

Mayor Naftalin - Past President
of League

Mayor Henry - President

Mayor - Elmer Charles Henry

Introduced all these

Past Presidents
no Past R.P.s

mayors
- indian
Swiss -
all chiefs

V.P. - little or no Authority - Plenty
Responsibility

Sen. " " " Resp - Plenty
Authority

Mayor Authority - + Responsibility

Ed Henry "Arrogance of Power"

~~(He who can do, he who can't teaches)~~

- Natl League of Cities

- U.S. Conf mayors

- City Mgrs Assoc

- Nat Assoc County Officials

Advisory Comm on Intergovernmental
Relations

Arrogance of Power

- Former mayor mpls -

- Lived in St Paul

- voted Resided in Mansfield
township Wright County

Professor
involuntary

Mrs Smith (Mayor Waverly)

My Professorship - been away from school work

Mayor Naftalin - (trained him
well)

Long Speeches (I write)

accomplishments exceed predictions, have much
to learn

IT MEANS ABOVE ALL MAKING RURAL AMERICA A MORE INVITING
PLACE TO LIVE -- MAKING RURAL AMERICA MODERN, FORWARD
LOOKING AND ATTRACTIVE.

*It is in what we now call
Rural America that many of the
new cities will be built*

v/c.c. Ludwig Aword
Mayor Naffalin
Alan Corda
REMARKS

000857

- Mayor Ed Henry
- Joseph Summers

Erville Peterson
Exec Sect

THE HONORABLE HUBERT H. HUMPHREY
Minnesota

MINNESOTA LEAGUE OF MUNICIPALITIES

Councilmen
- Council Women
other officials!

MINNEAPOLIS, MINNESOTA

Mayor Byrne (Tom Terry)
Mayor Naffalin (arts + town)
Ray Black

JUNE 19, 1969
An exciting time to be alive!!

- Today we are part of a massive, concentrated society.
- Seventy percent of the U.S. population lives in metropolitan areas. Indeed, one out of five people live within the limits of cities with a population of over one million.
- We hope to land a man on the moon within a month.
- We are deciphering the innermost secrets of the human cell.
- We have created enormous energy from minute nuclear reactors.
- The science of communication -- telephone, radio and television, and radar and computers -- has made commonplace occurrences which my father -- and your father -- would have regarded as supernatural!

By 2000, 85% to live in metropolitan areas

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We have an industrial economy which this year will record a gross national product of ^{almost} one trillion dollars. Only eight years ago we somehow existed with a GNP of only 500 billion dollars.

But, with all of this some incredible difficulties - + raise some questions.

↳ Can we keep pace with these changes? Can we preserve the dignity of the individual? - *since of individuality*

↳ Can our educational institutions transmit an ever-increasing body of knowledge?

↳ Can our religious institutions become a force for justice in a changed world which complicates spiritual and moral concepts?

↳ Can our labor and business institutions change so that management techniques and technology are the benevolent servants of man, rather than their malevolent masters?

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↳ Can our financial institutions find new ways of allocating credit other than by increasing interest rates?

↳ Can our law enforcement institutions, now costly and slow-moving, change so that swift justice is available to all?

↳ These are the questions which concern an ever-broadening cross-section of the American people -- and these are the questions which concern persons -- like yourselves -- who are charged with making our municipalities true communities of people, living rewarding and satisfying lives.

↳ Change is inevitable, Change creates crises only when our response is inflexible and rigid.

↳ Today I want to propose

~~three~~ specific programs which I believe will provide a much

needed flexibility and adaptability to our basic economic, political,

and social institutions -- those established structures which in

large measure must decide the kind of local communities we

are able to build in the final third of the 20th century.

