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Press Release - Muskie Offers Amendment to Aid Inner Cities

Edmund S. Muskie

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MUSKIE

Maine

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FOR RELEASE

IMMEDIATELY
July 30, 1971

MUSKIE OFFERS AMENDMENT TO AID INNER CITIES

An amendment offered by Senator Edmund S. Muskie (D-Maine) that will allow central cities and ghetto areas plagued with severe unemployment to receive massive federal assistance has been adopted by the Senate Public Works Committee. The amendment was adopted as part of a new, general economic disaster assistance program which expands and changes the Disaster Relief Act of 1970 by including economic as well as natural disasters as a basis for federal assistance. The bill will be before the Senate next week.

"Just as we must give help to those areas suffering from high unemployment due to cancelled government contracts and cut-backs in spending," the Senator said, "we must give help to those areas with chronic high unemployment due to poverty and social deprivation."

The Muskie amendment changes the bill so that aid is not limited only to "major labor areas", as the bill had originally proposed. Muskie explained that the "major labor areas" designation is an inappropriate statistical unit for allocating federal aid because it frequently masks ghetto unemployment due to the prosperity of the surrounding suburbs. The Muskie amendment allows "areas, communities and neighborhoods" of high unemployment to become eligible for federal aid.

The bill itself makes areas eligible for assistance if they have had unemployment rates 50% over the national average for six of the preceding twelve months or have suffered a 100% increase in unemployment to a level over 6% during the preceding 12 months.

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Senator Muskie commented, "This urgently needed aid should not be withheld from the jobless in our cities merely because they live in a neighborhood surrounded by areas of full employment. Assistance of this kind," the Senator continued, "must be made available to concentrations of the unemployed and their communities regardless of political boundaries or relative health of nearby areas."

With the Muskie amendment, ghetto residents, along with those who live in other areas of economic decline, could receive extended unemployment compensation, housing, and food assistance, rent and mortgage payments, and medical services for up to one year.

Also, local agencies, particularly in central cities, could receive grants to replace taxes lost due to economic decline and businesses could receive loans to provide needed jobs.

"This bill will provide the desperately needed assistance that so many Americans need because of local economic conditions," the Senator said, "and I support it as amended."

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