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H.R. 11576 (Original)	12/20/73 Part 2	S23673-74

ACTION:

Remarks by Senator Montoya

**SENATE COMMITTEE REPORT ON  
SUPPLEMENTAL APPROPRIATIONS**

Mr. MONTROYA. Mr. President, the Senate committee report accompanying H.R. 11576, making supplemental appropriations for fiscal year ending June 30, 1974, states that funds provided the Economic Development Administration of the Department of Commerce for industrial development loans and guarantees, a supplemental appropriation now set at \$15 million, is to be used "to pay off the outstanding loan balances of a reasonably sound venture threatened by foreclosure and assist the borrower in obtaining new financing." This language is also used in the report accompanying H.R. 8916, the original appropriations bill for fiscal year ending June 30, 1974, and accompanies an appropriation level of \$5 million for loans and guarantees, as recommended by the administration.

The report accompanying H.R. 11576 fails to explain that the \$15 million in supplemental funding are to be used to provide new loans. In recommending additional funding for the Economic Development Administration, I expressed concern that given the current economic situation—particularly with regard to the adverse impact caused by recent defense realignments and the ensuing energy crisis—and given the continued need to address the problems of low income and high unemployment in the Nation's distressed areas, the funding levels suggested by the administration were insufficient.

The programs authorized by the Public Works and Economic Development Act are well suited to help meet the impending economic emergencies that may cause unemployment rates of 6 percent next year. We must utilize them. These programs call for coordinated action at various levels of government to combine limited resources and to provide needed jobs and income.

Additional appropriations were requested because initial levels would not allow for a proper transition into new regional and economical development programs now being considered by Congress and the administration. Rather, they would have led to a phaseout of existing programs with no acceptable alternatives to replace them. For example, initial appropriations for loans and guar-

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antees authorized under title II of the Public Works and Economic Development Act of 1965—\$3 million for development facility loans and \$5 million for industrial development loans and guarantees—represented a phaseout of these critical programs. Congress in extending the programs authorized under the 1965 act and in appropriating funds for these programs did not call for a phaseout. Indeed, Public Law 93-162, signed by the President on November 27 of this year, states that—

None of the funds appropriated in this Act or otherwise available for expenditure by the Department of Commerce shall be used to discontinue or phase out the economic development assistance programs (including Regional Action Planning Commissions) undertaken under the Public Works and Economic Development Act of 1965, as amended.

Clearly, funds provided in the supplemental appropriations are not to be used simply to phase out these programs. They are to be used to maintain the national effort to provide timely economic assistance to those who find themselves, by no fault of their own, in temporary need of a helping hand.