(3-)

First ~~step~~ proposal is for each State to create and establish a Department or Office of Community Development. This new Department in State Government should be the ~~counterpart~~ equivalent at a State level, of the Department of Housing & Urban Development at the National level. The Dept of Community Development should be authorized to coordinate and activate all Housing and Urban Development programs from the Federal level which require state participation. It should have its own community development program and budget designed to assist and stimulate local activity and programs. It must h

MY FIRST PROPOSAL IS FOR EACH STATE GOVERNMENT TO
 CREATE AND ESTABLISH A NEW DEPARTMENT OR OFFICE FOR
 COMMUNITY DEVELOPMENT. THE TITLE AND THE PURPOSE OF THE
 DEPARTMENT SHOULD REFLECT THE DEVELOPMENT OF URBAN CENTERS.
 THEREFORE, IT COULD BE CALLED A DEPARTMENT OF URBAN DEVELOPMENT
 OR PREFERABLY A DEPARTMENT OF COMMUNITY DEVELOPMENT. THIS
 NEW DEPARTMENT ~~IN STATE GOVERNMENT~~ SHOULD BE THE EQUIVALENT
 AT THE STATE LEVEL, TO THE DEPARTMENT OF HOUSING AND URBAN
 DEVELOPMENT AT THE NATIONAL LEVEL. THE DEPARTMENT OF
 COMMUNITY DEVELOPMENT SHOULD BE AUTHORIZED TO COORDINATE
 AND ACTIVATE ALL HOUSING AND URBAN DEVELOPMENT PROGRAMS,
 PARTICULARLY THOSE FROM THE FEDERAL LEVEL WHICH REQUIRE
 STATE PARTICIPATION. THIS NEW DEPARTMENT SHOULD HAVE ITS
 OWN COMMUNITY DEVELOPMENT PROGRAM AND BUDGET DESIGNED TO
 ASSIST AND STIMULATE LOCAL ACTIVITY. IT MUST ENGAGE IN
 BROAD RESEARCH PERTAINING TO URBAN NEEDS SUCH AS COMMUNITY

However, those programs which go directly
 to municipalities should be maintained.
 In other words, Block + categorical grants, from Fed. to
 local govt. should continue.

PLANNING , ECONOMIC DEVELOPMENT, THE PROPER USE OF LAND, ~~and~~

~~AND SUCH AREAS AS~~ ZONING, BUILDING CODES AND ALL SOCIAL

SERVICES. URBAN RESEARCH ~~should not~~ BE THE SPECIAL PREROGATIVE

OF THE FEDERAL GOVERNMENT. WE DESPERATELY NEED THE INPUT --

THE IDEAS, THE LONG-RANGE PROPOSALS -- OF LOCAL AND STATE

GOVERNMENT. ~~and~~ THIS NEW DEPARTMENT SHOULD BE STRENGTHENED

BY THE CREATION OF A BROADLY REPRESENTATIVE ADVISORY

COMMITTEE ON URBAN AND COMMUNITY DEVELOPMENT. THIS

ADVISORY COMMITTEE ~~to~~ should INCLUDE REPRESENTATIVES OF LOCAL

GOVERNMENT, BUSINESS, LABOR, THE ACADEMIC COMMUNITY, SOCIAL

SERVICES, FINANCIAL INSTITUTIONS AND OTHER COMMUNITY LEADERS.

APL

ACTIVE PARTICIPATION BY STATE GOVERNMENT IN URBAN DEVELOPMENT

IS ESSENTIAL IF THERE IS TO BE ANY HOPE FOR OUR CITIES,

STATE GOVERNMENTS MUST RECOGNIZE THAT WE ARE ESSENTIALLY AN

URBAN, INDUSTRIALIZED NATION WITH A HIGHLY MOBILE POPULATION

But

AN EMPHASIS UPON URBAN DEVELOPMENT DOES NOT MEAN LESS

ATTENTION TO RURAL AMERICA. ON THE CONTRARY,

Experimental cities
Metro Council

} Very important
innovations }

3A

↳ BUT EMPHASIS ON DEVELOPMENT OF URBAN AMERICA AND
NEW CITIES DOES NOT MEAN LESS ATTENTION TO RURAL AMERICA,
IT MEANS ABOVE ALL MAKING RURAL AMERICA A MORE INVITING
PLACE TO LIVE -- MAKING RURAL AMERICA MODERN, FORWARD
LOOKING AND ATTRACTIVE TO ITS CHILDREN. AFTER ALL, WHEN
WE TALK OF CITIES, WE TALK OF PEOPLE AND NEW CITIES WILL
HAVE TO FIND THEIR LOCATION IN RURAL AMERICA.

