

STATEMENT OF PAUL E. TSONGAS

ON HUD RESIDENTIAL REHABILITATION DEMONSTRATION PROGRAM

I am pleased to report that agreements to participate in the HUD Residential Rehabilitation Demonstration Program have been successfully concluded today for Lawrence and Newburyport. I also understand that there is a strong possibility that agreement will be reached in Brockton later today. The successful conclusion of these agreements permits the rehabilitation of 100 units of housing in Lawrence, 100 units in Newburyport, and would include 140 units in Brockton under the program. The total cost of the construction of these units will approach twelve million dollars.

Besides providing 340 units of much-needed subsidized housing, the conclusion of these agreements will provide a considerable amount of work for our hard-pressed local construction trades which are currently suffering unemployment rates in the 80-100% range.

As you are aware, the construction trades involved have agreed to a fifteen percent reduction in wages to make the rehabilitation economically feasible. I would like to take this opportunity to commend the business agents and memberships of the construction unions involved for the foresight and social awareness which has led to their participation in the program.

I would particularly like to commend and thank Mr. James Damery, General Agent of Boston Metropolitan District 35 of the International Brotherhood of Painters and Allied Trades for his agreement to participate in the program. In some two months of negotiations I have found Mr. Damery to be a tough but fair and reasonable negotiator in the best tradition of the American labor movement.

While the fate of the Boston agreement involving 1150 units (some \$40 million in construction costs) remains in doubt, HUD has granted a deadline extension. Negotiations are continuing among the local trade unions, contractors, Speaker of the House Thomas P. O'Neill, Jr., Lieutenant Governor Thomas P. O'Neill, III, and Mayor Kevin White, without whose assistance agreements would likely not have been reached in the other cities. We are hopeful that with their assistance an agreement will eventually be reached in Boston.