend a dollar on public works, we have invested a dollar. There is not only a return of 100 cents upon the original investment, but there is also a dividend to this country: We are building a better America. We are strengthening its economic base. We are adding to the well-being of its citizenry.

I compliment the Senator from Alaska for bringing the matter to the attention of the Senate.

Mr. MORSE. Mr. President, will the Senator from West Virginia yield for a few questions?

EXHIBIT No. 1

Status of the accelerated public works program as of June 1, 1964

ALASKA

Number of projects	66
Accelerated public works cost	\$7,684,000
Accelerated public works value in place	\$4,601,000
Total cost	\$12,542,000
Total value in place	\$7,215,000
Estimated man-months	4,503
Cost of completed projects, accelerated public works	\$2,158,000
Total	\$2,468,000

Source: U.S. Department of Commerce, Area Redevelopment Administration, accelerated public works program.

Mr. RANDOLPH. I am glad to yield to the Senator from Oregon.

Mr. MORSE. Let me say to the Senator from Alaska and the Senator from West Virginia that I am very much disturbed if I am correctly interpreting their speeches. I yield to no other Senator in my support of the area redevelopment program. I know what it has done. I shall say something about it before I finish, but I wish to be sure that I understand the procedural situation in which we find ourselves.

I should like to inquire of the Senator from West Virginia who, along with the Senator from Alaska, has been one of the leaders in this body from the beginning in support of the program, whether I correctly understand that if S. 1856 is not acted upon by Congress or if a corresponding bill in the House—if there is one—is not acted on and sent to the Senate for action, the accelerated public works program will come to an end before the next session of Congress.

Mr. RANDOLPH. That, in essence, is true. The Senator is correct. Actually, the APW program has been at a standstill for several months.

Mr. MORSE. Is this program—

Mr. RANDOLPH. It is a program of progress.

Mr. MORSE. Is it about to be liquidated by inaction?

Mr. RANDOLPH. To all intents and purposes, that is correct.

Mr. MORSE. The program will be liquidated by inaction on the part of Congress, or phased out in connection with whatever contracts or commitments exist. The program will cease to exist so far as the program applicable to next year or the years thereafter is concerned; is that not correct?

Mr. RANDOLPH. The Senator from Oregon is correct. The commitment of dollars is actually beyond what we have, but there is always a degree of flexibility, or a cushion; but, for all practical purposes, the APW funds are exhausted.

Mr. MORSE. The program itself will expire.

Mr. RANDOLPH. The Senator is correct.

Mr. MORSE. I respectfully inquire of the majority leader—and I am only seeking help and information in regard to the business of the Senate—whether it is contemplated that S. 1856 will be brought up and made the pending business of the Senate prior to adjournment, and at such time as there may be some hope of action by the House.

Mr. MANSFIELD. Mr. President, if the Senator will indulge me, it is anticipated that this matter will be taken up at the next meeting of the Democratic policy committee.

Mr. MORSE. Would this program depend upon action taken there? If the action is favorable, the measure will be scheduled for action; but if it is unfavorable, those opposed to the decision will have to seek to reverse the action of the Democratic policy committee. Is that true?

Mr. MANSFIELD. I am not at all sure that the action of the Democratic policy committee will be unfavorable.

I would hope that the Senator from Oregon, with his usual courtesy, would give us that consideration, even though the bill has been in the committee for a long time, to see what we can do in the remaining days of this session.

Mr. MORSE. I have been in the Senate long enough to know that when I am told that a decision will be brought up in connection with the foreign aid bill and it is not contemplated that a ye and nay vote will be asked for, we are probably engaging in an educational process.

Mr. MANSFIELD. I did not quite understand what the Senator from Alaska had in mind, if this is the amendment which he discussed with me which he intends to offer to the foreign aid bill.

Mr. MORSE. I do not quite understand the Senator from Montana. I understood from the Senator from Alaska that he was not contemplating a ye and nay vote. That telegraphed to me, at least intuitively, that this is probably an educational process that we are now engaging in.

Mr. GRUENING. Mr. President, it is an educational process but it is also a proceeding which might eventuate in having the leadership accept the amendment and take it to conference.

I point to the fact that while we can expend \$5 to \$6 billion in foreign aid, each year and we have just enacted the antipoverty bill, which will not for some time bring any substantial re-employment, here is an opportunity to do for domestic aid what we have been doing with foreign aid to the extent of over \$100 billion for the last 17 years. We should do something comparable at home.

I see no reason why since it is now contemplated that the totally extraneous matter having to do with apportionment will be added to the foreign assistance bill, which is unrelated to the subject at hand, this amendment which aims to do what the Foreign Assistance Act does in nearly a hundred foreign countries, cannot be pertinently added to do the same thing in one more country which happens to be our own.

We are spending \$6 billion to employ people in over 90 foreign countries. Why not spend \$900 million to employ people at home? So, while offering this amendment is, as has been suggested an educational matter, it is also a practical effort aimed to focus attention on an overdue and neglected domestic need.

I ask the majority leader to accept the amendment and take it to conference. I doubt whether it will survive there; but at least it is worth trying.

Mr. MANSFIELD. What the Senate now has pending before it is the legislative conference report, not the bill to which the Senator wishes to attach his amendment.

Mr. MORSE. The foreign aid bill is not the pending business of the Senate at the moment?

Mr. MANSFIELD. The Senator is correct.

Mr. MORSE. If I may be allowed to speak for a moment—I know it might be violating a rule, but unless someone objects I shall go ahead and violate it by making some relevant comments.

First, I am greatly indebted to both Senators; but, of course, if the pending business is another conference report and not the foreign aid bill, this is, as I suspected, through my intuition, a much-needed educational process on the floor of the Senate.