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↪ ^{second} ~~first~~ proposal outlines a new approach to amassing
 the credit cities need to supply basic community facilities for
 the coming years.

↪ Even if our population remains stable -- and it certainly
 will not -- the amount of capital needed to clean our air and
water -- to build schools and hospitals -- to improve law
enforcement and justice is truly staggering. ↪ But this country
 is not standing still -- we will have to provide for an additional
~~\$~~ 27 million people in the next 6 years.

↪ A conservative estimate of the cost of replacing obsolete
facilities, reducing backlogs, and meeting needs of an expanding
 population by 1975 is \$625 billion.

↪ Between now and the turn of the century, the Institute
of Public Administration estimates that \$6 trillion will have to
 be raised just for housing and community facilities. both

Public + Private investments.

Not
 standing
 still

(X)

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↳ In the past, current tax revenues supplied about ^{Half} 1/2 the cost of community facilities. For the other half, states and cities issued bonds -- a well-established method of obtaining credit and one which should be preserved!

↳ But we must also realize that this magnitude of borrowing will likely force ^{up} interest rates beyond the point which many municipalities can pay. ~~In addition, procedures for issuing bonds are cumbersome, expensive, and time consuming.~~

↳ Many municipalities will find it difficult -- if not impossible -- to raise the needed money. Moreover, a bond resolution creates rigid patterns of obligations which can be changed only at great cost to the municipality.

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∟ In order to lessen these burdens, I have proposed that the U.S. Congress establish a National Metropolitan Development Bank, and I have been developing legislation which I hope Senator Mondale will introduce.

∟ The Metro Bank -- as I call it -- would provide an alternative source of low-interest credit for communities. ∟ It would raise money in investment markets throughout the nation from all groups of investors. ∟ Of greater significance to local governments, it would relieve the pressure on bond markets so that communities could pay less for money whether they borrow from the Metro Bank or whether they issue municipal bonds.

∟ The Metro Bank would sell federally guaranteed bonds and debentures ~~on~~ the national investment market, and then lend to local governments at rates of interest 30-50% below the rates of the federally guaranteed bonds. ∟ The range of interest rates insures that local governments would not pay more to borrow from the Bank than they would to issue tax exempt bonds.

Just as it does for REA + Small Business loans.

↳ The Federal government would make up the difference by an annual appropriation. ↳ Because the federal bonds are taxable, however, this would not constitute a net cost to the government.

↳ The Bank would be authorized to make long term -- 40 to 60 years -- low interest loans for building basic community facilities. ↳ It would also make "soft" loans for up to 20 years to promote economic development in those areas where an increase in investment would be in the national interest. ↳ Such a determination would be made by the Council of Economic Advisors, with the advice of counsel of the various Federal departments with responsibilities for urban and economic development.

↳ The Metro Bank would be chartered by act of Congress, but it would not be a Federal agency. ↳ *Like Federal Bank - Bank for Coop* It would work closely with the Federal government and appropriate Federal departments and agencies would be represented on the Board of Directors.

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∟ I propose the Bank be capitalized at \$6 billion -- 1/2 to be borrowed from the U.S. Treasury over a 10 year period, and the other \$3 billion by the sale of commercial stock. ∟ Each user would be required to purchase a portion of this stock based on the number of persons within its jurisdiction.

∟ The Metro Bank would not only provide a wholly new alternative source of money for local governments, but it would also enable the Federal government to utilize flexible approaches in aiding the construction of essential community facilities.

#2 ∟ The ^{third} ~~second~~ proposal I want to discuss today involves a broader view of the future of our cities -- how and where our people will live, work, learn, and play -- 30 years from today.

↳ I believe we must find a way to build brand new cities.

Whether they are located on the fringes of today's suburbs, on the sites of existing small towns, or on wide open spaces, we need no less than 100 new cities flourishing by the year 2000.

↳ Population increases alone could make necessary 20 new cities of one million population,

↳ New cities provide an alternative to both excessive concentrations -- up to 140,000 persons per square mile in New York's Harlem -- and excessive sparseness found in areas of suburban and rural sprawl.

