

U.S. Congressman
Nick Rahall
WORKING FOR WEST VIRGINIANS

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RAHALL FURTHER PUSHES ECONOMIC DEVELOPMENT COALITION

WASHINGTON, D.C.-- "I believe that we have sat and waited for a new Administration which would be favorable to programs such as EDA and ARC for far too long. By suggesting that we eliminate EDA to pay for the "War on Drugs", I think it is clear that we can count on further lack of support from the White House for at least the next three years. If we are going to save these programs and make them work, we must actively challenge the Administration and many of our Senate colleagues to authorize and fund these programs at appropriate levels."

With these words, Representative Nick Rahall (D-WV) continued his mission of building a congressional economic development coalition which will look out for the "little guy" programs that have been swept aside in recent years.

Speaking before the Economic Development Subcommittee, on which he is the ranking majority member, Rahall expressed his sense of fear that the Administration is seeking to slowly phase out, "the Economic Development Administration and the Appalachian Regional Commission through a gradual decrease in funding support," said Rahall. "This policy constitutes short-sightedness on the part of the Executive Branch."

"At a time when we should be promoting economic growth to increase our tax base, increasing employment, increasing our share in the world market, and ultimately working to decrease the dual deficits, it seems to me that programs like EDA and ARC are the kinds we should be supporting," said Rahall.

Since 1983, the United States has registered one record-breaking trade deficit after another. Between 1980 and 1988, the U.S. merchandise trade deficit rose from \$19.3 billion to \$118.5 billion. Between 1973 and 1986, real earnings declined 17 percent. Were it not for the large increases in the number of families with two wage earners, the U.S. Standard of living would have been reduced substantially. These disturbing trends have caused great concern that the United States is unable to effectively compete with the nationally coordinated efforts of its major competitors, primarily Japan.

"The Administration has been developing rural economic and transportation policies through the Economic Policy Council Working Group on Rural Development and through "cluster groups" organized by the Secretary of Transportation," said Rahall. "Both of these groups are nearing completion of their work and the President will use their findings to formulate his formal policy. I think that this Subcommittee, and possibly other House and Senate supporters, should write a joint letter to the President expressing our belief that the EDA and ARC should be a prominent part of that policy."

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STATEMENT IN SUPPORT OF
H.R. 2015, EDA/ARC REAUTHORIZATION
IN MARK-UP

October 25, 1989


Since 1983, the United States has registered one record-breaking trade deficit after another. Between 1980 and 1988 the U.S. merchandise trade deficit rose from \$19.3 billion to \$118.5 billion. Between 1973 and 1986, real earnings declined 17 percent. Were it not for the large increase in the number of families with two wage earners, the U.S. standard of living would have declined substantially. These disturbing trends have caused great concern that the United States is unable to effectively compete with the nationally coordinated efforts of its major competitors, primarily Japan and West Germany.

These trends have generated the belief among many, that in order for the United States to meet the well coordinated efforts of its competitors, the federal government should work closely with state and local governments, as well as the private sector, to promote new commercial products. It has fostered the belief that such activity, which has traditionally been considered the role of the private sector, is the appropriate role of government, in order to ensure the well-being of its populace. "Competitiveness" continues to be the "buzz word" in Washington.

There has been concern, however, that the federal government has not dedicated sufficient financial and human resources to support fledgling businesses, the research and development of new commercial products, and the construction and maintenance of our infrastructure. There is also concern that unlike our competitors, the federal government is not providing coordination of such efforts with state governments and private industry.

I believe that the attempt to eliminate the Economic Development Administration and the Appalachian Regional Commission through a gradual decrease of funding support, not only indicates that these concerns are valid, but constitutes short-sighted economic policy. It is precisely through the establishment and support of such programs that the United States can reduce the trade deficit, enhance our competitiveness, and ultimately improve the standard of living for all Americans.

The Reagan Administration, the Bush Administration, and some of us in Congress, falsely believe that cutting relatively small programs, which do not have large constituencies, is the way to balance the budget. I think it is clear that with a budget deficit of \$129.5 billion the elimination of programs like EDA, funded at \$206 million last year, will not balance the budget. In fact, such policies will have the opposite effect. At a time when we should be promoting economic growth to increase our tax base, increase employment, increase our share of the world market, and ultimately working to decrease the dual deficits, we are cutting the very programs which we have created for these purposes.



I believe that we have sat and waited for a new Administration which would be favorable to these programs far too long. By suggesting that we eliminate EDA to pay for the "War on Drugs," I think it is clear that we can count on further lack of support from the White House for at least the next three years. If we are going to save these programs and make them work, we must actively challenge the Administration and many of our Senate colleagues to authorize and fund these programs at appropriate levels.

As you know, the Administration has been developing rural economic and transportation policies through the Economic Policy Council Working Group on Rural Development and through "cluster groups" organized by the Secretary of Transportation. Both of these groups are nearing completion of their work and the President will use their findings to formulate his formal policy. I think that this Subcommittee, and possibly other House and Senate supporters, should write a joint letter to the President expressing our belief that the EDA and ARC should be a prominent parts of that policy. We should also work to educate our colleagues on the importance of regional development to the country, even if that development does not occur in their district or state. I believe if they really knew the plight of economically distressed areas, they would join us in this effort.

- good quotes