

REMARKS BY SENATOR HUBERT H. HUMPHREY

NATIONAL APARTMENT ASSOCIATION CONVENTION

International Hotel, Las Vegas, Nevada

September 12, 1971

It is pointless to talk about future prospects for the general housing industry unless we are willing to engage first in frank conversation about the future of the American economy.

Yes, housing starts are up, but mortgage interest rates and discount points remain high. And if this situation continues, our badly needed housing boom could well evaporate.

Moreover, housing has always had to fight for a fair share in our financial markets. What then will be the outcome of President Nixon's recent proposals to spur the economy through major tax incentives for business plant investment, on top of an accelerated depreciation allowance?

Will this act as a magnet for the limited dollars invested by our financial institutions, especially when profits and interest rates are left untouched by the President's proposals to combat inflation?

And what of the housing consumer whose wages have been frozen under these Presidential orders?

What of the head of a growing family who faces a heavy down payment, high settlement costs, and stiff monthly mortgage payments for that first house on which all his hopes for the future had been focused?

Meanwhile, apartment owners, blessed with frozen rental fees, face rising taxes and costs for local public service. But they are being left in a state of confusion by the Cost of Living Council as to whether rents may be increased to reflect these higher taxes, even with an appropriate escalation clause in the lease.

Our cities and towns have stated flatly that even with increased property taxes, beyond the present saturation level, they will be unable to maintain these services, much less expand public facilities required for further residential development.

But the President has claimed that the control of inflation means that Federal help, in the form of revenue sharing must be delayed. And he has refused to release hundreds of millions of dollars in funds already appropriated by Congress for several vital housing and urban development programs.

The President's last-minute emergency actions to cool inflation and strengthen the dollar, came very, very late in the game.

I would be hopeful about the new "game plan", except that the same quarterback, with an historic two-year record of lost yardage, is still calling the signals.

A wage-price freeze, coupled with a business-oriented investment-stimulus program and protectionism from foreign imports and U.S. gold outflows, is no "90-day wonder."

The American wage-earner has a right to expect more than the hope that benefitsay eventually trickle down to him after he has borne the brunt of inflation controls while watching unemployment climb -- most recently to a depression bread-line level of 6.1 percent.

Strengthening business profits without simultaneously generating consumer demand is no way to revitalize the American economy, on which the strength of the dollar really depends.

And unless the opportunity is seized to resolve fundamental trade and international monetary problems, the current freeze can throw the American economy back into the Ice Age.

The best anti-inflationary medicine is improved productivity -- an economy that is operating at its highest level of capacity, rather than the present level of three-fourths of its potential.

I firmly believe that after the 90 days period, we must immediately shift into high gear with comprehensive measures to cool inflation while also stimulating economic expansion.

The Administration's freeze is only allowing us to buy time to plan the creation of a growing, balanced economy.

It must be replaced by a National Wage-Price-Profits Stabilization Board that immediately swings into full operation. That Board must have the real participation and support of labor, business, agriculture, consumers, and the general public.

We must also create regional productivity councils to implement the Stabilization Board's recommendations and to promote industrial and business expansion.

These measures are essential, if we are to establish a rational growth rate for all sectors of the economy. Never again must we allow the American housing industry, for example, to be forced into a severe recession, as it was under past tight-money policies of the present Administration while measures enacted by Congress to restore housing capital were ignored by the White House.

Second, we must stimulate consumer spending.

We need to pass a Consumer Tax Relief Act of 1971 that will speed up income tax relief. We should postpone increases in Social Security payroll taxes. We must extend the duration of unemployment compensation.

Moreover, consumer demand will only be generated when people, now facing the threat or reality of unemployment, can again know hope and dignity and security in an expanded labor market of good jobs at a decent level of income. Federal efforts to achieve this goal must include greatly expanded programs of public service employment and manpower training and retraining.