↳ In new cities we have the opportunity to avoid the mistakes of unplanned cities -- to eliminate parking on the street, on-street loading, and highway clutter. ↳ We can begin with new communications, using tunnel economics for the delivery of essential services, utilities and goods, and we can plan open spaces and pedestrian pathways.

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↳ Can our social and political institutions meet the new challenge?

↳ We already possess the technical knowledge for building such cities, ↳ We have the management tools and skills -- computers, cost-benefit analysis.

↳ We have an understanding of the economic forces which must serve as a basis for a new city. ↳ The most vital task in building a new city is the creation of an industrial and employment base. ~~from urban Govt + the Private Sect.~~

↳ We know some of the social problems we want to avoid, and to a certain extent, we know how to avoid them.

- II -

↳ What we lack is a public policy -- a framework in which all our knowledge can be put to use. City planners, architects, sociologists, financiers, public officials and bureaucrats have produced considerable insight and knowledge about what to do -- now we must generate the popular support and the governmental structures to carry out these plans.

↳ I propose that a joint committee be created in the United States Congress charged with the responsibility of

-- defining the fundamental social, economic, demographic, and ecological objectives to help guide the growth of new cities;

-- deciding how many new cities we need and where they can be located;

-- designing the public development corporations that would be necessary to establish and manage the new cities until local governments are elected.

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^{Public}
 A word about the corporations themselves. First, it is absolutely essential that they be formed jointly by states and the Federal government. It is the state, and only the state, which can delegate the legal power of local self government.

On the other hand, the national interest in the success of the city is so great that the corporations must reflect national developmental goals.

~~^{Then too Public}
Second, the corporations must have available the planning skills and management skills necessary for such a complex undertaking. And the corporation should have the power of eminent domain to procure adequate land area.~~

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But the work of our political institutions is not fulfilled solely by the activities of the Joint Congressional Committee.

As I stressed earlier, the task of creating an economically viable city is essential While much of this task can be

accomplished by imaginative recruiting and promotion, or by inexpensive or free land, other incentives will be required. *for economic development*

The Federal and the state governments can help provide these incentives.

The issue is not whether the Federal government should try to influence local development; the issue is whether the influence which the Federal government already exercises will be haphazard or directed by fundamental national goals for urban development.

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↳ The government is a major buyer. Its defense procurement practices have literally created Los Angeles. *Space, Huntsville Ala.*

↳ The Congress must define national goals of development and then it must assure that practices of the Federal government contribute to those goals.

↳ The placement of government facilities has a profound effect on local community life. ↳ The government is a major employer.

↳ The location of a defense installation, *a space laboratory, a university, even Lab*, a new university, even a government office complex can mean new economic life for a community. ↳ Federal financial incentives such as tax, loan, or direct payment arrangements can foster growth in new cities.

↳ Placement of Federal procurement contracts and construction projects can provide jobs.

↳ Federal policies such as resettlement allowances, on-the-job training allowances, and job placement, can neutralize the factors producing excessive population concentration.

↳ These will be ^{new} cities to protect and foster man's natural inclination toward community. ↳ The physical design of these cities can relieve the pressures of urban living, pressures which too frequently result in the breakdown of the family. ~~Facilities~~ in ~~our new cities can prosper, can develop a viable, modern~~ form of this most natural and basic unit of human organization.

↳ These cities can also relieve the pressures confounding our old cities. ↳ They can provide a moment of relief, a pause in their constant struggle against the intertwined problems of urban life.

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In order to do the things which I have been talking with you about, we need a willing electorate -- a clear political decision by the American people to get the job done.

↳ We also need creative and decisive leadership from mayors, Legislators, Congress, governors, and particularly from the President of the United States.

Because the task is so complicated, because the problems are so vast, our people must be inspired to act. Only qualities of real greatness can inspire our people to greatness.

and we must act together (Life Ins Institute)

Remarks
The Hon. H.H.H.

DRAFT SPEECH FOR HHH RE: METROPOLITAN BANK AND DEVELOPMENT OF NEW CITIES

Today, as never before, our increasing population, our new technology, and our phenomenal industrial capacity challenge our social structure and our culture.

