

EXCERPTS

VICE PRESIDENT HUBERT HUMPHREY
CONFERENCE ON METROPOLITAN PLANNING DEVELOPMENT
FOR ST. LOUIS AND EAST ST. LOUIS
ST. LOUIS, MISSOURI
DECEMBER 8, 1967

I am here today to hear what you have to say about one of the most exciting metropolitan planning efforts that is going on in America today.

↳ As President Johnson's designated liason to the cities, and as a former mayor, I want to know more about what you are doing; and I want to hear your suggestions about ways in which the federal government can better assist you.

My staff has prepared a background memorandum on metropolitan planning in America, and on your efforts here in St. Louis and East St. Louis. I thought it might interest you and I have asked that copies be distributed.

Before we begin, let me make just two comments.

First, congratulations on being among the first 63 cities to receive a Model Cities planning grant. The fact that you were selected says that the federal government believes both of your cities are prepared to make significant progress in revitalizing blighted neighborhoods, and that your example will be valuable to cities across the nation.

Second, let me say a few words about prosperity, taxes and responsibility.

The real Gross National Product of the United States grew at the average annual rate of 5.6 per cent from 1961 to 1966. During that same period, real personal

income after taxes increased 21.4 per cent.

↳ Meanwhile, federal expenditures dropped from 16 per cent of the GNP in 1964 to 14 per cent in 1968, excluding the cost of Vietnam.

↳ For the years 1965 to 1968, taken together and including the additional cost of Vietnam, federal expenditures came to 15.8 per cent of the GNP. ↳ The comparable figure was 16.5 per cent in the late 1950's when this nation was not at war.

↳ That means we are now spending slightly less of our wealth for federal programs, despite the cost of Vietnam, than we were spending in the late 1950's.

↳ Meanwhile, since 1960, we as a nation have radically increased our federal expenditures on programs designed to help the poor, train the unskilled, and develop our cities.

↳ In 1960 federal aid to cities and to the poor came to 9.9 billion dollars. This year the figure will be 25.6 billion.

↳ In 1960 we spent 6.6 billion dollars for health, training and education. This year the figure is 22 billion.

↳ That is what prosperity -- along with creative federal, state, local and private initiatives -- has enabled us to do.

↳ We have achieved a great increase in people-oriented programs at the same relative cost to the taxpayer.

↳ Last summer, however, in the face of an unexpected budget deficit...in the face of rising prices...in the face of tighter and tighter money...and in the face of an international threat to the dollar, President Johnson called for a tax surcharge of 10 per cent.

↳ Passage of that tax surcharge is a top priority item on the agenda of this Administration. If it does not pass it in this Session of Congress, it must be passed early next year.

↳ I will not go into the relative costs to the average American family of an orderly, graduated tax surcharge, as opposed to the likely costs of inflation and higher interests rates without one. ↳ Suffice it to say that for all but a few who will reap windfall profits, fiscal responsibility will cost us as individuals far less than fiscal irresponsibility.

↳ I do, however, want to emphasize what rising interest rates and prices will mean to those of us who are responsible for the fate of urban America.

↳ A report done for the National League of Cities projects a gap between urban revenues and expenditures which will total 262 billion dollars between now and 1975.

↳ After examining all additional revenue raising possibilities, the report concluded that the 262 billion dollars could best come from the federal government.

↳ If we assume a conservative growth rate of 4 per cent in the GNP between now and 1975, and roughly the present level of taxation, all the additional federal income that would result from increases in the GNP would have to go to the cities.

↳ That will not happen. This nation must pay for other domestic needs as well.

↳ The cities are going to have to borrow to meet their responsibilities, and a difference of one or two per cent in interest rates, plus the difference inflation can make in prices and wages, can spell the difference between being able to afford a new urban America, ~~or~~ having to struggle along with inadequate solutions to mounting problems.

↳ My friends, the tax surcharge is small in terms of its direct cost to the American public; it is small in terms of

additional federal revenue.

But the real benefits of fiscal responsibility on this issue -- or the real cost of irresponsibility -- will be measured in billions and billions of dollars worth of interest paid or saved by cities, the federal government and individuals over many years to come.

I ask your support for the tax surcharge in the name of a better urban America.

Now let me hear from you.

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SUGGESTED QUESTIONS FOR DISCUSSION

for the

Vice President's Meeting with Local Government Officials

from the

St. Louis, Missouri-East St. Louis, Illinois Area

December 8, 1967

On Organization for Metropolitan Planning and Action

1. What is the best form of organization for interlocal cooperation -- are COG's the answer?
2. Within the COG form of organization, how can local interests and objectives be protected while reaching regional consensus? How can local views be presented most effectively?
3. What is the desirable relationship of the COG to the State and Federal governments?
4. What is the most desirable relationship of COG's to existing agencies with metropolitan service responsibilities (e.g., the Metropolitan St. Louis Sewer District)?

On the Performance of Service Functions

1. Should the COG be given operational responsibility for furnishing public services?
2. Which public service functions is it most necessary to organize and provide on a metropolitan-wide basis?
 - a. Crime prevention and law enforcement
 - b. Provision of water and sewer systems



- c. Provision of public transportation systems
 - d. Provision of recreational facilities
 - e. Provision of community colleges or other educational facilities
3. What percentage of the total cost of public services on a metropolitan basis, including comprehensive planning, should be borne by localities? the States? the Federal government?
 4. Is additional legislation at the State or Federal level required to increase the effectiveness of COG's or other metropolitan-wide organizations?

On Procedures for Dealing with Metropolitan Issues

1. How can specific issues of regional import be brought most rapidly to the attention of the COG?
2. Should the COG communicate directly with the general public on metropolitan issues? How can appropriate channels of public communication be developed and maintained?
3. What are the most important problems of metropolitan planning and development in the greater St. Louis-East St. Louis area, and how can the Federal government help in dealing with these?



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