We must also help those on fixed and limited incomes to help themselves. We must reform a welfare system that fails both the recipient and the taxpayer. We must enable our older Americans to enjoy the dignity and security of a decent income that meets the cost of living and is relieved of the burden of rising taxes.

Third, by now the Administration should have learned the pitfalls of a broad-axe approach to both inflation control and economic stimulation.

That is why I have urged the application of selective and flexible controls on interest rates and credit costs.

That is why I have called for the application of the investment tax credit shorn of additional and unwise business tax benefits, which is designed to meet directly conditions of high unemployment and economic distress. And this approach to carefully projected economic needs should also be the guideline for what must be a continued policy of monetary expansion by the Federal Reserve Board.

Fourth, financial assistance to our cities and states is absolutely essential. The provision of adequate public services and the construction of critically needed public facilities is a cornerstone in the revitalization of the American economy.

And we have simply got to provide relief for the American homeowner from rising local taxes that are basically regressive and discriminatory.

What I am proposing is an economic stabilization and growth policy that goes beyond a 90-day freeze or the next election, but instead initiates action now to meet the critical economic and social demands of America in the coming decades.

We must end government policies that amount to no more than a last-minute response under the pressure of crisis.

One basic response to the economic and social welfare demands of America lies in the full funding and effective operation of our Federal housing and community development assistance programs.

I believe the highest priority must be given to keeping our financing sources open to both the developer and the consumer of housing in America.

That is why I strongly supported recent Congressional action to increase appropriations for the well-known and increasingly important Section 236 rental housing program by \$25 million beyond the Administration's original request.

And I am encouraged by the Administration's recent actions to take the steam out of rising interest rates, which reached 7.65 percent for conventional mortgages in July.

The Federal Home Loan Bank Board's reduction of reserve requirements for savings and loan associations and the Federal Home Loan Mortgage Corporation's six-month program to purchase FHA and VA insured mortgages at reduced discounts, can be of important assistance to housing developers in releasing badly needed sources of capital. And the homebuyer can obtain relief from current pressure for increased monthly payments and from high discount points now assessed against FHA-VA mortgages, under the recently announced "Ginny Mae" program, previously authorized by Congress, to purchase these mortgages at 96 or 95 percent in periodic auctions.

But surely the Administration must recognize that without comprehensive efforts to stabilize and strengthen the American economy, the impact of these programs will be completely lost. And surely this Administration must recognize that these mortgage assistance actions should be only one part of an all-out Federal effort to promote decent housing and livable communities in America.

But is the Nixon Administration really facing up to these facts of life?

Why does it ignore interest rates in its wage-price freeze?

Why does it continue to impound several hundred million dollars for housing and urban development already appropriated by Congress, under a misconstrued concept of what constitutes effective controls on inflation?

I am talking about some \$200 million each for urban renewal, for water and sewer grants, for public housing, and for mass transit.

I am talking about a program backlog for public housing that is almost three times the size of the appropriated funds frozen by the Administration; and an unmet demand for urban renewal, mass transit, and water and sewer facility construction assistance that is more than ten times the level of impounded funds.

Why was it necessary for the Senate to initiate action to continue and expand authorizations for open-space land grants and for Section 701 comprehensive planning assistance grants?

Why, with cities calling for full payment of the rising costs of local services provided to public housing projects, and raising taxes on privately developed rental housing, does this Administration choose to delay its revenue sharing program?

My answer will be to keep pressing for action on the legislation I have introduced to tie in guaranteed levels of annual revenue sharing with requirements of a pass-through to our communities. This legislation also will require strict accountability of the communities for the effective and non-discriminatory use of these public funds, and the modernization of local government services, and revenue efforts on a progressive and equitable basis.

Our cities and towns, providing the basic infrastructure for America's economic expansion, desperately need help now. And I intend to do all in my power to see that they get it.

There are other questions, immediately relevant to the goal of providing an adequate supply of good housing in our Nation, that the Administration must answer.

