

AIDS TO COMMUNITIES

The Area Redevelopment Act of 1961 provided many new tools for communities to use in overcoming economic adversity, including planning assistance, and grants and loans for public facilities, commercial and industrial enterprises, and training programs. The Committee heartily endorses the proposals which the President has sent to the Congress for broadening the scope and improving the effectiveness of this program. The strengthened program will help communities to cope with economic difficulties of whatever origin; in addition, it will be of particular assistance to communities affected by shifts in defense procurement.

INDUSTRIAL FACILITIES

The timely disposal of Government-owned industrial facilities which are no longer in use and have become surplus is often essential to the economic health of a community. Delay in disposal may mean that a portion of the community's work force scatters, thus making it even more difficult to attract new firms to the area. *The Committee recommends that the GSA continue to consider community needs of the highest priority in the disposal of surplus facilities, and that it especially consider ways to improve coordination of the disposition of personal and real property in existing installations.*

The sale of the naval ordnance plant in York, Pa., as a going concern without interruption in production and without adverse impact on local employment is an example of what can be accomplished when facilities are disposed of quickly to an appropriate buyer. It is representative of constructive approaches that should be encouraged.

SPECIAL ASSISTANCE TO DEFENSE-DEPENDENT COMMUNITIES

The Committee has considered whether additional specialized Federal assistance—beyond that provided in the general area and regional development program—could be given to communities suffering severe dislocation as a result of the closing of defense installations or the termination of contracts. For example, it has been suggested that, where measures to improve the mobility of labor and industry do not suffice, communities heavily affected by defense shifts should be eligible for low-interest loans, grants, and other assistance beyond that available to other areas where unemployment is high or average incomes are low. Also, it has been suggested that defense-affected areas (whether or not they qualify as labor-surplus areas) should be given special preference in Government contracts—perhaps through procurement set-asides—or that prime contractors should be required to place a portion of their subcontracts in such areas, when feasible.

The Committee has, so far, been unable to find reasonable criteria by which to define an area whose economic problems can specifically be pinned to shifts in defense programs and to distinguish its needs from those of other areas suffering economic adversity. For example, there is no doubt that the economy of Long Island has been adversely affected by the termination or reduction of defense production in a number of plants. Yet, on the basis of unemployment rates or income