I should like to have the attention of the majority leader, because I am pleading with him. I quite agree with him that we should wait until the Democratic policy committee acts, but I am making a plea that the Democratic policy committee give heed to it when it does meet.

Last week, the ARA organization put on an exhibition in the Department of Commerce. It is possible that I may have been the only Senator who attended it, but if I was not, the only Senators there could be counted on the fingers of one hand.

I said to William Batt, the Director of ARA, that I wished that every Senator would visit the exhibit, because it shows what ARA has done for private industry in this country, and what an inducement it has been to the expansion of private industry. If Senators would do so, there would be no trouble about continuing and expanding ARA. In my judgment, it is one of the most vital domestic aid programs in the country.

It is particularly apropos that the Senator from Alaska suggested adding it as a rider to the foreign aid bill. Although he may not agree with me, it is not going to be added to the foreign aid bill as a rider. I cannot commit myself on that. But I think it is particularly apropos that we are talking about it as a potential rider to the foreign aid bill when I think of the billions of dollars of the American taxpayers that we have wasted and thrown away in many aspects of the foreign aid bill. But finally the taxpayers are catching up with the politicians. I hope they will catch up with them at an accelerated speed. But be that as it may, I thought of the areas of our country that need this kind of aid as I went through the exhibit down at the Department of Commerce the other night and saw the projects in which ARA money has been invested—a furniture plant here, a paper products plant here, a shoe factory there, a small tool plant in another location, a wood products plant in another. We can run the gamut of American industry and find that time after time ARA has cited in cooperation with local banks. This is not an ARA program in which the Federal Government puts up all the money. It assists. But in effect it underwrites the project with the amount of Federal assistance that is given. All we have to do is to look at the scale of success and failure. The American people are the beneficiaries of great economic gain as the result of ARA programs.

I stand on the floor of the Senate this afternoon and thank from the bottom of my heart Mr. William Batt, the director of that program, I also thank Mrs. Patricia Galey, the right arm of Mr. Batt. I thank every one of the administrators and assistant administrators of this program for a program that has been a tremendous success.

1964

CONGRESSIONAL RECORD — SENATE

18533

West Virginia has one of the highest rates of unemployment in the country. If one were to go through this exhibit, as I did the other night, and see the models of the various projects, the products that are now being produced, and producing, are on exhibit, the number of employees, the number of people that have been put to work as a result of this project—people who otherwise would be out of work—he would be proud of what has been accomplished by ARA. In order that no one may have any question about my self-interest—and I express it with pride—in behalf of my State, there are a couple of these projects in Oregon. A certain unemployment rate must be shown to exist to make the area an emergency area. In my State, ARA went in with a couple of projects and put people to work in projects that are now a huge success.

I have heard the program criticized as an aid to socialism. That is tommyrot. This is a program in which the money of the taxpayers is loaned for the time being to help private enterprise, to help small business, to help put people back to work. I do not know why there should be any question about passing this program, and quickly. But this dedicated leader down in the Commerce Building by the name of William Batt is deserving of our appreciation by quick passage of the bill.

I have read the individual views of Senator JENNINGS RANDOLPH, of West Virginia. Some of them are in the form of charts. They cannot be duplicated. But the material can be duplicated. Senator RANDOLPH's report proves that there is no question about what we ought to do.

Mr. President, I ask unanimous consent that the entire report of Senator RANDOLPH be printed at this point in the RECORD.

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

The Committee on Public Works, to whom was referred the bill (S. 1856) to increase the amount authorized to be appropriated to carry out the provisions of the Public Works Acceleration Act, having considered the same, report favorably thereon with amendment and recommend that the bill as amended do pass.

The amendment is indicated in the bill as reported and is shown by italic.

SUMMARY OF THE BILL AND AMENDMENT

S. 1856 would amend section 3(d) of the Public Works Acceleration Act to provide authorization of \$2,400 million inclusive of the original authorization of \$900 million, the increase of \$1,500 million to be available until expended. The new authorization contains the same formula of distribution as the original, providing one-third of the funds for areas designated under subsection 5(b) of Public Law 87-658.

LEGISLATIVE HISTORY OF PUBLIC LAW 87-658

The present accelerated public works program was generated from President Kennedy's desire to have standby authority to combat a recession before it might become fully developed. Among the arsenal of economic weapons devised for such a purpose, he requested authority from the Congress to commit \$2 billion in Federal funds for public works projects whenever unemployment reached a critical level as defined

in the draft bill the President submitted to the Congress.

On February 19, 1962, President Kennedy in a letter to the Congress requested standby authority to commit \$2 billion in Federal funds to stimulate the economy whenever seasonally-adjusted unemployment rates had risen 3 out of 4 or 4 out of 6 consecutive months by a total of at least 1 percentage point during that period, and whenever the President determined that use of the standby authority was necessary to realize the goals of the Full Employment Act of 1946.

Under the proposal, the President could, after determining that the requisite conditions existed, declare a 12-month "capital improvement acceleration period" during which he could commit, without further congressional approval, \$750 million in direct Federal expenditures previously authorized, \$750 million for grants-in-aid to State and local governments, \$250 million in loans to the States and localities, and \$250 million additional among the three categories.

The proposal called for automatic termination of the President's authority at the end of 12 months unless extended by Congress or previously terminated by the President. After a waiting period of 6 months, he could declare another 12-month capital improvement acceleration period, commit another \$2 billion, and repeat the cycle without further limitation.

The \$750 million for grants-in-aid was to be used either to accelerate work on existing Federal-State grant projects, or initiate Federal grants for projects not otherwise eligible under existing statute.

Transmitted with the President's message was a draft bill—the Standby Capital Improvements Act of 1962—which was introduced in the House (H.R. 10318) on February 21, 1962, and in the Senate (S. 2695) on March 8, 1962.