Today we are part of

We have now a ~~mass~~ massive, and concentrated society. Seventy percent of the U.S. population lives in metropolitan areas. ^{Indeed,} One out of five ^{people} live within the limits of cities with ^{a population of} over 1 million ~~population~~.

We ~~will~~ ^{hope to} land a man on the moon within a month. We ~~have~~ ^{are} deciphered the inner ^{most} secrets of the human cell. We create ^{have} enormous energy from ^{minute} tiny nuclear reactors. ~~We produce hybrids in seed and animals that~~

~~increase food production beyond imagination.~~ ^{And,} the science of communication -- telephone, radio and television, and radar and computers -- has made commonplace ^{occurrences which} ~~that which in~~ my father's ^{-- and your father's --} ~~lifetime~~ would have ~~been~~ regarded as supernatural.

We have an industrial economy which this year will record a gross national product of ^{one} ~~4~~ trillion dollars. Only eight years ago we ^{somewhat} ~~limped~~ ^{only} ~~along~~ with a GNP of 500 billion dollars.

Can we ^{keep pace with} ~~adapt to~~ these changes? Can we preserve the dignity of the individual? ~~There are some who despair that our institutions can~~

ever meet the burdens of modern life. They demand change and they are indeed right, but the real question is whether we can adapt our institutions so that we may enjoy the fruits without chopping down the tree.

Can our educational institutions keep up with the need to transmit an ever increasing body of knowledge? Can our religious institutions become a force for justice in a changed world which complicates spiritual and moral concepts? Can our legislative institutions, organized in committee systems which benefit from the status quo, make changes to abolish categorical grants or respond rapidly to economic fluctuations?

Can our labor and business institutions change so that ^{management} techniques and technology ~~can be utilized to raise our standard of living by making~~ *are the obedient servant of man, rather than their insolent masters?* ~~major reductions in the cost of housing?~~

Can our financial institutions find new ways of allocating credit other than by increasing interest rates? ~~Money after all is not a commodity it is a medium of exchange~~

~~and the service of facilitating exchanges should not become so costly it distorts our economy.~~ Can our law enforcement institutions, now costly and slow-moving, change so that swift justice is available to

all?

These are the questions which concern the broadening cross-section of the American people -- and these are the questions which concern the personal channels with ^{an ever} ~~the~~ *like you wish -- where!*

(3)

to
Making our municipalities ³ true communities of people,
living flourishing and satisfying lives.

Today I want to propose two specific programs which I believe
will ^{provide much needed and adaptability} ~~impart~~ a ~~necessary~~ flexibility to our basic economic, political,
and social institutions.

Change is inevitable. Change creates crises
only when our response is inflexible and rigid. ~~These programs are a~~

~~response to the question of how we can make our cities better places for~~

^(must) ~~living.~~ ~~large, unassisted~~ ~~decide~~ ~~the~~ ~~kind~~ ~~of~~ ~~local~~ ~~communities~~ ~~we~~ ~~are~~
~~able~~ ~~to~~ ~~build~~ ~~in~~ ~~the~~ ~~final~~ ~~third~~ ~~of~~ ~~the~~ ~~20~~ ~~th~~ ~~century~~.

The first outlines a new approach to amassing the credit needed

^(personal need)
to enable cities to supply basic community facilities for the coming

years. Even if our population remains stable -- and it certainly will

not -- the amount of capital needed to clean our air and water -- to

build schools and hospitals -- to improve law enforcement and justice

is truly staggering. ~~But we need to build not just to catch up~~ ^{this country is not standing still --} ~~we~~

^{will have} ~~need~~ to provide for an additional 27 million people in the next 6 years.

But it isn't just growing numbers that cause problems. Median
family income in constant dollars has increased over \$3,000 since 1947.
This in itself generates growing demands on local governments. Affluent
people aren't satisfied with squalor. They aren't satisfied with condi-
tions as usual. They want something better.

A ~~very~~ conservative estimate of the cost of replacing obsolete facilities, reducing backlogs, and meeting needs of an expanding population ^{by 1975} is \$625 billion, ~~by 1975.~~

And covering the period of ^B between now and the turn of the century, the Institute of Public Administration ^{Estimate} ~~figures for housing and community facilities indicate~~ that \$6 trillion will have to be raised. ^{just for housing and community facilities.} ~~It is~~ not hard to understand why the mayor of a large city, testifying before the National Commission on Urban Problems identified the three major problems facing cities as "money, finances, and revenue".

