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STATEMENT OF SENATOR HARRISON WILLIAMS
BEFORE SENATE HOUSING SUBCOMMITTEE
ON S. 345, MASS TRANSPORTATION BILL
MARCH 20, 1961

Mr. Chairman, I deeply appreciate the opportunity you have provided for hearings on S. 345, the mass transportation bill I have introduced, together with 18 of my Senate colleagues.

I feel very strongly that the subject of this legislation touches upon one of the most important nerve centers of our national social and economic life -- the movement of people and goods in and around our urban and metropolitan areas.

The hearings last May by this Committee on S. 3278 and the Senate's passage of that bill with strong, bipartisan support demonstrated, I believe, the national importance of urban traffic congestion and the Federal interest in helping overcome that congestion by preserving and improving essential mass transportation service in our cities and towns.

I hope these hearings will conclusively demonstrate the urgent need and possibility of achieving feasible legislation this year which will permit us to start the vital task of developing a rational, comprehensive and balanced transportation system for our urban areas, large and small.

LAND USE AND MASS TRANSPORTATION

I would like to say also that I think it is particularly appropriate that the hearings are being held by this Committee, which also considers most of the legislation having a major impact on the shape and development of our communities. These programs include assistance for comprehensive urban planning, urban renewal, community facilities and home mortgage insurance.

I mention this fact because one of the most important underlying concepts of the bill is the encouragement of a closer relationship and coordination of mass transportation with other programs affecting land use developments.

Last year the National Academy of Sciences sponsored a three week meeting of the country's leading transportation experts at Woods Hole in Massachusetts. Its report on the conference summarized what is becoming increasingly clear to public officials concerned with problems of urban development, that:

"the growth of metropolitan areas by irregular spreading of industries and homes from cities into the countryside -- often at a rapid rate -- makes the provision of adequate transportation for the newcomers as well as the older residents extremely difficult. On the other hand, the pattern of transportation facilities provided within the metropolitan area and its environs is itself a powerful level determining the form that urban expansion and change will take. Transportation, then not only serves but helps to shape urban development."

Thus the legislation which we consider and which the Housing and Home Agency administers in the fields of comprehensive planning, urban renewal, community facilities and home mortgage insurance set important land use trends

in motion which will play a large role in determining the problems we face a the programs we adopt in the field of mass transportation.

It seems to me that we have a magnificent opportunity for a fresh approach to our urban problems, a chance to rise above the single-function approach to solving urban problems and begin to coordinate our Federal aid programs that affect urban land use so that they complement and enhance one another, rather than conflict with each other, as they sometimes do, thereby creating as many new problems as they solve.

The Housing and Home Finance Agency, under its new and very able leadership, has a rare opportunity to begin viewing urban renewal not just as a slum clearance program, community facilities not just as a means of constructing sewers, mortgage insurance not just as an encouragement to homebuilding, and mass transportation not just as a means of moving people -- but to view all of them as tools which can be coordinated and increasingly geared into the comprehensive planning process so that our communities can begin to truly shape and develop their urban environments in such a way that the great majority of the people who live in these communities can honestly call themselves the masters of their urban destiny, rather than the victims of it. I might add, parenthetically, that the open space bill I have introduced and the similar program recommended by the President in his Housing Message can also be viewed in this perspective, as a means not only of providing necessary park and recreational areas but as a means of helping communities shape better environments.

HHFA MISSION: AVOIDING UNNECESSARY TRANSPORTATION

It seem to me, in this day and age when we need to conserve and marshal our resources and energy to meet the grave international challenges facing our country, that we can no longer afford, for example, to view our FHA programs in isolation, without considering how the encouragement of new low-density suburban housing affects our ability to provide adequate transportation, particularly mass transportation, for those areas.

One of the most perceptive comments I have seen on this general subject was again included in the report of the National Academy of Sciences when it stated that "a search for ways to avoid unnecessary transportation is as much a part of the 'transportation problem' as is the search for an efficient transport system." This is, of course, particularly important in our urban areas. And I merely wish to point out that the Housing and Home Finance is the only agency we have which is in a position, because of its control over the programs I have mentioned, to undertake the all-important search for ways to avoid unnecessary transportation. It can do this by encouraging more sensible arrangements of residential, commercial, and industrial activities.