On March 26, in letters to the House and Senate Public Works Committees the President stated that the economy had not recovered as well as had been expected during the first months of 1962, and requested the Congress to amend H.R. 10318 to permit immediate commitment of \$600 million for capital improvement programs in areas designated for redevelopment under the Area Redevelopment Act of 1961, and areas which had an unemployment rate of over 6 percent for a year or longer.

The Senate Public Works Committee conducted hearings on April 12-13, 1962, and on April 25, 1962, reported, with amendments, the administration bill (S. 2965, S. Rept. 1358) containing a \$2 billion standby authority and a \$600 million immediate acceleration program.

On May 28, 1962, the Senate passed an amended version of S. 2965, authorizing the President to spend \$750 million for immediate acceleration of public works projects in areas of heavy unemployment, and also authorizing appropriation after June 30, 1963, of \$750 million for a standby public works program.

The Senate measure provided that the standby authority could be triggered only when the adjusted unemployment rate had risen 1 percentage point over a 3- to 9-month period.

The House Public Works Committee conducted hearings from March 26 to April 6, 1962, on the administration bill (H.R. 10318) to authorize a \$2 billion standby program and a \$600 million immediate acceleration program, and a bill (H.R. 10113) to authorize a \$2 billion standby program and an Office of Public Works Coordination and Acceleration. On June 2, 1962, the House Public Works Committee reported, with amendments, H.R. 10113, authorizing appropriations of \$900 million for immediate acceleration of public works through both direct Federal projects and grants-in-aid to State

and local governments. It also provided for an Office of Public Works Coordination and Acceleration, but no authority for a standby program.

The House passed H.R. 10113 on August 29, 1962, by a voice vote, authorizing appropriation of \$900 million for immediate acceleration of public works and deleting the provision for a special Office of Coordination and Acceleration. The House then vacated passage of H.R. 10113, amended S. 2965 to conform to the House-passed version, and substituted S. 2965 for H.R. 10113.

On September 10, 1962, the Senate agreed to the House amendments by a 45 to 22 roll-call vote and the bill was signed into law by President Kennedy on September 14, 1962.

SUMMARY OF PUBLIC LAW 87-658 AND IMPLEMENTING REGULATIONS

The Public Works Acceleration Act includes specific provisions for designation of the areas eligible for accelerated public works projects, the requirements for State and local governments to participate, and the rules of equity to be followed by the Federal Government in approving the projects. Eligible areas, as defined in the statute, exist in each of the 50 States, in Puerto Rico, the Virgin Islands, Guam, and American Samoa.

The principal features of Public Law 87-658 are:

First, all designated redevelopment areas under sections 5(a) and 5(b) of the Area Redevelopment Act are eligible for accelerated public works assistance. (Sec. 5(a) areas are urban areas of high unemployment; sec. 5(b) areas are rural and semi-rural areas of high unemployment, underemployment and low income designated by the Secretary of Commerce, and all Indian reservations.) Also eligible are those areas designated by the Secretary of Labor as having had substantial unemployment for at least 9 of the preceding 12 months, substantial unemployment being defined as above 6 percent.

Second, Federal public works projects in eligible areas which have been authorized by the Congress can be initiated or accelerated.

Third, public works projects of State and local governments for which Federal financial assistance is authorized in other legislation can be initiated and accelerated. For such projects, grants up to 50 percent of the total cost are authorized, and up to 75 percent if the State or local government lacks the financial capacity to assume the full additional financial obligation.

Department of Commerce regulations have established firm and objective criteria for relating grants of above 50 percent to local financial capacity. Areas eligible for 58-percent grants are those with median family incomes between \$1,700 and \$1,800 per year or twice the national unemployment rate for 3 of the last 4 years.

Areas with median family annual incomes of \$1,600 to \$1,700 or twice the national unemployment rate for all of the last 4 years qualify for 66-percent grants.

Areas with median family incomes under \$1,600 per year or three times the national unemployment rate for all of the last 4 years are eligible for 75-percent grants. All of the 54 Indian reservations fall within this category.

The fourth main provision of the act declares that no State may receive more than 10 percent of the funds allocated, and no less than \$300 million of the \$900 million originally authorized must be allocated for the nonurban small labor market areas, low-income areas, and Indian reservations designated under section 5(b) of the Area Redevelopment Act. The new authorization of \$1,500 million recommended by the committee retains this formula of distribution,

18534

CONGRESSIONAL RECORD — SENATE

August 12

allocating an additional \$500 million to areas designated under section 5(b).

Fifth, adequate consideration must be given to relative needs of eligible areas, and criteria are established which the selected projects must meet. These criteria assure that projects—

(a) Can be initiated or accelerated within a reasonably short period of time, this period having been interpreted as within 120 days after the obligation of funds;

(b) Will meet an essential public need;

(c) Will have a substantial portion (51 percent) completed within 12 months after initiation;

(d) Will contribute significantly to the reduction of local unemployment;

(e) Are not inconsistent with locally approved comprehensive plans for the areas affected, where such plans exist.

It may be noted at this point that during the committee hearings testimony was submitted in criticism of the presumed failure of Federal administrative officials to fulfill two of the above five conditions. Evidence was received which would indicate that in certain instances, despite Department of Commerce requirements designed to assure the maximum employment of local labor, contractors have imported labor from outside the local labor market. Indications are that this may be due to the lack of requisite skills within the local labor market. However, the committee would urge administering officials to exert every effort to assure the employment of local labor, and to give particular priority to those qualified persons who have undergone the longest periods of unemployment.

The second criticism of administering of accelerated public works which was brought to the attention of the committee during its hearings was raised by the U.S. Chamber of Commerce in its attack upon recreation projects on the presumption that such projects fail to satisfy the condition of "essential public need." Representatives of the chamber declined to offer a systematic evaluation on any specific project on this ground, and their testimony was not supported by any of the local chamber of commerce or Government officials queried by the committee.