Yes, there has been a significant increase in new housing. But it remains far short of annual production requirements to meet the ten-year goal of 26 million units.

The increase has resulted primarily from the Federal assistance programs under the 1968 Housing and Urban Development Act -- and let it not be forgotten that this law was promoted and pushed through to enactment by a Democratic Administration.

But there also has been a high rate of housing abandonment in our core cities. The wasteland of Brownsville, a once thriving and well-kept community in the New York metropolitan area, is perhaps the best-known case in point. But the physical and social decay of Brownsville is repeated in city after city across merica.

Legislation enacted by Congress last year included the authorization of an intensive study of this critical problem of the desertion of homes and apartments. We know it has been spurred in part by risng taxes, by the trauma of decaying and unsafe neighborhoods, by inadequate management services.

But where is the report of this study, to have been carried out by the Department of Housing and Urban Development?

Has any action been taken yet? Has the Department moved aggressively to channel funds authorized by Congress to enable cities to move in and acquire vacant and deteriorating property, eliminate blight, and improve public services?

Even if responsive answers were provided to these questions tomorrow, we are confronted by a basic non-policy stance by the Administration -- a policy of responding to crisis only under public pressure, a policy that all too often indicates a failure to plan ahead to meet national problems that are already on the horizen, a policy that employs Madison Avenue slogans instead of hard Federal cash to meet these problems head-on today.

We ought to be proposing new Federal assistance incentives to enable lower and moderate income tenants and homeowners to improve their dwellings and neighborhoods, and to promote training in property management, and to provide vital community and social services to residents.

We ought to be pressing forward with extensive help to both public and private developers to plan, design, and execute comprehensive residential projects -- projects that make better use of limited land resources, that promote modern and high-quality construction techniques, and that place housing near parks and playgrounds to enhance the quality of life for our people.

And as part of this wholesome living environment, we should assure the accessibility of good job opportunities, shopping centers, and community service centers.

And we should no longer delay the promotion of planned sites for economically and racially integrated housing throughout entire metropolitan areas. This means full funding for Federally subsidized housing that is made a required part of extensive help through consolidated grants for comprehensive community development.

These are only some of the proposals I have been pounding home again and again over the past several months for undertaking vital new directions in housing and community development in America.

What is at stake today is not just our housing and our urban condition -- but the human condition. And it is the personal investment of each of us that will in large part determine whether American continues to deny the richness of human existence to so many people, or at last offers the opportunity to hope and to dream to all its citizens.

REMARKS BY SENATOR HUBERT H. HUMPHREY

NATIONAL APARTMENT ASSOCIATION CONVENTION

INTERNATIONAL HOTEL, LAS VEGAS, NEVADA

SEPTEMBER 12TH, 1971

IT IS POINTLESS TO TALK ABOUT FUTURE PROSPECTS FOR  
THE GENERAL HOUSING INDUSTRY UNLESS WE ARE WILLING  
TO ENGAGE FIRST IN FRANK CONVERSATION ABOUT THE FUTURE  
OF THE AMERICAN ECONOMY.

Yes, HOUSING STARTS ARE UP, BUT MORTGAGE INTEREST  
RATES AND DISCOUNT POINTS REMAIN HIGH! AND IF THIS  
SITUATION CONTINUES, OUR BADLY NEEDED HOUSING BOOM COULD  
WELL EVAPORATE.

Moreover, HOUSING HAS ALWAYS HAD TO FIGHT FOR A  
FAIR SHARE IN OUR FINANCIAL MARKETS.

WHAT THEN WILL BE THE OUTCOME OF PRESIDENT NIXON'S RECENT PROPOSALS TO SPUR THE ECONOMY THROUGH MAJOR TAX INCENTIVES FOR BUSINESS PLANT INVESTMENT, ON TOP OF AN ACCELERATED DEPRECIATION ALLOWANCE?