I say frankly that we are dealing with huge sums of public and private expenditures and that if we do not soon begin to bring order out of the urban chaos, future generations will never see the end of the enormous expenditures they will have to pay to rectify the mistakes we make today.

COST OF CONGESTION

Coming back to the immediate problem of increasing traffic congestion, I think it is fair to say that many cities across the country are coming to realize that this is their most serious problem. It is a problem that strikes at the jugular of their economic capability, choking central city commerce and business, lowering retail sales and real estate tax revenue, encouraging the spread of urban blight, spawning unnecessary and costly decentralization which uproots lives in the process, adding to the cost of moving goods, increasing

accident rates and costs, and dissipating enormous human and economic reso in the stagnation of traffic jams.

Our cities are truly at a crossroad. The rapid increase in urban population and automobile ownership, coupled with a serious financial and physical decline in mass transportation service, demand a solution. It manifestly cannot be solved by highways alone, as the President noted in his Housing Message. At least it cannot be solved that way without increasing the taxes for highways far beyond their present level, for we are talking about a mode of travel which can cost as much as $100 million for one single mile of highway, which would be the case in downtown Manhattan for example. But even if we were to try with an urban highway program averaging $10 to $20 million a mile in high density urban areas, there is every possibility that the remedy would only succeed in killing the patient -- by replacing valuable tax ratable property with non-taxable concrete and asphalt, by creating huge downtown parking demands which would further remove land for commercial and cultural purposes, and by slowly carving away the very activities that created the demand for access in the first place.

I don't think there is any question that most of our larger cities and towns need a certain minimum amount of limited access highways to meet transportation needs that can be met in no other way. But improvement of inhere more efficient and less space consuming forms of mass transportation is an absolute imperative if our cities -- which are our major sources of national economic power -- are to survive the onslaught of the automobile and continue as viable structures for human existence and enterprise.

The need for prompt and full-scale action by all levels of government should be evident from the mere projection of population and automobile ownership trends in the years ahead. The urban population today is over 100 million, and 90 percent of our national population growth will occur in and around our urban areas. The number of vehicles on the road today is 70 million. By 1975, it is expected to climb to well over 100 million. In fact in many urban areas, the cars are multiplying faster than people.

The transportation experts at Woods Hole agreed the "the rush-hour traffic congestion of our cities is at the limits of tolerance." What will it be like by 1975?

DECLINE IN MASS TRANSPORTATION

At the same time, in the face of these trends, the railroads, which are caught in the squeeze of declining freight revenue and increasingly high passenger deficits, are aggressively pursuing a policy of discontinuing and abandoning unprofitable commuter service just as rapidly as possible, no matter how essential the service to the economic welfare of the urban area.

Bus companies, in order to keep their head above water, are constantly pruning their most marginal and unprofitable service, throwing more and more people into their automobiles. In fact, around 300 of our smaller cities and town: have lost their bus service completely -- despite the fact that in all our urban communities, large and small, half the population is not able to drive: the young, the old, the infirm and those too poor to own an automobile. This factor alone should be sufficient reason for preserving and improving our mass transportation service.

The overall trend since 1950 has been a decline of ridership on all forms

of mass transportation of 38 percent, according to the American Transit Association and the Association of American Railroads.

It is important, however, to make a distinction in speaking of this downward trend for some may conclude that this is a dying and unnecessary industry, not worth preserving. Most of this decline has occurred during off-peak hours and on weekends. Ridership for the home-to-work journey has declined very little, and in fact is now showing an upturn in many areas. The point is that, while mass transportation may only be serving "a 20-hour a week need," this service is absolutely essential. It is inefficient, to be sure, in that it will not be used to anywhere near capacity during off-peak hours and on weekends. But so are our highways underused in the cities at night and in many areas of the country between cities all day long. No one questions, however, that we need these roads. There should be no question that we need adequate, modern mass transportation, even if it is only used to capacity 20 hours a week.