The Special Subcommittee for Accelerated Public Works conducted hearings on S. 1121 and S. 1856 on December 10, 11, 12 and 13, 1963, and March 11, 12, and 13, 1964. During the 7 days of hearings the special subcommittee received testimony from more than 60 witnesses, including Members of the Senate and House of Representatives, elected officials from the great metropolitan areas, as well as from smaller cities and rural and semirural communities, throughout the Nation, from labor, farm, and management organizations, and from scholars and economists.

The evidence adduced was overwhelmingly in support of the accelerated public works program as it has been administered and was in favor of an extension of the program under a new authorization.

The following tables and charts set forth the distribution of the \$880 million thus far appropriated and demonstrate the categories of projects for which the funds have been obligated.

Table I presents the allocation of funds among the departments and agencies, which material is also presented on a percentage basis (as of December 1, 1963) in chart I.

Chart II presents the distribution of funds among categories of projects (as of December 1, 1963); and table II present the allocation of funds to the individual States (as of April 1, 1964).

Chart III offers a comparative representation of total allocations, the value of projects approved, and the value of funds put in place.

It should be noted with reference to the following charts that an amount in excess of \$12,800,000 has been allocated but will not be used on specific projects. Due to the appropriation period deadline and the failure of certain communities to fulfill their commitments, some funds were allocated which were not used and which were "returned" too late to be reallocated. These funds amounted to a lapse of \$8,900,000 from the first appropriation of \$450 million and as of March 31, 1964, \$3,900,000 from the second appropriation. And it is expected that there will be additional funds lapsing from the second appropriation. It is for this reason that the committee has recommended amending the bill to provide that the funds be available until expended.

TABLE I.—Accelerated public works program—Allocation of funds

[In thousands]	
Direct Federal projects:	
Agriculture.....	\$59,690
Interior.....	50,979
Commerce.....	15,570
Defense (Engineers).....	10,450
General Services Administration.....	3,000
Post Office.....	2,950
Justice.....	1,800
Tennessee Valley Authority.....	800
Treasury (Coast Guard).....	800
Veterans' Administration.....	350
Total, direct Federal projects.....	146,389

Grant-in-aid projects:

Housing and Home Finance Agency.....	475,635
Health, Education, and Welfare.....	229,845
Interior.....	13,021
Agriculture.....	3,110
Commerce.....	2,845
Total, grant-in-aid projects.....	724,456

Administrative costs:

Housing and Home Finance Agency.....	5,600
Commerce.....	1,325
Health, Education, and Welfare.....	1,195
Interior.....	485
Agriculture.....	400
Labor.....	150
Total, administrative costs.....	9,155

Grand total:

Direct Federal projects (16.6 percent).....	146,389
Grant-in-aid projects (82.4 percent).....	724,456
Administrative costs (1.0 percent).....	9,155
Total (100 percent).....	880,000

TABLE II.—Number, estimated accelerated public works cost, and man-months of on-site employment, by States, accelerated public works projects approved through Apr. 1, 1964

State	Number of projects	Estimated cost (thousands)		Estimated on-site man-months ¹
		Accelerated public works	Total	
Alabama.....	193	\$27,135	\$59,910	33,556
Alaska.....	66	7,684	12,691	7,191
Arizona.....	83	9,417	10,559	12,295
Arkansas.....	291	17,491	35,286	22,820
California.....	264	31,939	59,066	32,820
Colorado.....	57	3,575	5,242	3,413
Connecticut.....	55	7,392	16,229	7,978
Delaware.....	18	1,131	3,083	2,047
Florida.....	108	15,313	31,848	17,088
Georgia.....	203	17,005	34,605	19,849
Hawaii.....	9	2,733	6,097	3,366
Idaho.....	106	6,404	8,293	6,466

TABLE II.—Number, estimated accelerated public works cost, and man-months of on-site employment, by States, accelerated public works projects approved through Apr. 1, 1964—Continued

State	Number of projects	Estimated cost (thousands)		Estimated on-site man-months ¹
		Accelerated public works	Total	
Illinois.....	226	\$21,675	\$40,339	23,515
Indiana.....	121	12,499	26,576	14,605
Iowa.....	3	551	855	628
Kansas.....	12	953	1,928	835
Kentucky.....	339	45,060	102,720	60,169
Louisiana.....	177	32,096	73,739	39,297
Maine.....	55	4,614	12,719	7,582
Maryland.....	39	3,531	8,355	4,834
Massachusetts.....	103	21,240	49,403	23,746
Michigan.....	714	67,538	146,254	85,613
Minnesota.....	290	14,998	25,306	22,949
Mississippi.....	168	13,873	29,317	18,760
Missouri.....	214	11,881	23,907	16,447
Montana.....	101	7,369	9,023	9,097
Nebraska.....	28	1,729	2,739	1,817
Nevada.....	13	1,020	1,140	1,070
New Hampshire.....	23	2,116	5,668	2,794
New Jersey.....	121	42,410	102,579	46,320
New Mexico.....	229	14,363	19,516	17,306
New York.....	200	36,295	77,763	40,316
North Carolina.....	228	20,749	43,098	27,155
North Dakota.....	22	1,355	1,608	1,868
Ohio.....	173	27,510	66,718	35,389
Oklahoma.....	222	18,515	33,597	21,720
Oregon.....	114	12,917	19,744	12,372
Pennsylvania.....	512	81,759	169,563	87,400
Rhode Island.....	43	12,438	38,222	18,525
South Carolina.....	162	11,108	28,125	18,678
South Dakota.....	25	2,111	2,432	2,691
Tennessee.....	161	21,451	48,080	28,730
Texas.....	184	24,437	49,958	28,774
Utah.....	108	7,218	10,847	8,698
Vermont.....	13	1,399	3,578	1,765
Virginia.....	61	5,491	10,258	7,181
Washington.....	190	15,425	26,067	16,130
West Virginia.....	301	43,020	78,053	43,051
Wisconsin.....	207	9,171	20,779	14,643
Wyoming.....	43	2,415	3,553	3,121
American Samoa.....	2	134	160	166
Guam.....	345	29,525	43,335	25,793
Puerto Rico.....	8	724	1,008	875
Virgin Islands.....	8	724	1,008	875
Total.....	7,762	851,882	1,741,598	1,011,123

¹ Estimated months of employment for the HHFA-CFA projects were computed by ARA on the basis of the latest data available from BLS studies of construction costs for various types of public works projects.