WILL THIS ACT AS A MAGNET FOR THE LIMITED DOLLARS INVESTED BY OUR FINANCIAL INSTITUTIONS, ESPECIALLY WHEN PROFITS AND INTEREST RATES ARE LEFT UNTOUCHED BY THE PRESIDENT'S PROPOSALS TO COMBAT INFLATION?

AND WHAT OF THE HOUSING CONSUMER WHOSE WAGES HAVE BEEN FROZEN UNDER THESE PRESIDENTIAL ORDERS?

WHAT OF THE HEAD OF A GROWING FAMILY WHO FACES A HEAVY DOWN PAYMENT, HIGH SETTLEMENT COSTS, AND STIFF MONTHLY MORTGAGE PAYMENTS FOR THAT FIRST HOUSE ON WHICH ALL HIS HOPES FOR THE FUTURE HAD BEEN FOCUSED?

MEANWHILE, APARTMENT OWNERS, <sup>faced</sup> ~~PLESSD~~ WITH FROZEN RENTAL FEES, FACE RISING TAXES AND COSTS FOR LOCAL PUBLIC SERVICES,

BUT THEY ARE BEING LEFT IN A STATE OF CONFUSION BY THE COST OF LIVING COUNCIL AS TO WHETHER RENTS MAY BE INCREASED TO REFLECT THESE HIGHER TAXES, EVEN WITH AN APPROPRIATE ESCALATION CLAUSE IN THE LEASE.

OUR CITIES AND TOWNS HAVE STATED FLATLY THAT EVEN WITH INCREASED PROPERTY TAXES, BEYOND THE PRESENT SATURATION LEVEL, THEY WILL BE UNABLE TO MAINTAIN THESE SERVICES, MUCH LESS EXPAND PUBLIC FACILITIES REQUIRED FOR FURTHER RESIDENTIAL DEVELOPMENT.

✓ BUT THE PRESIDENT HAS CLAIMED THAT THE CONTROL OF  
INFLATION MEANS THAT FEDERAL HELP, IN THE FORM OF REVENUE  
SHARING MUST BE DELAYED, AND HE HAS REFUSED TO RELEASE  
HUNDREDS OF MILLIONS OF DOLLARS IN FUNDS ALREADY <sup>APP</sup>ROPRIATED  
BY CONGRESS FOR SEVERAL VITAL HOUSING AND URBAN DEVELOPMENT  
PROGRAMS.

~~THE PRESIDENT'S LAST-MINUTE EMERGENCY ACTIONS TO COOL  
INFLATION AND STRENGTHEN THE DOLLAR, CAME VERY, VERY LATE IN  
THE GAME.~~

~~I WOULD BE HOPEFUL ABOUT THE NEW "GAME PLAN", EXCEPT  
THAT THE SAME QUARTERBACK, WITH AN HISTORIC TWO-YEAR RECORD  
OF LOST YARDAGE, IS STILL CALLING THE SIGNALS.~~

*Las Vegas  
not used*

A WAGE-PRICE FREEZE, COUPLED WITH A BUSINESS-ORIENTED INVESTMENT-STIMULUS PROGRAM AND PROTECTIONISM FROM FOREIGN IMPORTS AND U.S. GOLD OUTFLOWS, IS NO "90-DAY WONDER."

THE AMERICAN WAGE-EARNER HAS A RIGHT TO EXPECT MORE THAN THE HOPE THAT BENEFITS MAY EVENTUALLY TRICKLE DOWN TO HIM AFTER HE HAS BORNE THE BRUNT OF INFLATION CONTROLS WHILE WATCHING UNEMPLOYMENT CLIMB -- MOST RECENTLY TO A DEPRESSION BREAD-LINE LEVEL OF 6.1 PERCENT.

STRENGTHENING BUSINESS PROFITS WITHOUT SIMULTANEOUSLY GENERATING CONSUMER DEMAND IS NO WAY TO REVITALIZE THE AMERICAN ECONOMY, ON WHICH THE STRENGTH OF THE DOLLAR REALLY DEPENDS.

