The basic intent of H.R. 3505 is to help private industry, with the assistance of the state and local agencies, to create jobs in eligible distressed areas. It would accomplish this by making loans for the purpose of rehabilitating existing unused plant and facilities where this is possible or for creating new productive facilities where necessary.

This bill has been carefully and thoughtfully put together. While the basic format of the bill has been maintained over the years that it has been before Congress, some changes have been made as the hearings have revealed better ways of dealing with the problem.

It is clear, however, that the bill provides only the minimum amount of money that is required. We would prefer to see the amounts of money provided for loan purposes increased markedly.

In particular we question the adequacy of the funds the bill provides for subsistence payments to workers being retrained. We believe that Congress should authorize whatever money is required to pay the worker for the full period of his retraining; the 13-week maximum sets an arbitrary limit which may have absolutely no relationship to the retraining that is needed. The new skills which would be created by this retraining would repay the country many times over for whatever investment is made.

Those who oppose the bill generally argue that:

a) the bill is not needed, and

b) the amount of money available is too small to do any good.

As is often the case, the arguments of those who oppose a positive proposal cancel themselves out. It cannot be true at the same time that $300 million is too small, but that the $50 million proposed by the Administration is enough. It cannot be true at the same time that no action is needed, and that the Administration Bill ought to be adopted as better than H.R. 3505. Yet this is the kind of reasoning that those who oppose the bill would have us accept.

TWO BILLS: A COMPARISON

The Administration has its own redevelopment proposal. There is no need for me to discuss in detail the differences between H.R. 3505 and the Administration's bill (H.R. 4278) introduced by Congressman Kilburn (by request). The members of this Committee are fully familiar with both bills and well aware of the vast differences between them.

The essential difference is that H.R. 3505 is a carefully designed measure aimed at making at least a significant beginning at eliminating industrial blight and reviving the economies of depressed areas, while the Administration's bill is clearly a reluctant and largely idle gesture. It seems to accept a degree of federal responsibility for aid in area redevelopment, but largely rejects practical implementation of that responsibility. It holds out promises and raises hopes that it cannot fulfill. The $50 million it proposes for loans in urban areas is grossly inadequate; the conditions under which finances would be made available are severely restrictive.