GENERAL STATEMENT

The committee has addressed the two main arguments advanced against the authorization of new funds for accelerated public works, the first of these being predicated on the assumption that the stimulus of the income tax reduction will reduce unemployment sufficiently without an additional investment in public works projects. A corollary to this argument is the presumption that the Congress—by voting for the tax reduction—pledged itself against enacting other legislation to stimulate the economy.

In this regard, the committee would draw attention to President Kennedy's plea when recommending the original program as a further Federal effort—

"* * * to provide useful work for the unemployed and underemployed, and to help these and other hard-pressed communities, through improvement of their public facilities, to become better places to live and work."

Thus, it is evident to the committee that neither in its conception nor in its design has the accelerated public works program been justified solely as a countercyclical economic measure. It has been designed and administered to provide additional employment and improved community facilities in those areas of greatest economic and social need. Despite the progress achieved to date, the conditions of excessive unemployment and community need still prevail in some

1964

CONGRESSIONAL RECORD — SENATE

18535

1,300 areas comprising one-third of the Nation.

Acknowledging the full economic stimulus of the tax reduction that its proponents claim, this will be a necessary though not a sufficient condition for fulfillment of the needs of the 1,300 designated areas of greatest distress.

Speaking with reference to the multiplicative effect of the tax cut, Senator PAUL H. DOUGLAS, chairman of the Joint Economic Committee, informed the Special Subcommittee on Accelerated Public Works that the \$10 billion tax cut could create an additional stimulus of \$35 billion and employ "something over \$2 million people." "However," stated Senator DOUGLAS, " * * * this is a general demand and the accelerated public works is a rifleshoot increase in demand in the areas where it is most needed."

Referring to production and employment trends during the past 15 years, Dr. Leon Keyserling, former Chairman of the President's Council of Economic Advisers under President Truman, pointed out to the special subcommittee that—

"The true level of unemployment or the full-time unemployment as officially recorded, has increased about 50 percent over 5 years, or 100 percent over 10 years, [and] we face the alarming prospect of another 50-percent increase over 5 years, or doubling over 10 years, under the impact of policies now in being, and under active consideration."

Other witnesses, taking an even more pessimistic view of the employment effect of the tax cut, referred to the prospect of additional technological unemployment growing from the plant modernization which will be stimulated by the tax cut.

In summary, it is the view of the committee that neither the tax cut nor other domestic programs now in being or submitted to the Congress are a substitute for filling the precise needs toward which the accelerated public works program is oriented.

The second major criticism against the accelerated public works program has been leveled against the inaccuracy of the early estimates of on-site employment. Overestimates of on-site employment were acknowledged by administrative officials as a result of their failure to anticipate the degree of prefabricated work involved in some construction projects. However, the committee was also informed of a corresponding increase of off-site employment over the early estimates, and in summation, Dr. Johannes U. Hoerber, Acting Deputy Administrator for Public Works Acceleration, declared that:

"As far as we know at this time, our estimate that the entire \$880 million program, when completed, will generate 220,000 man-years of on-site and off-site employment and should come very close to what the program will actually produce."

The committee has also taken note of the fact that these estimates do not include the permanent employment created directly by the new facilities and the indirect employment created in industries which are dependent upon some of the facilities constructed.

In the former category, for example, are the thousands of permanent hospital jobs created by the construction of new hospital and clinical facilities. As of March 1964, 256 hospital and nursing home projects had been assisted under the accelerated public works program with a total Federal expenditure of \$102 million and a total expenditure from all sources of \$253 million. According to the American Hospital Association, it requires approximately \$25,000 investment for each new hospital bed, and hospitals require an average of 2.8 employees for each bed served. Thus, the \$253 million in hospital and nursing home projects represents approximately 10,000 new hospital beds and 28,000 new permanent jobs, many of which are of a highly skilled and technical nature.

At approximately \$9,900 capital investment for each new job, this compares favorably with the general increase of \$15,000 to \$20,000 in the gross national product which is required for each new job.

For many of the individual communities, however, the most significant achievement of the accelerated public works program is in the construction of vital water and sewage

facilities on which local industries depend. These facilities may mean the difference between whether a local industry leaves the community or remains and expands; thus, in many instances noted before the committee, specific accelerated public works projects have been the critical factors in providing for a viable local economy. Table III below presents several such examples.

TABLE III

Project No.	Location	Type	Grant	Employment effect
APW-Ga-17G	Sandersville, Ga.	Water	\$61,000	2 new industries employing 74 persons result from these 2 projects.
APW-Ga-22G	do.	Sewer	84,000	400 new jobs result from new shoe plant and pepper plant.
APW-Ga-34G	Blairsville, Ga.	Water and sewer	61,200	230 new jobs in new industrial area.
APW-Ga-38G	Sylvania, Ga.	Water	30,000	75 jobs in lumber industry saved.
APW-Miss-5G	De Kalb, Miss.	do.	375,500	250 new jobs.
APW-SC-1G	Blaney, S.C.	Water and sewer	175,000	
APW-Tenn-10GL	Camden, Tenn.	Water	248,700	Water to industrial park made possible
APW-Tenn-19G	Big Creek Utility District, Tenn.	do.	640,000	200 new jobs with Genesee Shoe Co.
APW-Tenn-28G	Springfield, Tenn.	do.	173,500	400 new jobs.
APW-Ky-70GL	Quicksand Water District, Jackson, Ky.	do.	117,000	400 new jobs in 3 industries result from water to industrial park.
APW-Wash-6G	Skagit County	Dam	418,000	Water needed for University of Kentucky Wood Utilization Center to develop new uses for wood and long-term employment and for eastern Kentucky resource development project.
				Made possible retention of 3 canneries otherwise forced to leave by poor water quality.

