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Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

It is with great pleasure that I sign today H.R. 14883, the two year extension of the Public Works and Economic Development Act.

From the time the Administration's proposed Economic Adjustment Act was sent to the Congress last February, significant debate has occurred regarding the proper Federal role in the economic development and adjustment process. This legislation has benefited greatly from the debate and incorporates many improvements which will enable the Economic Development Administration and the Regional Action Planning Commissions to be more effective in overcoming or preventing problems of economic distress. I believe this legislation is a fine example of the beneficial results of consultation and compromise between the Congress and the Executive.

Perhaps the most noteworthy provisions of the Act are the changes that have been made in Title III and in the addition of the new Title IX. The improvements in Title III should strengthen State capacities to plan for and assist economic development, while preserving a strong development role for local areas and economic development districts. Title IX marks a new direction in our approach to economic adjustment and development. It permits States and local areas to develop comprehensive and flexible responses to actual or threatened severe unemployment problems. It will permit early action to adjust to economic dislocation problems, to minimize personal hardships and improve the chances of an effective long-range solution to the problems of the communities.

In conjunction with the other titles of the Act and coupled with the Comprehensive Employment and Training Act, which contains provisions for special distribution of funds to areas of high unemployment, this title provides another tool available to States and communities to increase employment opportunities and offset particular local unemployment problems.

Despite these desirable new features in this bill, it does not provide for the comprehensive reform in our economic development and adjustment programs which I believe is necessary. It retains too much direct Federal control over the allocation of the assistance funds. This reduces the ability of States and communities to realistically plan and manage their programs. It continues undue emphasis on public works as the solution to problems of unemployment and low income; and it continues to encourage a narrow categorical approach to the problems of distressed areas.

Although this Act represents substantial progress in the design of an effective Federal role in assisting economic development and adjustment, much remains to be done. During the next several months, and certainly before the expiration of this legislation, the Congress and the Administration must begin to consider changes to further improve the design of economic development and adjustment assistance. This extension, while valuable in itself, should be viewed as a transition period in which new approaches to relieving the burdens of unemployment and low incomes may be developed.

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