In the past, current tax revenues supplied about 1/2 the cost of community facilities. For the other ^{half,} ~~of~~ states and cities issued bonds, ^{a well-established} ~~Now this~~ method of obtaining credit ^{and one which should} ~~is cherished very dearly by local~~ ^{be preserved.} ~~governments and they should continue to have this right and be willing to exercise it.~~

^{We must also realize} ~~But there is no question that~~ ^{this magnitude of} ~~the necessity for so much borrowing~~ ^{liberty} will force ~~the~~ interest rates beyond ^{the point} ~~a point~~ that many municipalities can in good conscience pay. In addition, ^{for issuing bonds} ~~bond issuing procedures~~ are cumbersome, expensive, and time consuming. ^{with} Many municipalities ~~find~~ ^{it difficult} ~~to raise money.~~ ^{if not impossible} ~~But even more serious,~~ ^{the needed} ~~is the rigidity~~ ^{of}

Moreover,

it introduces in local governmental institutions. A bond resolution ~~sets~~ ^{creates}

rigid

patterns of obligations which can be changed only at great cost to

the municipality.

have proposed that

(In order to lessen these burdens, I ~~am going to ask Senator Mondale~~ ^{the U.S. Congress})

~~to introduce legislation, which I originally called for last year, which~~

and I have been developing legislation, which I have Senator Mondale

would establish a National Metropolitan Development Bank,

will introduce

Metro -- as I call it -- would provide

The Bank ~~essentially will be~~ an alternative source of low-interest

credit for communities. It ~~will~~ ^{would} raise money in investment markets

throughout the nation from all groups of investors. ^{Of great significance} ~~More important~~

to local governments, it ~~will~~ ^{would} relieve the pressure on bond markets

so that communities ^{could} ~~can~~ pay less for money whether they borrow from

Metro

the Bank or whether they issue municipal bonds.

Metro would

The Bank ~~will~~ sell federally guaranteed bonds and debentures on

the national investment market, and then lend to local governments

at rates of interest 30-50% below the rates of the federally guaranteed

bonds. The range of interest rates insures that local governments ~~will~~ ^{would}

not pay more to borrow from the Bank than ~~it would~~ ^{they would} ~~cost~~ ^{cost} to issue tax exempt

bonds.

The federal government would make up the difference by an annual appropriation. ~~It must be pointed out however that this would not be~~

~~a net cost to the government~~ Because the federal bonds are taxable, ~~however, this would not constitute a net cost to the government.~~

The Bank would be authorized to make long term - 40 to 60 years -- low interest loans for building basic community facilities; ~~but it would~~

also be able to finance such things as low income housing and community medical facilities which are ^{also} by their nature, if not their form, public facilities ~~in the form of this function.~~

~~And, equally important the Bank would be able to make "soft" loans~~ ^{to promote} for up to 20 years ^{in those} for economic development ~~if an area has been clas-~~

sified as low income or depressed or where an increase in investment

^{would} is declared to be in the national interest. Such a ^{determination} declaration would be ^{made by} ~~come from~~ the Council of Economic Advisors, ^{with the advice & counsel of} acting upon advice of the ~~various~~ ^{federal} departments ^{with responsibility for urban & economic development.} which have expertise on the subject.

Metropolitan areas large enough to generate a high level of activity ^{would have their} ~~will be~~ serviced by their own metropolitan subsidiary ^{of the Bank.} Otherwise, the Bank would operate ~~The balance of the Bank's activities would be available through~~ regional divisions each of which would have an advisory committee

representing governments and all socio-economic levels within the region.

The Metropolitan Bank itself would be chartered by ~~special~~ act of Congress but it would not be a federal agency. It would work closely with the federal government and ~~various~~ ^{appropriate federal} departments and agencies would be represented on the Board of Directors.

~~The Metropolitan Bank would also~~
~~Almost as important as its leading function will be the Bank's~~
function as an information source for federal programs, including the availability of funds. There is no greater need in America today than to find a mechanism to coordinate the vast number of federal programs with the vast number of local governments.

