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STATEMENT BY SENATOR STROM THURMOND FOR HIS WEEKLY RADIO
BROADCAST, APRIL 17, 1958.

MY FRIENDS AND FELLOW-CITIZENS:

During the past week, the principal business of the Senate has been the debate on the Community Facilities bill. In the form in which the bill came to a final vote, it is an ineffective and unwise measure. I voted against it. Let me share some of my thinking on this question with you now.

This bill is supposed to be a measure to combat the recession by enabling small communities to undertake public construction projects. However, as passed by the Senate, the bill is a complete hoax. The only thing it will accomplish is to put Uncle Sam in this type of lending business to the greatest degree in history. It will push the national debt closer to the \$300 billion mark.

The bill provides that the Federal government shall loan money at $3\frac{1}{2}$ per cent for periods up to 50 years to communities that cannot secure terms equally as good on the open market. If the bill were to be passed, it was my opinion that the interest rate should be 3 per cent, and that loans should be made only to the small communities, as provided in the present law -- communities that are unable to secure loans on reasonable terms in the open market.

This bill is an invitation to the biggest and wealthiest cities in the country, such as New York and Chicago, to share in a program that should be restricted to the small communities. Even the States would be eligible for loans.

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If the giant metropolitan cities move into the program, it seems plain to me that there will be much less money available for loans to smaller communities.

There is another provision in the bill which would discourage the small cities and towns from participating. It provides that the Secretary of Labor, ^{in Washington} not local authorities, shall set the wage scales to be used on each construction project. Experience has shown that the wage scales set by the Secretary of Labor are the wage scales used in the big metropolitan areas. When the wage scale of Atlanta, for example, is applied to a small community in South Carolina, the whole economy of the local community is upset. In addition, the application of unrealistic wage scales to a project/will substantially increase its cost. Many small communities/will find that they cannot afford to borrow money from the Federal government/under these terms. I therefore opposed this amendment vigorously.

As we all know, it takes many months to draw up plans for a municipal construction project. It takes more time to have the project approved by the lending agency in Washington. It will require a year, at least, for a community to begin construction on a project that it begins to plan for now. This is another reason why I say that the bill, viewed as an anti-recession measure, does not answer its purpose at all.

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I am glad to be a co-sponsor of a Senate resolution calling on the Senate Interstate and Foreign Commerce Committee to conduct

a full study of the problems of the textile industry.

As a member of the Commerce committee, which has unanimously approved this resolution, and as a Senator representing the leading textile State, I expect to bear a heavy share of the responsibility of this inquiry.

I am recommending that the Committee hold hearings in South Carolina, so that it may have the advantage of learning about our textile situation first hand. It will be necessary to get the views of a full cross-section of the textile industry. Further, the picture will not be complete without studying the interests of the cotton farmer.

I hope and believe that this study can be carried out in a thoroughly serious way, so that it can be of real benefit to one of the most seriously depressed segments of our economy.

I wish to thank this station for granting me this time each week, and thank you for listening.

This is Strom Thurmond in Washington.

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