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COMMITTEE ON LABOR AND PUBLIC WELFARE

May 27, 1961

The President
The White House

Dear Mr. President:

There have been introduced in the Senate two bills by the Senators from West Virginia which we consider to be vital if there is to be real progress on numerous much needed civil works projects in labor surplus and redevelopment areas, especially in the rugged terrain sections of the Appalachian region, but in other regions as well.

The measures to which we refer are \$. 1304, to provide for a program of civil works in economically distressed areas, and \$. 1952, to provide for an additional benefit factor for flood control projects located in labor surplus areas. A bill (H.R. 7016) similar to the latter has been introduced in the House of Representatives by Representative Elizabeth Kee of West Virginia.

S. 1304, introduced March 10, 1961 by Senator Byrd of West . . Virginia for himself and Senator Randelph, provides that the Secretary of the Army, through the Chief of Engineers, "is authorized and directed (1) to accelerate authorized civil works activities ... within areas where such acceleration would further the purpose of the Area Redevelopment Act, ... and the Secretary shall give consideration to benefits from alleviation of unemployment and underemployment of labor in addition to the other benefits entering into project economic justification; (2) to supplement authorized water resource development and control projects within redevelopment areas by inclusion...of additional facilities for recreation, water supply, or other project-related purposes where the (Area Redevelopment) Administrator certifies such facilities would contribute to the economic rehabilitation of the redevelopment area; and (3) to prepare plans, acquire necessary land, and construct additional minor water . resource development projects, including facilities for recreation and water supply in redevelopment areas in which the (Area Redevelopment) Administrator certifies they will contribute to the economic rehabilitation of the area ... " The Federal share of the cost of the additional facilities

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and minor projects of the clauses cited would be in accordance with general cost-sharing policies set forth in flood control laws. Authorized appropriations for the "additional minor water resource development projects" (clause (3) above) would not exceed \$50 million in any fiscal year.

S. 1952, introduced May 23, 1961 by Senator Randolph for himself and Senator Byrd of West Virginia, provides that "in the case of any flood control project to be located in a labor surplus area, as determined by the Secretary of Labor (under eligibility criteria paralleling the eligibility provisions of the Area Redevelopment Act)... the Secretary of the Army, acting through the Chief of Engineers, shall, in addition to any data otherwise required by law, include in any report required to be submitted to Congress an additional benefit factor equal to 15 per centum of the dollar amount of benefits which otherwise result from such project..."

Because of terrain conditions and other factors in West Virginia and other states of the Appalachian region --- and in some states of other regions --- the cost-benefit ratio factor applied to the country as a whole in determining the feasibility of many civil works projects having to do with flood control is a disqualifying condition in many instances. A consequence is that some areas much in need of flood protection and soil conservation are denied the benefits which accrue to other areas in which the cost-benefit ratio is not complicated by terrain factors. This is especially true of sections of West Virginia, southwestern Virginia, and eastern Kentucky which are among the country's most economically depressed and most chronic labor surplus areas.

It is our hope, Mr. President, that the two measures --- S. 1304 and S. 1952 --- will receive favorable consideration and favorable reports from departments and bureaus of the Executive Branch to which they are referred by the Senate Committee on Public Works for review and comment.

Sincerely submitted,