With reference to both categories of permanent employment mentioned above, it is evident that considerable benefits accrue from the accelerated public works program which are not revealed in the statistics of on-site employment created. Due to rather stringent limitations established by the Congress for administrative costs of the program, the Area Redevelopment Administration has not been able to conduct impact studies to measure the extent of such benefits on a nationwide basis. Such studies would, however, be essential for an accurate assessment of the effect of the accelerated public works program on the national economy.

BACKLOG OF UNFILED NEEDS

As noted earlier in this report, the Public Works Acceleration Act was signed by President Kennedy on September 14, 1962. Yet, within less than 4 months the applications for assistance to State and local projects surpassed the \$900 million authorization. In January 1963, it was announced that applications received after January 24, 1963, would not be processed except for those from high distress areas which qualified for grants in excess of 50 percent, applications from areas which had received nothing under the first appropriation or were newly designated, applications which had been filed earlier but with insufficient data, and applications for projects that balanced the program better than applications filed earlier.

Despite this official discouragement, as well as unofficial discouragement from many congressional offices, communities have continued to apply for accelerated public works assistance, with a present backlog, after obligation of all appropriated funds, in excess of \$700 million. Table IV presents a State-by-State summary of pending projects which would be eligible for assistance under a new authorization.

TABLE IV.—Estimated accelerated public works cost of pending projects as of May 20, 1964

[In thousands]	
Alabama	\$12,620
Alaska	5,417
Arizona	4,011
Arkansas	9,117
California	22,987
Colorado	3,484
Connecticut	3,228
Delaware	1,138

TABLE IV.—Estimated accelerated public works cost of pending projects as of May 20, 1964—Continued

[In thousands]	
Florida	\$17,758
Georgia	7,654
Hawaii	49
Idaho	246
Illinois	19,819
Indiana	4,954
Iowa	469
Kansas	3,775
Kentucky	29,884
Louisiana	22,023
Maine	960
Maryland	2,457
Massachusetts	27,748
Michigan	33,874
Minnesota	19,401
Mississippi	4,626
Missouri	7,386
Montana	6,429
Nebraska	2,517
Nevada	0
New Hampshire	2,315
New Jersey	36,903
New Mexico	7,024
New York	40,770
North Carolina	7,212
North Dakota	666
Ohio	20,884
Oklahoma	9,556
Oregon	5,342
Pennsylvania	96,561
Rhode Island	4,380
South Carolina	3,140
South Dakota	3,193
Tennessee	19,888
Texas	22,270
Utah	6,007
Vermont	1,450
Virginia	2,787
Washington	5,044
West Virginia	18,775
Wisconsin	6,764
Wyoming	1,053
American Samoa	
Guam	
Puerto Rico	27,975
Virgin Islands	100
Total	624,090
Pending projects for which specific data are not available	93,193
Total pending	717,283

It should be emphasized, however, that the preceding table does not accurately reflect the effective demand for Federal assistance on State and local projects. In view of the fact that applications were received prior to the announcement of January 1963, at an average volume of \$200 million per month, dropped to \$35 million a month and then rose to \$113 million when the second appropriation of \$400 million was made, it is safe to infer that the present level of demand would increase markedly with the authorization of new funds.

COMMITTEE RECOMMENDATIONS

The committee noted one particular problem in the administration of the accelerated public works program which is more appropriately the subject of administrative action than legislative. The practice of importing labor from outside the local labor market has occurred, to the committee's knowledge, in the States of Kentucky, Pennsylvania, and West Virginia, and there have doubtless been other instances not brought to the committee's attention. The committee acknowledges the high quality of administrative effort and the dedication of officials in charge of the accelerated public works program; yet we urge administration officials to exert every effort, by administrative procedure and by promulgation of new regulations, if necessary, to assure the maximum employment of local labor, with particular priority being given to the long-term unemployed and those who have exhausted their unemployment compensation benefits.

COMMITTEE VIEWS

It is the opinion of the committee that extension of the accelerated public works program by authorizing an additional \$1.5 billion will benefit the national economy and provide more adequate public facilities in hundreds of communities. In order to achieve full utilization of the funds appropriated the committee also recommends that the funds be available until expended. It therefore recommends enactment of the bill as amended.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italics*, existing law in which no change is proposed is shown in *roman*):

PUBLIC WORKS ACCELERATION ACT (76 Stat. 542)

SEC. 3 * * *

(d) There is hereby authorized to be appropriated not to exceed [\$900,000,000] \$2,400,000,000 to be allocated by the President in accordance with subsection (b) of this section, except that not less than [\$300,000,000] \$800,000,000 shall be allocated for public works projects in areas designated by the Secretary of Commerce as redevelopment areas under subsection (b) of section 5 of the Area Redevelopment Act. *Appropriations made pursuant to this authorization after the date of enactment of this sentence shall remain available until expended.*

INDIVIDUAL VIEWS OF SENATOR COOPER

The Public Works Acceleration Act established a good and helpful program, which has provided employment and assisted many worthwhile local development projects in the last 2 years. It has helped depressed communities, many of them rural, build the water and sewer systems which are necessary for the health of their people, and a condition for the establishment of almost any type of industry.