Metropolitan ^{divisions} ~~devisions~~ and regional staffs ^{would} ~~will also~~ develop an understanding of local community and regional problems and thus serve to coordinate activities between local units of government.

~~The last point I should emphasize about the detailed workings of~~
~~the Bank is the method of capitalization.~~ I propose ^{the Bank} ~~it~~ be capitalized at \$6 billion -- 1/2 to be borrowed from the U.S. Treasury over a 10 year period, and the other \$3 billion by the sale of commercial stock.

Each user would be required to purchase a portion of this stock based on the number of ~~people~~^{persons} within its jurisdiction.

The Bank is important for yet another reason: it would facilitate a plan to add flexibility to federal aid institutions -- a plan backed both by the Johnson Administration and the present Administration. ?

In my judgment only if the Bank comes into existence and has the proper authority can that plan be accepted. The plan calls for annual contributions by the federal government in paying off the debt incurred for building a federally aided facility.

Under our present institutional structure the entire federal contribution -- whether 50% or 2/3rds or what -- must be appropriated for the year the grant is made. Under the new plan only 50% of the annual debt payment would be assessed each year. The advantage of this procedure is that many more projects could be commenced at a single point in time. And, in turn, we would have clean air and water much sooner.

Local governments have opposed this plan because it forces increases in their debt limit. They have to finance the federal share

through bonds or other means even though each year the federal government would pay its share of the annual payment. Most local governments can't add to their debt limit because of state limitations and they don't like issuing two kinds of bonds, one for their share and one for the federal share.

If the Bank I propose is established it would lend the money to a local government to cover the entire cost of the project and accept a note from them for only their share. The balance would be secured by a commitment from the federal government -- a power the Metropolitan Bank would be given in its charter from Congress.

GET
~~Thus, the Metropolitan Bank~~ *would not only* provides a wholly new alternative source of money for local governments but it *would also* enabled the federal government to utilize flexible approaches in aiding the construction of essential community facilities.

STET

The second ^{proposal} ~~program~~ I want to discuss ~~with you~~ today involves a
a broader view of the future of our cities -- how and where our people
will live, work, learn, and play -- 30 years from today. (I believe we
must find a way to build brand new cities. Whether they are located
on the fringes of today's suburbs, on the site of existing small towns,
or on wide open spaces, we need no less than 100 new cities flourishing
by the year 2000. Population increases alone ^{could make necessary} ~~dictate~~ 20 new cities of
one million population.

New cities provide an alternative to both excessive concentrations --
up to 140,000 ^{persons} per square mile in New York's Harlem ⁻⁻⁻ and excessive sparse-
ness ^{areas of suburban + rural} as found in ~~urban sprawl suburbs~~ -- both of which make really
desirable community living impossible.

In new cities we have the opportunity to avoid the ^{mistakes} ~~pitfalls~~ of
unplanned cities -- to eliminate parking on the street, on-street
loading and highway clutter. We can ^{begin} ~~start~~ fresh with new communica-
tions, ^{using} ~~utilize~~ tunnel economics ^{for} ~~in~~ the delivery of essential services,
utilities ^{and} ~~of~~ goods, ^{at low} ~~and~~ plan open spaces and pedestrian pathways, ~~and~~
~~adopt crime prevention designs in building construction and layouts.~~

Can our social and political institutions meet ^{the new} ~~this~~ challenge?

We already possess the technical knowledge for building such cities. We have the management tools and skills -- computers, cost-benefit analysis.

We have an understanding of the economic forces which must serve as a basis for a new city. I want to emphasize that the most vital task in building a new city is the creation of an industrial and employment base. ~~Purely residential settlements cannot be viable economic units.~~

We know some of the social problems we want to avoid, and to a ^{we know} certain extent, how to avoid them.

^{What is} ~~But~~ we ~~do~~ lack ^{is} a public policy ^{and} framework in which all our knowledge can be put to use. City planners, architects, sociologists, financiers, public officials and bureaucrats have produced considerable insight and knowledge about what to do ^{now} -- we must generate ~~the~~ popular support and the governmental structure to carry out these plans.