NO ALTERNATIVE TO TRANSIT

The reason is simply that the cost of any alternative to this service would be staggering. For example, the American Municipal Association has estimated that if the five cities of New York, Chicago, Boston, Philadelphia, and Cleveland were to lose just their rail commuter service it would cost $31 billion with 30-year, 4 percent financing to build the highways necessary to serve a comparable number of people. In New York it has been estimated that if half the people who come to work in the city by mass transportation were to switch to private car, 10 square miles of more parking space would be required, and the street, bridge and tunnel capacity would have to be doubled -- a physical and financial impossibility.

Here in Washington, an extensive transportation survey found that by 1980, under an "auto-dominant" system, "twelve to eighteen lanes would be required to carry traffic...from the Capitol to Wheaton. The Inner Loop... would require 14 lanes. Several other corridors would require more than eight lanes... Not only would the cost be great but excessive damage would be done to residential communities and to the character of the central area of the Nation's Capital. These findings led to the conclusions that, in the absence of substantially improved public transit, the highway system needed to serve the projected traffic volumes is hardly feasible from the engineering standpoint, and is certainly out of the question from the viewpoint of desirable regional development."

Last year a representative of the Georgia Department of Commerce testified that in Atlanta, the "northern portion of the expressway currently has 6 lanes, but has traffic sufficient to warrant 16 lanes. By 1970 this need will have jumped to at least 36 lanes. By no stretch of the imagination is it physically or financially possible to build such a facility."

The same kinds of conclusions are being drawn in city after city where comprehensive transportation studies have been undertaken. The need for mass transportation is imperative.

What is happening, however, is that the ability of private carriers to provide that service is being constantly eroded.

In the case of the railroads, their commuter service has always been a heavy deficit which has been subsidized and carried by the railroad's freight rates. The total passenger deficit rose from $140 million in 1946 to $723 mil-

lion in 1957. But at the same time, particularly in recent years, freight traffic and revenue began to decline. These trends have forced the railroads not only to abandon and curtail their deficit-ridden passenger and commuter service, but also to increase fares, defer maintenance, and forego modernization and improvement of equipment and facilities. These actions, however, have only served to hasten the departure of the remaining passengers.

The same general trends have been afflicting our bus companies, which have to contend with the additional problem of operating on the same congested streets with the automobile, which greatly reduces the advantage of their service for many people.

If we agree that mass transportation is essential, then there is no alternative to public expenditures in some form to fill the gap of rising costs and declining revenues facing our private carriers, which is forcing them necessarily and inevitably to prune, curtail and abandon service wherever possible.

As I have said, the alternatives are prohibitive just in terms of the additional demands that will be thrown upon our roads and highways, the increased road maintenance, and need for more traffic control and parking facilities. But perhaps just as important is the fact that these curtailments are establishing new travel habits and patterns that will be difficult and expensive to overcome.

Each year of delay adds new social and economic costs to the city, and they accumulate to a degree that make the amounts of money proposed in S. 345 seem like a trifling sum.

We have procrastinated and looked the other way too long. We must make a start now.

NOT BY RAILROADS ALONE

But we will be making a big mistake if, in making this start, we delude ourselves into thinking that our most serious problem is necessarily the rail commuter problem.

There has been a tendency, even in some major studies that have been made on the subject, to conclude that because the railroads are suffering the most serious passenger deficits and because those deficits impair the ability of the railroads to satisfactorily perform their vital role in the movement of freight in interstate commerce, the Federal government should tailor its assistance to this particular emergency.

I think we could make no more serious mistake than to follow that advice.

I say that with strong conviction because we must recognize that rail commuter service is only one of many facets in the urban transportation complex. It is essential that rail commuter service be modernized and improved, but the success or failure of that improvement will depend largely upon the degree to which we come to grips with the whole range of factors affecting public acceptance of mass transportation, from fringe area parking to downtown transfer service. If we merely build up one component of the system and neglect the others, we are letting ourselves in for bitter and costly disappointment.