AND UNLESS THE OPPORTUNITY IS SEIZED TO RESOLVE  
FUNDAMENTAL TRADE AND INTERNATIONAL MONETARY PROBLEMS, THE  
CURRENT FREEZE CAN THROW THE AMERICAN ECONOMY BACK INTO THE  
ICE AGE.

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L THE BEST ANTI-INFLATIONARY MEDICINE IS IMPROVED

PRODUCTIVITY -- AN ECONOMY THAT IS OPERATING AT ITS HIGHEST  
LEVEL OF CAPACITY, RATHER THAN THE PRESENT LEVEL OF  
THREE-FOURTHS OF ITS POTENTIAL.

L I FIRMLY BELIEVE THAT AFTER THE 90-DAYS PERIOD,

WE MUST IMMEDIATELY SHIFT INTO HIGH GEAR WITH COMPREHENSIVE  
MEASURES TO COOL INFLATION WHILE ALSO STIMULATING ECONOMIC  
EXPANSION.

L THE ~~ADMINISTRATIVE~~'S FREEZE IS ONLY ALLOWING US TO  
BUY TIME TO PLAN THE CREATION OF A GROWING, BALANCED

ECONOMY. *o* *of time must be used,*  
*some thoughts of man*  
IT MUST BE REPLACED BY A NATIONAL WAGE-PRICE-PROFITS

STABILIZATION BOARD THAT IMMEDIATELY SWINGS INTO FULL  
*covering cert an re grants*  
OPERATION. THAT BOARD MUST HAVE THE REAL PARTICIPATION AND  
SUPPORT OF ~~LABOR~~, BUSINESS, <sup>*labor, finance*</sup> AGRICULTURE, CONSUMERS, AND

THE GENERAL PUBLIC.

L WE MUST ALSO CREATE REGIONAL PRODUCTIVITY COUNCILS TO  
IMPLEMENT THE STABILIZATION BOARD'S RECOMMENDATIONS AND TO  
PROMOTE INDUSTRIAL AND BUSINESS EXPANSION.

↳ THESE MEASURES ARE ESSENTIAL, IF WE ARE TO ESTABLISH  
A RATIONAL GROWTH RATE FOR ALL SECTORS OF THE ECONOMY. NEVER  
AGAIN MUST WE ALLOW THE AMERICAN HOUSING INDUSTRY, FOR EXAMPLE,  
TO BE FORCED INTO A SEVERE RECESSION, AS IT WAS UNDER *recent*  
TIGHT-MONEY POLICIES ~~OF THE PRESENT ADMINISTRATION~~ WHILE  
MEASURES ENACTED BY CONGRESS TO RESTORE HOUSING CAPITAL  
WERE IGNORED BY THE WHITE HOUSE.

↳ SECOND, WE MUST STIMULATE CONSUMER SPENDING.

WE NEED TO PASS A CONSUMER TAX RELIEF ACT OF 1971 THAT  
WILL SPEED UP INCOME TAX RELIEF; WE SHOULD POSTPONE <sup>*any*</sup> INCREASES  
1  
IN SOCIAL SECURITY PAYROLL TAXES. WE MUST EXTEND THE DURATION  
OF UNEMPLOYMENT COMPENSATION.

~~Moreover, consumer demand will only be generated when~~

~~people, now facing the threat or reality of unemployment, can~~

~~again know hope and dignity and security in an expanded labor~~

*Rather than increased welfare rolls*  
~~market of good jobs at a decent level of income. Federal~~

*(no production) we must expand*  
~~efforts to achieve this goal must include greatly expanded~~

