

Problems!

001316

Annual Conference of Mayors
Los Angeles, Cal.
July 13, 1959
Luncheon

✓ Mayor Petersen (Mpls)
✓ Mayor Dillon (St. P)
✓ Mayor Mark Debut
✓ Mayor ~~#~~ Smetka
of Rochester
Mayor Kelston of
Richfield

Address by Senator Hubert H. Humphrey

I am particularly honored and pleased to be asked to speak before this meeting. As a former mayor myself, and a past laborer in your vineyard, I hope you will consider me a life-long member of
your union.
exclusive

~~As a matter of fact~~ the job of being mayor was an exciting one in Minneapolis, even 12 years ago, as it was -- and still is -- in every big city. Even then we were struggling with urban blight, with the backlog of unmet needs of education, housing and health piled up by the war and a growing population;

Mpls
1 1/2 yrs
ago
this month!
Problems
then too!

with law enforcement and delinquency; with smoothing
 the sharp edges of human relations conflicts; with
 the reform of local government and the struggle to
finance it.

↳ The problem which confronts you today is more
 than ^{just} good municipal government. It is the very well-

being of urban America, which is the majority of
America.

↳ About two-thirds of our people now live in
metropolitan areas. In a few years, the two-thirds
 will grow to three-fourths.

↳ We know what the problems of urban America are,
~~where the troubles lie~~ We have the resources, the
 technical skills, the management ability to deal with
 these problems. ~~We have a wealth of plans -- in fact,~~

2/3 Live
 in
 Urban
 Areas

We spend billions to explore outer space, but we balk at spending millions on inner living space

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~~Planning has flowered at the municipal level more than anywhere in our federal system.~~

And yet as a nation, in our public policies and public acts, we seem to be engaged in a campaign of calculated disregard and discrimination against this vast majority of our population ~~and the~~ Municipal Institutions that serve them!

~~We spend billions to explore outer space, but we balk at spending millions on living space.~~

Why is this so?

The breakdown is political -- the failure ~~of the~~ ~~processes of democratic government~~ to recognize the growing urbanization of America, and to accord the great urban majority in the United States its proper representation in our state legislatures, and in the Congress.

Now) If the trouble is political, the answer, too, must be political. It lies in arousing all the people of America -- not just the city folk -- to the needs of urban America. Only when this is done will it be possible for cities to receive the recognition from state and Federal governments to which they are entitled.

{ The problems are local and the solutions must be worked out and carried out locally. But the interest in seeing that the problems are solved is a national interest, and requires a commitment of national resources.

{ No one has understood this as well as the mayors of our great cities.

{ You have taken the initiative in the search for more workable relationships, ~~among local governments and~~ between the cities, the states, and national government.

x

You have fought at the polls, in the State House
 and in the courts for the rights of the urban majority
 in America and for those powers of self-government without
 which home rule is a frustrating mockery.

(V)

You have been largely responsible for what progress
 we have been able to make in ~~the past few years~~ con-
 structive programs of Federal-city cooperation -- urban
renewal, housing, education, water conservation, highways,
and airport construction.

I favor such cooperation, broader in scope and on
 a larger scale than we have yet attempted.

yes, h

Cities denied the powers of self-government by
legislatures or by obsolete charters make a mockery of
home rule. But the Nation's capital denied the right to