Following enactment of the tax cut, however, and at a time when additional expenditures will increase the deficit, we have the responsibility to limit spending authori-

zations to what is essential. For this reason, and because I want to see the accelerated public works program continued as long as it is needed to provide employment, I offered an amendment in the Special Senate Subcommittee for Accelerated Public Works, and also in the full Committee on Public Works, to reduce from \$1.5 billion to \$900 million the additional authorization proposed by S. 1856. I will again offer my amendment when S. 1856 comes before the Senate.

The amount I propose—\$900 million—is the same as the amount originally authorized by the Public Works Acceleration Act, which proved acceptable to the Appropriations Committees and the Congress which must provide funds for this program. I do not wish to see the program lost because of requests for \$600 million more than the original authorization, or for more than can efficiently be used. I believe extension of the accelerated public works program we have had for the last 2 years is the reasonable course for the Congress to adopt at this time.

I hope the expansion of private industry will soon be able to take up the slack in unemployment—which is one of the chief purposes of the tax cut. But until it does, we must continue measures to help those who are out of work through no fault of their own.

I approve the recommendation of the committee, which I urged, that in administering the program strong efforts be made to provide maximum employment in the communities and areas for which projects are approved, and that priorities be established for those who have been longest out of work and have exhausted their unemployment compensation benefits.

With the adoption of my amendment, I can strongly support S. 1856 and extension of the accelerated public works program which is now providing jobs and useful public works in Appalachia, throughout Kentucky, and in hundreds of other areas throughout the country where unemployment is high and development projects can help build a better future.

Mr. MORSE. Mr. President, I close by saying: "What is the matter with us in the Senate? What has happened to us in the Senate that we would run the risk of this great program going down the drain?"

If we have to stay here until Christmas, we had better come back after the Democratic convention and stay here. It would be worth it if this were all that was done from the time the Democratic convention adjourned until Christmas, if it takes that amount of time to pass the bill. It will not take that amount of time, if we can somehow, in the busy hours, and under the pressures that the Senator are living under, get each Senator to take time to analyze the report and ask the same question I am asking the majority leader: "What are we waiting for?" Let us have a policy meeting, let us make this matter the pending business of the Senate at an early date, and have it passed and over in the House.

I have no doubt what the American people want. When one compares this program with the shocking waste of our boondoggling and waste around the world, he will get his answer from the people. He will find that he had better take care of our people first. And we are doing a very bad job of it.

Mr. RANDOLPH. Mr. President—

Mr. MONRONEY. Mr. President, I have the floor.

Mr. RANDOLPH. I have the floor.

Mr. MORSE. I make the plea that we get on with the business of passing the bill at the earliest possible date.

The PRESIDING OFFICER. The Senator from Oklahoma [Mr. MONRONEY] had the floor. He yielded the floor to the Senator from Alaska [Mr. GRUENING].

Mr. RANDOLPH. I am very sorry.

Mr. MANSFIELD. The Senator from Oklahoma [Mr. MONRONEY] had the floor. He yielded to the Senator from Alaska.

Mr. RANDOLPH. The Senator from Alaska took his seat.

Mr. MANSFIELD. But he yielded to him.

The PRESIDING OFFICER. He yielded to the Senator from Alaska.

Mr. MONRONEY. Mr. President, if the Senator from West Virginia wishes some time, I shall be glad to yield to him. There is ready for consideration a conference report on the legislative appropriation bill. It will only take a few minutes.

Mr. RANDOLPH. I should like to have 1 minute.

Mr. MONRONEY. Mr. President, I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I am sorry. There seemed to be some confusion. That is understandable, after the Senate has been in more or less regular session for perhaps 9 months.

I want the Record to show further that the House of Representatives has had reported from the Committee on Public Works of the House of Representatives an accelerated public works authorization bill in the amount of \$900 million. The Committee on Rules and Administration has not yet cleared that bill for House action.

On June 1 we reported an authorization for an accelerated public works program of \$1.5 billion. We were hopeful that the House could pass an appropriation of \$900 million, and that the Senate could pass an appropriation of \$1.5 billion, and that we might, after conference, appropriate \$1.2 billion for this kind of program.

I am grateful to the Senator for yielding.

Mr. MONRONEY. I am always happy to listen to my distinguished friend when he has a message to deliver.

Mr. GRUENING. Mr. President, I thank the Senator from Oklahoma [Mr. MONRONEY] for his courtesy in yielding. When the appropriate time comes and the parliamentary situation is right, I shall bring up the amendment.

Mr. MORSE. Mr. President, as the Senator from Oklahoma [Mr. MONRONEY] knows, I am always a stickler for respecting and following the rights of other Senators on the floor. I came in the Chamber when the Senator from Alaska was speaking. I was of the impression that he had the floor in his own right. If I had known that the Senator from Oklahoma had the floor, I would have asked the Senator for permission to make my comments.

Mr. MONRONEY. Mr. President, I appreciate that the Senator from Oregon is always fair. It was only to preserve

1964

CONGRESSIONAL RECORD — SENATE

18537

my rights that I brought up the point that I had the floor.

LEGISLATIVE BRANCH APPROPRIATIONS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10723) making appropriations for the legislative branch for the fiscal year ending June 30, 1965, and for other purposes.

Mr. MONRONEY. Mr. President, the bill agreed to in conference is in the amount of \$210,300,885 which is \$45,698,860 under the budget estimate.

The greater parts of this reduction is in funds requested for a new Government Printing Office Building. The estimate was in the amount of \$46,723,000 and the conference committee recommends \$2,500,000 for selection of a site which must be approved by the Joint Committee on Printing and for plans and designs.

The conference committee agreed with the Senate amendments for an additional 16 metropolitan police including 6 canine corps specialists for the Capitol Grounds during the evening hours.