~~PROGRAMS OF PUBLIC SERVICE EMPLOYMENT AND MANPOWER TRAINING~~

~~AND RETRAINING.~~

*L* ~~WE MUST ALSO HELP THOSE ON FIXED AND LIMITED INCOMES TO~~

~~HELP THEMSELVES~~ *L* ~~WE MUST REFORM A WELFARE SYSTEM THAT FAILS~~

~~BOTH THE RECIPIENT AND THE TAXPAYER~~ *L* ~~WE MUST~~

~~ENABLE OUR OLDER AMERICANS TO ENJOY THE DIGNITY AND SECURITY~~

~~OF A DECENT INCOME THAT MEETS THE COST OF LIVING AND IS~~

~~RELIEVED OF THE BURDEN OF RISING TAXES.~~

#3

THIRD, BY NOW THE ~~ADMINISTRATION~~ <sup>we</sup> SHOULD HAVE LEARNED

THE PITFALLS OF A BROAD-AXE APPROACH TO BOTH INFLATION CONTROL  
AND ECONOMIC STIMULATION.

THAT IS WHY I HAVE URGED THE APPLICATION OF SELECTIVE  
AND FLEXIBLE CONTROLS ON INTEREST RATES AND CREDIT COSTS.

L THAT IS WHY I HAVE ~~CALLED FOR THE APPLICATION OF THE~~ <sup>support the</sup>

INVESTMENT TAX CREDIT ~~SUCH AS ADDITIONAL AND LIMITED BUSINESS~~ <sup>particularly for</sup>

~~TAX BENEFITS, WHICH IS DESIGNED TO MEET PRESENTLY CONDITIONS~~

area of

OF HIGH UNEMPLOYMENT AND ECONOMIC DISTRESS. AND THIS APPROACH

TO CAREFULLY PROJECTED ECONOMIC NEEDS SHOULD ALSO BE THE

GUIDELINE FOR WHAT MUST BE A CONTINUED POLICY OF MONETARY EXPANSION

BY THE FEDERAL RESERVE BOARD.

↳ FOURTH, FINANCIAL ASSISTANCE TO OUR CITIES AND STATES  
IS ABSOLUTELY ESSENTIAL. THE PROVISION OF ADEQUATE PUBLIC  
SERVICES AND THE CONSTRUCTION OF CRITICALLY NEEDED PUBLIC  
FACILITIES IS A CORNERSTONE IN THE REVITALIZATION OF THE  
AMERICAN ECONOMY.

↳ AND WE HAVE SIMPLY GOT TO PROVIDE RELIEF FOR THE AMERICAN  
HOMEOWNER FROM RISING LOCAL TAXES THAT ARE BASICALLY REGRESSIVE  
AND DISCRIMINATORY.

↳ WHAT I AM PROPOSING IS AN ECONOMIC STABILIZATION AND  
GROWTH POLICY THAT GOES BEYOND A 90-DAY FREEZE OR THE NEXT  
ELECTION, BUT INSTEAD INITIATES ACTION NOW TO MEET THE  
CRITICAL ECONOMIC AND SOCIAL DEMANDS OF AMERICA IN THE  
COMING DECADES.

↳ WE MUST END GOVERNMENT POLICIES THAT AMOUNT TO NO MORE  
THAN A LAST-MINUTE RESPONSE UNDER THE PRESSURE OF CRISIS.

*Crisis*

↳ ONE BASIC RESPONSE TO THE ECONOMIC AND SOCIAL WELFARE  
DEMANDS OF AMERICA LIES IN THE FULL FUNDING AND EFFECTIVE  
OPERATION OF OUR FEDERAL HOUSING AND COMMUNITY DEVELOPMENT  
ASSISTANCE PROGRAMS.

*Impact*

I BELIEVE THE HIGHEST PRIORITY MUST BE GIVEN TO  
KEEPING OUR FINANCING SOURCES OPEN TO BOTH THE DEVELOPER  
AND THE CONSUMER OF HOUSING IN AMERICA.

↳ THAT IS WHY I STRONGLY SUPPORTED RECENT CONGRESSIONAL  
ACTION TO INCREASE APPROPRIATIONS FOR THE WELL-KNOWN AND  
INCREASINGLY IMPORTANT SECTION 236 RENTAL HOUSING PROGRAM  
BY \$25 MILLION BEYOND THE ADMINISTRATION'S ORIGINAL REQUEST.