COMPONENT PARTS OF MASS TRANSPORTATION PROGRAM

The following is a list of at least most of the major elements which must be considered in undertaking any mass transportation program, in addition to the comprehensive planning and search for ways to avoid unnecessary transportation that must accompany the program:

1. modernization of rail commuter cars and equipment.
2. relocation or extension or coordination of rail commuter track, stations or terminals.
3. improvement of rail commuter service frequency and lowering of fares.
4. conversion of rail commuter service to rapid-transit type operation and utilization of unused freight trackage.
5. construction of new or expansion of existing rail rapid transit, either underground, surface or elevated.
6. coordination of rail commuter service with rapid transit for interchangeable use.
7. provision of express bus service and reserved bus lanes on highways and major arteries.
8. extension of bus service to presently unprofitable low-density suburban areas.
9. improvement of bus service frequency and lower fares.
10. provision of better bus feeder and transfer service to commuter rail or rapid transit terminals and stations, including coordination of schedules.
11. provision of fringe area parking adjacent to express bus, commuter rail or rapid transit lines.
12. coordination among mass transportation facilities and coordination of mass transportation facilities with new highway networks.
13. lower taxi fares and development in downtown areas of "carveyors" or similar systems.
14. incorporation of feasible new technological developments into all modes of mass transportation wherever and whenever possible.
15. coordination of mass transportation facilities with housing, urban renewal, and other land use developments.

Some of these factors, Mr. Chairman, are obviously not applicable in every urban area, but this indicates fairly well the range that may have to be considered.

NEED AND SUPPORT FOR THE BILL

I think S. 345 is sufficiently broad in scope to permit our State and local governments to approach the problem from the viewpoint I have outlined. I believe the other witnesses will describe in detail what the State and local governments have done and are doing.

They will, I am sure, document the need for Federal leadership and help, which is further attested to by the broad bipartisan sponsorship of this legislation, and by the broad organizational support -- including the American Municipal Association, the U.S. Conference of Mayors, the American Bankers Association, the Association of Homebuilders, the National Housing Conference, the American Institute of Planners, numerous Chambers of Commerce, representatives of the railroad industry, railroad labor organizations, and the American Transit Association representing the country's bus, trolley and transit companies.

I might also say that while I have not seen many editorials from other parts of the country, I have been most heartened by the support for this bill expressed by the newspapers of New Jersey, which I need not point out repre-

sent a wide diversity of opinion on the political spectrum.

For example the Paterson (N.J.) News writes that "we are always suspicious of these governmental money-spending operations because they inevitably result in waste, if not corruptive spending...The Williams thinking, and we like it, is to tie transportation into urban-suburban planning which is a No. 1 problem facing all growing areas, New Jersey especially... If its enactment and execution could be achieved without it developing into a pork barrel...it could be a boon to the country."

I plan to go into this and other questions about the bill in a few moments, but I would like to request that this editorial as well as a number of others, including a particularly thoughtful one from the Christian Science Monitor be included in the record of these hearings.

I would also like to request the inclusion of several other endorsements and resolutions from the Atlanta Chamber of Commerce, the American Planning and Civic Association's Committee on the Federal City, the Atlantic City, New Jersey Commuter's Club, and the Town of Hammonton, New Jersey.

DO WE KNOW ENOUGH TO START

Despite the effort that has been made, the demonstrated need, the vital Federal concern in this problem, and the impressive support I have mentioned, one may question whether we know enough to make a start at this time, whether enough studies have been made, and whether the legislation would be of any tangible help.

There are a number of parts to the question of whether we know enough to start.

In the first place, the first three parts of S. 345 -- authorizing broad-scale research, and matching grants for comprehensive mass transportation planning and for experimental demonstration projects -- are an explicit recognition of the fact that we don't know nearly as much about the subject as we should. For example, it would be a rash person indeed who could say how we should go about solving the long-range transportation problems of the "city" of four and a half million living in the nine counties of Northern New Jersey, 91 percent of whose working force commutes entirely within that nine county region. But that is not to say that we cannot take some feasible steps for dealing with the 9 percent of Manhattan-bound commuters who, while small in relative numbers, are extremely important in terms of the crippling effect they could have on the economy of the New York-New Jersey region if they were forced onto the road in an automobile.