D. C.
Home Rule.

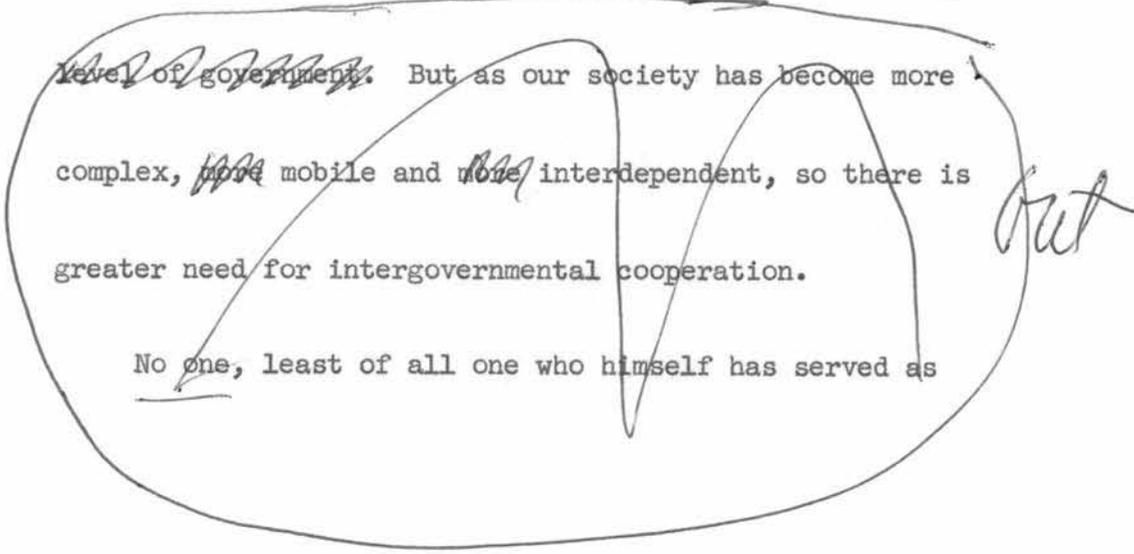
vote makes a mockery of democracy. Home rule, self-
government and local responsibility is sound policy not
 only for the 50 States of the Union but equally for the
District of Columbia. The place to start modernizing
 the Federal policy toward city government is in the
Federal city. | | (Pence)

It has always seemed to me that our federal system
 was peculiarly well suited to cooperative and coordinated
 activities among national, state and local governments.

Of course, there are responsibilities peculiar to each

~~level of government.~~ But as our society has become more
 complex, ~~more~~ mobile and ~~more~~ interdependent, so there is
 greater need for intergovernmental cooperation.

No one, least of all one who himself has served as



mayor of a great city, would for a moment question
the value -- indeed, the necessity -- of solving local
problems and deciding local questions locally. [The
masthead of your own publication, Municipal News,
bears the classic statement of de Toqueville that
"without municipal institutions, a nation cannot have
the spirit of liberty."

but

But for municipal institutions to have vitality
and reality they must have both the powers to decide
their own affairs, and -- ~~perhaps more~~ ^{*equally*} important --
the resources to carry out their own decisions.

The power and authority of cities derive from
the States, and this is the significance of your
struggle for equitable representation in the state

legislatures.

Financial Resources

But what about the resources to carry out a city's decisions? More and more people are demanding services from our cities, but fewer and fewer sources of revenue are available to the cities to fulfill those demands. It is ironic that such a large part of America's wealth springs from its cities, but such a small proportion of public funds is devoted to city needs. The citizens you

represent have every right to demand a more equitable distribution of tax revenues and resources.

Out

As recently as 30 years ago, local taxes accounted for half of all public revenues in the United States. Today they are about one-sixth. The increasing requirements of the Federal Government for purposes of national and international security tend to limit the tax

resources available to municipalities. Federal income
taxes to support the national defense and service the
national debt; and state sales and income taxes to
support education, highways and welfare services, have
left the cities dependent on traditional and overworked
property taxes, supplemented by a variety of makeshift

revenues. *①* ↑ *Due to Rise in Interest Rates on Fed Financing*
reflects on Local Bonds etc

At the same time, the cities have been called on to
provide more and better services and facilities for an
increasing part of the nation's population. In urging
that the State and Federal governments participate in
the financing of these programs, the cities are asking
only their just due.

*Payments
in lieu of taxes*

One of the clearest claims for consideration is for just compensation to the cities and other local governments for loss of taxes and other costs arising from the Federal holdings of real property. For 10 years I have been urging legislation to correct inequities created by Federal installations that pay no taxes yet require many local services. Present payment practices are a hodge-podge of arrangements for various kinds of payments in lieu of taxes or for no payments at all. In order to make a start on this problem, I have a bill to authorize certain kinds of payments at once and to establish a commission to look into other claims so that we will have a better understanding of the nature and extent of the problem. I am happy to report to you that there are good

prospects for the enactment of this measure by this
Congress.

