

SUPPLEMENTAL VIEWS OF SENATOR HARRISON A.
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I wish to say, in signing this report, that I am in full accord with the general principle of directing additional Federal resources, including defense spending, into areas of substantial unemployment. This report is a valuable assessment of what can and should be done to implement our national policy in this respect.

However, I am very much concerned about the adequacy of the criteria presently used to identify and designate areas of substantial and persistent unemployment.

Unless greater attention is devoted to this basic question, I fear we may end up building an imposing edifice of governmental programs and policies on the wrong foundation.

In addition to the recommendations contained in this report concerning defense spending in labor surplus areas, two other major programs—the Area Redevelopment Act and the accelerated public works program—are also tied to the same concept of labor surplus areas.

In my judgment, however, the designation of labor surplus areas suffers from two serious inadequacies.

First, the geographical boundaries of the area for which employment statistics are compiled to determine whether the area suffers substantial and persistent unemployment are based on the availability of jobs within commuting distance, which completely ignores other causes of hard-core unemployment.

Second, the eligibility of an area for additional Federal assistance is based on the percentage of unemployment rather than on the number of people unemployed. It seems to me that we ought to be talking about people and not percentages.

As a result of these inadequacies, we find many larger cities like Newark, N.J., which find themselves beyond the pale of any special governmental consideration. Yet these larger cities, set in the middle of a generally prosperous region, have undeniably acute problems of hard-core unemployment and a critical need for the infusion of outside capital to compensate for the city's shrinking tax base and swelling welfare costs.

Surely there is something the matter with our present system when the Newark labor market area—with more than 48,000 men and women unemployed, many of whom present special hard-core employment problems—receives no special consideration while areas with only a fraction of that number unemployed are given top priority attention by a number of Federal programs simply because the percentage of unemployment happens to be somewhat higher. I cannot help but feel that we are taking first things last.

I earnestly hope, therefore, that the subcommittee will schedule additional hearings in the near future to explore the adequacy of our present methods of selecting areas for special governmental attention and aids.

HARRISON A. WILLIAMS, Jr.