

June 17, 1954

Hon. Herbert H. Lehman
United States Senate
Washington, D. C.

Dear Herbert:

As you know, the Senate Finance Committee has voted to delete Section 274 of the House Revenue Revision Bill of 1954 (H.R. 8300). This action by the Committee is sound and statesmanlike. This section would have prevented the use of state and municipal bonds to attract plants and encourage redevelopment and relocation of industrial and commercial areas.

While a policy of attracting established plants from other localities may be questionable, it would be completely wrong, from the point of view of Congress, as well as that of the states and municipalities, for the Federal Government to set itself up in judgment as to the wisdom or policy of the state legislatures authorizing such local activities. Such financing is admittedly lawful in the states, where it is authorized both as a matter of state and federal law, and the local responsibility for public service in this respect should not be interfered with. Congress has enough to do in passing on purely federal policies without assuming the impossible burden of supervising local policies in the 48 states. This would be interference with states' rights and improper assumption by Congress of matters which should remain local if the states are to survive as sound and healthy units of government.

I hope you will help when this Bill comes to the floor of the Senate, and I urge you to vote for the Committee decision deleting Section 274.

cc: Mr. Hodgkiss
Mr. Lebwohl
Mr. Witt
Mr. Moses File
Mr. Tobin
File

Sincerely,

/s/ ROBERT MOSES

Chairman