AND I AM ENCOURAGED BY THE ADMINISTRATION'S RECENT  
ACTIONS TO TAKE THE STEAM OUT OF RISING INTEREST RATES, WHICH  
REACHED 7.65<sup>9</sup> PERCENT FOR CONVENTIONAL MORTGAGES IN JULY.

↳ THE FEDERAL HOME LOAN BANK BOARD'S REDUCTION OF  
RESERVE REQUIREMENTS FOR SAVINGS AND LOAN ASSOCIATIONS  
AND THE FEDERAL HOME LOAN MORTGAGE CORPORATION'S SIX-MONTH  
PROGRAM TO PURCHASE FHA AND VA INSURED MORTGAGES AT REDUCED  
DISCOUNTS, CAN BE OF IMPORTANT ASSISTANCE TO HOUSING  
DEVELOPERS IN RELEASING BADLY NEEDED SOURCES OF CAPITAL.

AND THE HOMEBUYER CAN OBTAIN RELIEF FROM CURRENT PRESSURE FOR  
INCREASED MONTHLY PAYMENTS AND FROM HIGH DISCOUNT POINTS  
NOW ASSESSED AGAINST FHA-VA MORTGAGES, UNDER THE RECENTLY  
ANNOUNCED "GINNY MAE" PROGRAM, PREVIOUSLY AUTHORIZED BY  
CONGRESS, TO PURCHASE THESE MORTGAGES AT 96 OR 95 PERCENT  
IN PERIODIC AUCTIONS

BUT SURELY THE ADMINISTRATION MUST RECOGNIZE THAT  
WITHOUT COMPREHENSIVE EFFORTS TO STABILIZE AND STRENGTHEN  
THE AMERICAN ECONOMY, THE IMPACT OF THESE PROGRAMS WILL BE  
COMPLETELY LOST. AND SURELY <sup>me</sup> ~~THIS ADMINISTRATION~~ MUST  
RECOGNIZE THAT THESE MORTGAGE ASSISTANCE ACTIONS SHOULD  
BE ONLY ONE PART OF AN ALL-OUT FEDERAL EFFORT TO PROMOTE  
DECENT HOUSING AND LIVEABLE COMMUNITIES IN AMERICA.

BUT IS THE NIXON ADMINISTRATION REALLY FACING UP TO

THESE FACTS OF LIFE

*Some questions need to be asked*

*The Administration*

WHY DOES <sup>^</sup> IT IGNORE INTEREST RATES IN ITS WAGE-PRICE

FREEZE?

WHY DOES IT CONTINUE TO IMPOUND SEVERAL HUNDRED MILLION

DOLLARS FOR HOUSING AND URBAN DEVELOPMENT ALREADY APPROPRIATED

BY CONGRESS, UNDER A MISCONSTRUED CONCEPT OF WHAT CONSTITUTES

EFFECTIVE CONTROLS ON INFLATION?

*Budget deficit*

I AM TALKING ABOUT SOME \$200 MILLION EACH FOR URBAN

RENEWAL, FOR WATER AND SEWER GRANTS, FOR PUBLIC HOUSING, AND

FOR MASS TRANSIT.

*V*

I AM TALKING ABOUT A PROGRAM BACKLOG FOR PUBLIC

HOUSING THAT IS ALMOST THREE TIMES THE SIZE OF THE APPROPRIATED

FUNDS FROZEN BY THE ADMINISTRATION; AND AN UNMET DEMAND FOR

URBAN RENEWAL, MASS TRANSIT, AND WATER AND SEWER FACILITY

CONSTRUCTION ASSISTANCE THAT IS MORE THAN TEN TIMES THE

LEVEL OF IMPOUNDED FUNDS.