Keep *out maybe*
I am unable to understand a philosophy of govern-
ment which treats the cities as beggars at the back
door, or professes to see something constitutionally
uncouth or unsound or slightly un-American in the efforts
of the cities to obtain from the Federal government the
kind of support they need. It is, after all, their
government, which in fact draws most of its revenue
resources from the city people.

Keep | *L* The partnership of Federal and city governments makes
sense -- in politics and in economics.

Keep *out*
It makes sense in politics because, as things stand
now, it is the only way for the urban majority to break

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through the discriminations practiced against them
in so many state legislatures. If the States will not
heed, where will the cities turn if not to the Federal
government?

I remind those who argue for "states rights" that
State Governments
when ~~they~~ default on their responsibilities for meeting
the needs of the cities, the States themselves are
forcing the Federal government to expand its services
and its activities. I believe in local government, backed
by a healthy, fair and equitable relationship between
city and state. But when States cling to obsolete 19th
Century forms in their relations with cities which are
deep in the 20th Century, then the people of urban America *are compelled*

→ will turn to the Federal government. They remember that

they are not only citizens of the state but also
citizens of the nation.

I agree with my good friend, Paul Douglas, Illinois' brilliant senior Senator, when he says, "Until the State legislatures have been reformed, the plea for Federal action will remain strong and just."

out

The economic case for Federal participation is even more basic. Federal revenues are raised largely through income taxes; they are both more equitable and more responsive to the rising national income than the property taxes and sales taxes on which cities so largely depend.

As long as this is so, I will support the use of Federal funds to help the cities meet their expanding needs. This is fairer and more workable than trying to squeeze

out

more out of the cities themselves, especially with the
 migration of urbanites to the suburbs.

out

And the Federal funds to help the cities could be
 amply available. If the national economy could expand
 (as it should) by 5 per cent annually -- and it's only
 been doing half that well in the past 6 years -- this
 would provide \$4 to \$5 billion of additional Federal
 revenue each year with no increase in tax rates. That is
 about one-third as much as all State and local taxes. A
 large part of this amount could and should be devoted
 to helping cities meet their needs.

Closing tax loopholes -- which should be done in any
 case, in the interest of equity and morality -- could add
\$2 or \$3 billion more.

Savings ← *Defense Unification, Agric, Debt mgmt*
Mayor Boulton

↙ I am aware that there are those who argue that
 as Federal revenues increase, Federal taxes should be
 reduced and revenue resources relinquished to the States
 for support of the States and cities: I think it is
 imperative to reduce taxes as soon and as much as we
 can -- after essential needs have been met. And in
essential needs I include urban renewal, housing, water
development and education, which are national in im-
portance though locally administered.

↙ Until the States make greater progress toward
 developing more equitable tax systems -- and by this I
 mean greater reliance on income taxes as we do in
 Minnesota, and in Oregon and in New York -- only the high

out

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Group
 income ~~taxpayers~~ will gain by substituting State
 taxes for Federal. I look on that as a step backward.

In the long run we should look forward to a
 coordinated tax system by which the States and cities
 can share in the rising revenues which accrue from income
 taxes as the national income rises. Through tax credits and
 other tax-sharing devices, it should be possible to
 lighten the taxes at the Federal level and channel

additional income taxes to the States for state purposes
 and for redistribution to the local governments. But until

many more
 the state legislatures are ~~more~~ responsive to the cities'
 needs, any benefits to the cities from such a system are
 most problematical.

*States need to modernize
 tax + revenue structure -
 Income
 tax*

Moreover, there are positive advantages in direct

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Federal participation with the cities. In many cases
 the needs are greatest where State and local resources
are least. Federal financial participation is a means
of guiding resources into projects of high national
priority, where and when they are needed, while vesting
 responsibility and control locally, where they belong.

#1

So my first proposal to you is that as long as there
are great and urgent works to be done in our cities, we
should see to it that there are Federal revenues
sufficient to pay for Federal help to cities on an
accelerating -- not a diminishing -- scale.

Build the
 service and
 institutional
 structure for
 an expanding
 U.S.