The conference committee agreed with the Senate amendment providing an additional \$75,000 for seven additional employees, fertilizers, and other supplies and material to improve the appearances of the Capitol Grounds.

For the Legislative Reference Service the conference committee approved four additional experts in lieu of two additional allowed by the Senate and eight additional allowed by the House. The foreign currency program of collection and distribution of library materials in Poland and Yugoslavia included in the Senate bill was deleted in conference.

Section 105 included on the House floor was amended in the Senate to provide for site audits for the Architect of the Capitol.

The Senate version of the bill also provided for quarterly reports on all expenditures of the House and the Senate. That procedure, which the Senate has used for several years in printing a full account of its payroll expenditures quarterly and an annual report of its total expenses, was carried forward to the House. In the conference committee we agreed with the House on semiannual reports of all expenditures for the House, the Senate, and the Architect of the Capitol. So over the 6 months we shall have a complete documentation, printed and available to anyone, of the total expenditures of the House, the Senate, and the Architect of the Capitol.

In addition, the on-site audit provided for in the Senate bill in section 105 was agreed to in conference and will provide for on-site audits by the General Accounting Office of the Office of Architect of the Capitol.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of

Representatives announcing its action on certain amendments of the Senate to H.R. 10723, which was read as follows:

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 29, 30, and 37 to the bill (H.R. 10723) entitled "An Act making appropriations for the legislative branch for the fiscal year ending June 30, 1965, and for other purposes".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 34, and concur therein with an amendment, as follows:

In lieu of the matter stricken out and inserted by said amendment insert the following: "\$507,800: *Provided*, That wherever H.R. 11049, Eighty-eighth Congress, as enacted into law establishes a specific rate of compensation for any position different from the rate specifically enumerated in this Act for such position, the rate in said H.R. 11049 shall prevail".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 46, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment insert the following:

"SELECTION OF SITE AND GENERAL PLANS AND DESIGNS OF BUILDINGS

"For necessary expenses, for site selection and general plans and designs of buildings for the Government Printing Office, pursuant to the Public Buildings Act of 1959 (40 U.S.C. 602 et seq.), \$2,500,000, to be available for transfer to the General Services Administration: *Provided*, That the selection of a site must be approved by the Joint Committee on Printing."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 47, and concur therein with an amendment, as follows:

In lieu of the matter stricken out and inserted by said amendment, insert the following:

"Sec. 105. (a) Commencing with the semiannual period beginning on July 1, 1964, and ending on December 31, 1964, and for each semiannual period thereafter, the Secretary of the Senate and the Clerk of the House of Representatives shall compile, and, not later than sixty days following the close of the semiannual period, submit to the Senate and House of Representatives, respectively, and make available to the public, in lieu of the reports and information required by sections 60 to 63, inclusive, of the Revised Statutes, as amended (2 U.S.C. 102, 103, 104), and Senate Resolution 139, Eighty-sixth Congress, a report containing a detailed statement, by items, of the manner in which appropriations and other funds available for disbursement by the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, have been expended during the semiannual period covered by the report, including (1) the name of every person to whom any part of such appropriation has been paid, (2) if for anything furnished, the quantity and price thereof, (3) if for services rendered, the nature of the services, the time employed, and the name, title, and specific amount paid to each person, and (4) a complete statement of all amounts appropriated, received, or expended, any unexpended balances. Such reports shall include the information contained in statements of accountability and supporting vouchers submitted to the General Accounting Office pursuant to the provisions of section 177(a) of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 67(a)). Reports required to be submitted to the Senate and the House of Representatives under this section shall be printed as Senate and House documents, respectively.

"Section 117 of the Accounting and Auditing Act of 1950 (64 Stat. 837, 31 U.S.C. 67) is amended as follows:

"By adding after the words 'executive agency' in both places where it is used in subsection (b) the words 'or the Architect of the Capitol' and by adding after the word 'legislative' in the proviso the words '(other than the Architect of the Capitol)'."

"By adding at the end thereof the following new subsection:

"(c) The Comptroller General in auditing the financial transactions of the Architect of the Capitol shall make such audits at such times as he may deem appropriate. For the purpose of conducting such audits, the provisions of section 313 of the Budget and Accounting Act (42 Stat. 26; 31 U.S.C. 54) shall be applicable to the Architect of the Capitol. The Comptroller General shall report to the President of the Senate and to the Speaker of the House of Representatives the results of each such audit. All such reports shall be printed as Senate documents."

"(b) Commencing with the semiannual period beginning January 1, 1965, and for each semiannual period thereafter, the Architect of the Capitol shall compile and, not later than sixty days following the close of the semiannual period, submit to the Senate and the House of Representatives a report of all expenditures made from moneys appropriated to the Architect of the Capitol, based on payrolls and other vouchers transmitted during such period to the Treasury Department for disbursement, such report to include (1) the name, title, and gross salary payment to each employee; (2) a list of government contributions to retirement, health, insurance, and other similar funds; and (3) name of payee, brief description of service rendered or items furnished under contract, purchase order or other agreement. Such report shall be printed as a Senate document."

Mr. MONRONEY. Mr. President, those three amendments were necessary because of the nature of the amendments by the Senate. They include the payment of salaries of three employees of the Architect's office at the annual salary scale agreed to in the recent pay bill. They do not include any Senators or any members of their staffs. They also contain language providing that site selection for the new building of the Government Printing Office Building must be approved by the Joint Committee on Printing.

The last amendment relates to the report on expenditures. The amendment would require the Architect of the Capitol, as well as the House and the Senate, to submit semiannual reports on expenditures.

I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 34, 46, and 47?

The motion was agreed to.

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a comparative statement of the appropriations for 1964, the budget estimates for 1965, the amounts included in the Senate and House bills and the amounts finally agreed to in conference for the legislative appropriation bill.

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