The State of New Jersey has formulated a plan and has adopted a program of $6 million a year to preserve and improve essential rail service into New York, which will also yield some significant help to the intra-Jersey commuters by improving service into Newark through the connection of the New Jersey Central into the Hudson and Manhattan lines.

Getting back to the bill--while we have had reams of studies by various Federal agencies, especially the ICC, Congressional studies, hearings by this Committee, and even more extensive studies and hearings by the Joint Committee on Washington Metropolitan Problems, studies by numerous individual cities, studies by such organizations as the American Municipal Association, the

American Enterprise Association, the New York Port Authority, the Regional Plan Association, studies by the Brookings Institution, publications and speeches by prominent urban transportation and planning experts, and even more studies by dozens of transportation consulting firms (all of which are pointing in the same general direction) -- we have gathered relatively little information on the all-important basis of actual experience.

NEED FOR RESEARCH, PLANNING AND DEMONSTRATION

The bill calls for broad-scale Federal research into such questions as the economics of mass transportation operation, the costs of traffic congestion, travel habits and desires, organizational and administrative problems, and technological developments. This research would be backed up with technical assistance to get useful information to those formulating policy in the mass transportation field at the State and local level.

The bill also provides an authorization of $25 million, to be matched on a 50-50 basis to permit State and local governments to undertake vitally necessary comprehensive regional mass transportation planning in conjunction with comprehensive land use and economic development plans for the area. These plans would include preparation of a detailed physical plan including design and location criteria of new mass transportation facilities.

Parenthetically, I might add that as I indicated in my statement at the time of introduction of S. 345 on January 11th of this year, the recent plan for making joint use of HHFA's 701 urban planning fund and the Bureau of Public Road's one and one-half percent fund is an encouraging first step toward the kind of comprehensive and integrated regional planning that is needed in our urban areas. If it proves a feasible arrangement, I would hope that the mass transportation planning funds could be worked into this joint use, so that mass transportation planning (which is prohibited under the 1 and1/2 percent program by "anti-diversion" provisions in the Constitutions of many States) would be worked in and coordinated with urban highway and land use planning.

The bill also authorizes $50 million on a 50-50 matching basis for a limited number of pilot demonstration projects which the Administrator determines would make a significantly important contribution to the development of information of general application in the field of mass transportation. Thus we have a program which could be used to test the whole range of factors affecting public acceptance and economic feasibility of mass transportation -- from fare levels, to feeder and transfer service, to the availability of fringe area parking facilities.

These three parts of the bill are obviously essential, I think, to the formulation of a sound, long-range program and for the gathering of information based on actual experience which can be used to test the validity of our theoretical planning and study.

ARE WE READY FOR AN OPERATIONAL PROGRAM ?

There may be some feeling, however, that while we need this research, planning and demonstration, we still don't know enough to begin an actual operational program at this time, particularly since we don't have the organizations at the local level, except in a few instances, which are capable of effectively developing a mass transportation system on a regional basis.

This, however, overlooks the fact that we have a need for immediate short-range assistance to help preserve existing service and keep it from further deterioration and collapse.

It seems to me that we can hardly go wrong with any improvements made on existing service as a result of the assistance proposed in this bill, whether in the financing of new air-conditioned busses or commuter cars, improvement of deteriorating stations and terminals, provision of fringe area parking, or modernization of traffic control systems, and the like.

The only argument that could be made against these kinds of improvements would be technological obsolescence. Someone may acquire conventional commuter cars of today's design when perhaps five years from now the service should be using light-weight smaller cars capable of higher speeds, and so forth.

I would say that we should certainly make every effort to incorporate the most advanced technological developments into any improvement program, but if we were to postpone action until the technological development currently on the horizon became a reality, we would never make progress.