I propose that a joint committee ~~be~~ created in the United States Congress charged with the responsibility of

-- defining the fundamental social, economic, demographic, and ecological objectives to help guide the growth of new cities;

-- deciding how many new cities we need and where

they ^{can} ~~should~~ be located, ~~I might emphasize that these~~

~~decisions will be informed and measured by our funda-~~

~~mental objectives. I think in this way we can make the~~

~~natural political workings benefit our whole nation,~~

-- designing the public development corporations, ^{that would be} ~~model~~

necessary to ^{establish} ~~institute~~ and manage the new cities until

local governments are elected.

~~they can be turned over to elected governments.~~

I see the process as something like our provision for a territorial government prior to statehood.

A word about the corporations themselves. First, it is absolutely essential that they be formed jointly by states and the federal government. It is the state, and only the state, which can delegate the legal power of local self government. On the other hand, the national interest in the success of the city is so great that, the corporations must reflect the national developmental goals.

Minnesota League of Municipalities

June 19, 1969

Minneapolis, Minnesota

Second, the corporations must have available the planning skills and management skills necessary for such a complex undertaking. And the corporation ^{should} ~~must~~ have the ~~condemnation~~ ^{of eminent domain to} power ~~as an adjunct to as-~~ ^{procure} ~~sembling an~~ adequate land area.

But the work of our political institutions is not fulfilled ^{solely} by the activities of the ^{Congressional} Joint ^{Committee} ~~alone~~. As I ~~said~~ ^{stated} earlier, the task of creating an economically ^{viable} ~~sound~~ city is essential. While much of this task can be accomplished by ~~proper~~ ^{imaginative} recruiting and promotion, ~~or~~ ^{and} by inexpensive or free land, other incentives will be required. The federal and the state governments ^{help} can provide these incentives.

The issue is not whether the federal government should try to influence local development; the issue is whether the influence which the federal government already exercises will be haphazard ^{or} ~~or~~ will be directed by ~~the~~ fundamental national goals for urban development.

The placement of government facilities has a profound effect on local community life. The government is a major employer. The location of a defense installation, a new university, even a government office complex can mean new economic life for a community.

#(1)
next page

The government is a major buyer. Its defense procurement practices have literally created Los Angeles. ~~And that is a hazardous purposeless influence of the direction of growth.~~

The Congress must define ~~the~~ national goals of development and then ^{it must} assure that ~~federal~~ ^{of fed. govt.} practices ~~all~~ contribute to those goals. #1 ^{insert}

Federal financial incentives such as tax, loan, or direct payment arrangements can foster growth in new cities. Placement of federal procurement contracts and construction projects can provide jobs ^{to} directly and indirectly.

Federal policies such as resettlement allowances, on-the-job training allowances, and ~~interarea~~ job placement, can neutralize the factors producing excessive population concentrations.

Finally, the focusing of federal aid programs, like that found in the model cities program, can supply the comprehensive vision to build new livable cities.

These will be cities to preserve and enhance the dignity of man. Cities which provide the opportunity for man to achieve his full potential for God-like humanity.

These will be cities to protect and foster man's natural inclin-

Can
ation toward community. The physical design of these cities will
relieve the pressures of urban living, pressures which too frequently
result in the breakdown of the institution of the family. Families
in our new cities can prosper, can develop a viable, modern form of
this ^{most} natural and basic unit of human organization.

These cities can also relieve the pressures confounding our
old cities. They can provide a ^{Moment} ~~spell~~ of relief, a pause in ^{which} ~~which~~
~~Constant struggle against the inter-twined problems of urban life.~~
~~we can gain in the battle for human dignity.~~

do the things which I have been talking with you about
In order to ~~build these cities~~ we need a willing electorate --
a clear political decision by the American people to get the job done.

But ~~more~~, ^{also} we need creative and decisive leadership from mayors,
governors, and particularly ^{from} the President of the United States.

Because the task is so complicated, because the problems are
so vast, our people must be inspired to act. Only qualities of real
greatness can inspire our people to greatness.

There is only one question to be asked. Will we have ~~cities of God~~
or cities of chaos?



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