In the postwar period, after the long moratorium of
 the depression and the war, public services and facilities
 essential to community development have lagged behind

population growth and business development. America's cities are not only under-serviced but under-developed.

L In giving priority to private investment and private economic development, we have neglected public investment and the development of the public sector of the economy. Our society has grown affluent but unbalanced.

L I have little patience with people who regard any public expenditure as money simply "spent," poured down the budget drain, without regard for what we gain in return.

L For my part, I know of no sounder or more necessary investment in the future of America than investment in urban renewal, housing, water works, pollution control,

schools, airports and other works that add to our wealth, welfare, and productivity.

That is why I have supported and will continue to support these programs, on an expanding scale and for longer terms.

I regret as much as you do the way in which the housing and urban renewal bill was chopped down under the combined pressures of the President and his conservative Congressional followers.

I was as shocked as you were that, after all the concessions ~~we made to meet him more than half way,~~ ^{and trimming} the President vetoed the bill as "excessive," "extravagant," and "inflationary."

He has branded as excessive the authorization of

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\$900 million for urban renewal for the next two years --

though you who know the needs best have estimated that

\$600 million a year for 10 years is the minimum ~~to get on~~ ^{amount}
~~with the job.~~ ^{required.}

↳ He has branded as unnecessary the authorization
of public housing up to the level advocated by Sen.
Taft 10 years ago. Where does the President expect to
relocate the low income families displaced by urban
renewal and highway construction if we do not provide
low-cost housing for them?

↳ He has branded as inflationary a bill which would
exceed his \$77 billion budget for 1960 by about \$25
⁷⁰⁰
million, less than the errors of the Treasury's
estimates.

and now - Masson of Housing
Didn't appear here

out

We have it on the authority of Sen. Sparkman --
 who knows as much about housing legislation as anyone,
 and at least as much as the President -- that the housing
 bill we passed would have had an impact on the budget in
 1960 of \$28.5 million. The Administration bill would
 have had an impact of \$4.6 million.

What is the inflationary effect of ^{*this on*} ~~either~~, ~~in~~ an
 economy of \$450 billion? None!

I say we should not yield to this penny-wise pound-
 foolishness.

^{*Housing*}
 The bill the President vetoed contained an extension
 of FHA's authority to insure private mortgages. Last year
 we made the mistake of extending that authority separately,
 and as a result we got ^{*General*} no housing bill. We should not make

that mistake again.

We all want FHA. We also want urban renewal
and public housing. If we have FHA for home builders and
home financiers and buyers of higher priced homes, we
 should have urban renewal to clean up the slums and public
housing for low-income persons.

This battle for housing is no longer a battle
for the Congress alone. You tell your friends the
builders and the bankers that if they want FHA, they had
 better get behind our efforts to get a meaningful program
of urban renewal and low-rent housing.

*Committee for college
 students, and housing for
 the elderly*



#2

My second proposal is that the Federal Government stop
treating the cities as step-children or poor relations and
bring them into the inner councils of policy and administration.

As proposed as an immediate - preliminary step
Advisory Commission on Intergovernmental Relations

*Advisory (2) Special Joint Committee of Congress on
 Metropolitan & Urban Development.*

(3) a Dept - Cabinet Post of Urban
- 23 -
Affairs

you may recall

request
It was at the ~~request~~ of the local government

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officials that the Congress approved the Federal Water
Pollution Control Act. This was certainly a local
problem and local government officials determined that
they needed Federal cooperation and assistance to
solve this problem. ~~This, to my mind, is the way these~~
~~problems should be handled.~~

~~It was wrong for the Executive branch of~~
Federal Government ~~to say the Federal Water Pollution~~

Control Act should be ~~repealed~~ and that the Federal

Government should cease to cooperate with the municipalities

in meeting their sewage disposal problems. ~~I say it was~~

particularly wrong for the Executive to have taken this

~~stand without even meeting with representatives of our~~

cities ~~to seek their advice and counsel.~~

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(3) *to Dept - Cabinet Post - Gen Urban Affairs*

[Stamp: 001339]

At the urging of city officials earlier Congresses approved an urban renewal program. ~~The program was~~
~~They provided~~

It provided hundreds of millions of dollars to assist the cities

in meeting the challenge of growth and decay. But the

President, without so much as consulting with local officials

so that he might gain some understanding of your problem,

refused to permit urban renewal grants to be made as

directed by the Congress. He withheld the funds and

parceled them out through a rationing program which

destroyed locally initiated plans.