If our manufacturers adopted this philosophy, who would ever buy any machine tools; how would our military forces ever get a missile off the ground and into operation; what business firm would ever buy a computer at today's rate of technological progress?

If there is no justification for delaying prudent improvement of our existing service, there is more risk to investments in new service -- the acquisition of land for rights of way, the rerouting or expansion of rail commuter service, the construction of new rapid transit lines or subways and so forth. These actions have an important bearing on land use developments and must be based on sound area-wide comprehensive planning. There should also ideally be an area-wide organization capable of financing and operating the new service on an equitable basis. However, the lack of proper organizational arrangements, necessary as they ultimately are, should not preclude action on a single jurisdiction basis if sufficient planning has been completed.

I understand there are at least a dozen major urban areas which have completed or are well underway with the kind of transportation and land use planning which could be used as a basis for the provision of new service on a long-range basis, out of funds that will also be used for preservation and improvement of existing service.

The bill has a provision giving priority to those areas which "(1) are making substantial progress toward the development of a workable program as described in this section; or (2) are threatened with a serious deterioration or loss of essential mass transportation service."

The workable program would include the preparation of comprehensive plans for the community and urban area as a whole, preparation of detailed comprehensive mass transportation plans as an integral part of the general land use plans, development of the necessary financial, administrative, and organizational arrangements needed to equitably provide mass transportation improvements and service for the area as a whole, and enlistment of appropriate private and public participation and support.

And after three years of the operational program, no assistance would be extended unless substantial progress has been made toward the development of a workable program in the area involved.

I think this language strikes a reasonable balance between the need to take emergency short-range action and the need to develop a sound long-range program based on adequate planning and organization. The language perhaps could be improved to lessen further the chance of misdirecting the expenditure of public funds.

But at the same time, I think we ought to keep in mind that no other Federal program affecting our urban areas comes to grips with the problem of planning and organization on a regional basis any better than this bill does. In fact the Federal highway program, which will be pouring some $20 billion into urban highways by the time it is completed, contains not a single word in the statute relating to the coordination of highways with other urban land use developments.

WHY LOW COST FEDERAL LOANS?

The operational program proposed by the bill is, of course, the low-interest, long-term loans of $100 million in the first year, with an additional $150 million in subsequent years, for the provision of facilities and equipment such as terminals, stations, adjacent parking facilities, new commuter cars and buses.

There are a number of important reasons for a direct loan program. In the first place we already have a guarantee loan program of $500 million for the railroads under the Transportation Act of 1958. This program has been of almost no significance in improving even the commuter rail aspects of mass transportation service. The fund merely guarantees commercial loans at commercial rates, and no railroad (except one so near the brink of financial collapse as the New Haven that it must utilize the guarantee to forestall the final day of reckoning) is going to borrow for unprofitable service. And even if the railroads were so altruistically inclined, the chances are that borrowing at commercial rates would increase their losses because the principal and interest on the loan often exceeds the savings that might be achieved through decreased maintenance or increased passenger revenue. Also as the recent report on "National Transportation Policy" prepared for the Senate Interstate and Foreign Commerce Committee notes:

"The need (for low-cost direct loans) arises from the complexities and difficulties of securing credit through Federal loan guarantees. This requires the borrower to negotiate with conventional lenders, who are automatically prejudiced against any loan which can be approved only with the Federal guarantee, and then make application to the Federal agency and negotiate an agreement on the terms and objectives of the arranged loan. If the Federal agency declines the original application, additional time and work is required for replanning the purchase or financial revisions. If the interest, amortization, or restrictive and controlling clauses in the loan agreement are the subject of objection by the Federal Administrator the loan will have to be renegotiated with the lender. All of this is expensive and time consuming. Where the Federal agency is lending Federal funds much time and expense may be saved."

Secondly, in considering the need for a direct loan program, we have to distinguish between the borrowing ability of local governments and public agencies which may be established for special purposes in an urban area.