↳ No one in the Congress would propose that a major

urban program be undertaken or revised without first

inviting the comments, the advice and responsible

judgement of the nation's Mayors. Yet, when the President

set up a Commission on intergovernmental relations as

directed by a resolution of the Congress, not one Mayor

or local public official was included. ~~I take great~~

I was
~~satisfaction from the part I was able to play, as member~~

~~of that Commission, in insisting on an emphasis on Federal~~

~~municipal relations.~~ *#* The problems of the American city

are the problems of America. When local officials seek

the assistance of the Federal government, their requests

should be heard and considered.

You and your constituents owe a great debt to a
great former Mayor and a great Senator, Joe Clark, for his

creative thinking and courageous fighting for the welfare

of the cities. No one has done more to win understanding

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and support for your programs in the Congress. I am proud to be co-sponsor of his bill to create a Cabinet Department for urban affairs. Also, I shall be holding hearings July 24 on Senator Clark's bill, S. 1431, to provide for the establishment of a Commission on Metropolitan

Problems. But whether in this form, or for the time being

through an advisory Commission on intergovernmental

relations as proposed by Senator Muskie and Congressman

Fountain and myself, ~~believe~~ the cities must have an

official and effective voice in the decisions that are made

the executive branch and the Congress, day by day in matters of vital concern to our cities.

The activities of the Federal government which

affect the cities are many and far-flung. And all too often

they seem to be carried on without much thought for gearing

The problems of the American City are the problems of America

*Max Zerkow
Bob Rough*

(X)

*Civil Defense Fed-State City
Ted Arp*

them to each other or to the cities' needs.

Luther Gulick has said it best: "Viewed from the metropolitan areas, Uncle Sam begins to look like the Buddhist idol with a thousand arms. But in our case the arms do not seem to connect with the same backbone or with a single brain!"

Someone must put both brains and heart in this thousand-armed monster.

My third proposal is that we find some way to require that Federal agencies engaged in administering such programs coordinate their plans with one another and with local officials. And however this is done, there must be a single official with authority to knock heads together to make decisions binding on the Federal officials concerned.

(Cabinet)
Post

My fourth proposal is a plea for better planning in Federal-local programs.

1 1

Somewhere we must have a planning staff capable
of advising the President and the Congress on the best
uses of our resources to achieve the high priority purposes
of the national security and the national welfare. If this
were done, I think the cities' needs would come off far better
than they now do.

~~My friends,~~ ^{yes} the problems of our cities are stubborn and
complicated, but they have at least one virtue: we Americans ^{out}
with our free institutions and our great resources have
it within our power to solve them. It will take time, and
money, and ingenuity, but in the give and take of democracy,
they will yield.

But 7,000 miles away in Geneva ^{Switzerland} a few hours ago another
meeting resumed to consider the future of what is, for the

moment, the most important city in the world -- Berlin.

What we do about Berlin may be more fateful to us and our future than anything we do about any city of our own. And it does not lie in our power alone to determine what will happen.

In a true sense, Berlin -- that is, West Berlin -- is a city of our own. It is a city of people so devoted to freedom that to defend it they are prepared to brave more than most of us have had to brave and risk more than most of us have ever risked.

I was in Berlin last winter as the first official American visitor after the Soviet ultimatum. I went there to express personally the solidarity that all Americans feel with those brave people. I wish I could convey to you the feeling of that

great city, and its indomitable courageous Mayor, Willy Brandt, and my own feelings at the way they receive me, as a symbol of American support.

As Secretary Herter resumes negotiations with the Soviet Union, he speaks for a united American people in his determination not to abandon Berlin in the face of Soviet guile or bluster. But there must be no end to our willingness to negotiate, now or later, among foreign ministers or heads of state, in order to keep open the paths to peace.



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