We all know by now that the governments of our central cities, which

must provide the leadership in mass transportation as well as many other regional problems, are caught in the squeeze of rapidly accelerating welfare demands and a declining tax revenue base. Many are near or at their constitutional debt limits and must, if they are to borrow at all, obtain the funds at the very lowest possible rate. But even more of a problem is the need of the cities to have a source other than the private market from which they can borrow. For one thing, large-scale investors are always reluctant to overload their portfolio in any one area. For another, the more a city has to borrow from the private market the higher the interest it has to pay on its entire debt. In other words, the situation in the bond market is such that substantial borrowing can have ramifications on the interest rate being paid by the city that extend far beyond the particular interest paid on any one single bond issue.

Thus the more a city can borrow from the Federal government, the easier it will be to borrow the remaining sum required and the lower the interest will probably be -- in addition to the direct help of a low-cost Federal loan in keeping them beneath their debt limits.

As for public agencies or authorities, very few of them, particularly metropolitan transit agencies, enjoy the borrowing capacity and credit rating of the Port of New York Authority. Many have little past experience, and investors are naturally reluctant to lend to them for mass transportation improvements except at high enough rates to cover the additional risks involved. Here again a program which would permit these agencies to obtain low-cost loans from the Federal government would give them a better credit rating and encourage the flow of private investment.

Furthermore, it will often be the case that a particular improvement in mass transportation facilities or equipment will be nearly but not quite self-financing because of operational savings, increased passenger revenue, decreased maintenance, or other factors. The interest rate on the Federal loan could make the difference between a project that is self-supporting and one that is not. And that difference could mean the difference between whether the project is undertaken or not. It would seem a pity if a multi-million dollar project, which would benefit the economy in a number of direct and indirect ways, were to be discarded because of a difference in a few points in the interest rate on the Federal loan. I don't think I need emphasize the possible benefits to employment and the general economy at this time, except to point out that many, many business, commercial and industrial enterprises in our central cities will be basing their investment policies in light of the city's ability to overcome traffic congestion and provide good, modern mass transportation. The cumulative effects on the economy of a mass transporation program could be very significant.

WHAT WILL THE BILL ACCOMPLISH

I have mentioned why I believe it is important and feasible to act now with an operational program to preserve and improve mass transportation service, and why a program of direct low-cost loans is imperative. I would like to conclude with what I think the bill will actually accomplish.

It certainly will not solve our urban transportation problems, nor make our traffic congestion disappear. We have a large task ahead of us, a task that will require action on many fronts by all levels of government -- from the granting of tax relief to the achievement of effective regional cooperation and planning. This bill constitutes only a small, but I believe vitally important, step in the right direction. It may be that this legislation will create the breakthrough that will lead to major efforts at self-recovery by the local public

and private institutions, enabling them to go the rest of the way alone. It may well be that the experience acquired under this legislation will find the problem more intractable and the need for Federal leadership and assistance much greater. If that is the case, and it can be solved no other way, I think the government should stand ready to provide whatever assistance is necessary that can justify itself in terms of reducing transportation and other costs that would otherwise be incurred.

I think this bill will, first, help considerably to reverse the trend toward discontinuing, curtailing and abandoning vital rail, transit and bus service, which has so many adverse economic implications.

Second, by extending the assistance to governments and public bodies rather than to private carriers, it will encourage the involvement and participation of State and local governments to come to grips with the problem -- financially and otherwise. Perhaps our greatest need is getting people studying and working on the problems of urban transportation at the local level, which would not happen if the Federal government deals directly with the private carriers. Nor has the Federal government any business determining local needs and priorities in mass transportation, even if it had the ability, which it does not.

Third, the bill will provide significant help in unlocking the vast areas of ignorance now shrouding the whole problem, through research, planning and demonstrations.

Fourth, the bill should stimulate greater private investment in this field, for reasons I have described, and help achieve "multiplier" benefits in terms of creating jobs, increasing real estate values, and encouraging greater investments in residential, commercial and industrial activities in our central cities.

Fifth, if administered properly, it will promote the kind of regional planning and cooperation so essential to the solution not only of our mass transportation problem, but a host of others as well.

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