*These are investments*

L WHY WAS IT NECESSARY FOR THE SENATE TO INITIATE ACTION

TO CONTINUE AND EXPAND AUTHORIZATIONS FOR OPEN-SPACE LAND

GRANTS AND FOR SECTION 701 COMPREHENSIVE PLANNING ASSISTANCE

GRANTS?

L WHY, WITH CITIES CALLING FOR FULL PAYMENT OF THE RISING  
COSTS OF LOCAL SERVICES PROVIDED TO PUBLIC HOUSING PROJECTS,  
AND RAISING TAXES ON PRIVATELY DEVELOPED RENTAL HOUSING,  
DOES ~~THE~~ <sup>THE</sup> ADMINISTRATION CHOOSE TO DELAY ITS REVENUE SHARING  
PROGRAM?

L MY ANSWER WILL BE TO KEEP PRESSING FOR ACTION ON THE  
LEGISLATION I HAVE INTRODUCED TO TIE IN GUARANTEED LEVELS OF  
ANNUAL REVENUE SHARING WITH REQUIREMENTS OF A PASS-THROUGH TO  
OUR COMMUNITIES. THIS LEGISLATION ALSO WILL REQUIRE STRICT  
ACCOUNTABILITY OF THE COMMUNITIES FOR THE EFFECTIVE AND  
NON-DISCRIMINATORY USE OF THESE PUBLIC FUNDS, AND THE  
MODERNIZATION OF LOCAL GOVERNMENT SERVICES, AND REVENUE EFFORTS  
ON A PROGRESSIVE AND EQUITABLE BASIS.

# Front line of Housing

-18-

OUR CITIES AND TOWNS, PROVIDING THE BASIC INFRASTRUCTURE  
FOR AMERICA'S ECONOMIC EXPANSION, DESPERATELY NEED HELP NOW.

~~AND I INTEND TO DO ALL I CAN TO SEE THAT THEY GET IT.~~

THERE ARE OTHER QUESTIONS, IMMEDIATELY RELEVANT TO  
THE GOAL OF PROVIDING AN ADEQUATE SUPPLY OF GOOD HOUSING IN  
OUR NATION, THAT THE ~~American~~ <sup>we</sup> MUST ANSWER.

*to be sure,*

ES, THERE HAS BEEN A SIGNIFICANT INCREASE IN NEW  
HOUSING, BUT, IT REMAINS FAR SHORT OF ANNUAL PRODUCTION  
REQUIREMENTS TO MEET THE TEN-YEAR GOAL OF 26 MILLION UNITS.

✓  
20

↳ THE INCREASE HAS RESULTED PRIMARILY FROM THE FEDERAL ASSISTANCE PROGRAMS UNDER THE 1968 HOUSING AND URBAN DEVELOPMENT ACT -- ~~AND LET IT NOT BE FORGOTTEN THAT THIS LAW WAS PROMOTED AND PUSHED THROUGH TO ENACTMENT BY THE DEMOCRATIC ADMINISTRATION.~~

↳ BUT THERE ALSO HAS BEEN A HIGH RATE OF HOUSING ABANDONMENT IN OUR CORE CITIES. THE WASTELAND OF BROWNSVILLE, A ONCE THRIVING AND WELL-KEPT COMMUNITY IN THE NEW YORK METROPOLITAN AREA, IS PERHAPS THE BEST-KNOWN CASE IN POINT. BUT, THE PHYSICAL AND SOCIAL DECAY OF BROWNSVILLE IS REPEATED IN CITY AFTER CITY ACROSS AMERICA.

LEGISLATION ENACTED BY CONGRESS LAST YEAR INCLUDED THE  
AUTHORIZATION OF AN INTENSIVE STUDY OF THIS CRITICAL PROBLEM  
OF THE DESERTION OF HOMES AND APARTMENTS. WE KNOW IT HAS BEEN  
SPURRED IN PART BY RISING TAXES, BY THE TRAUMA OF DECAYING AND  
UNSAFE NEIGHBORHOODS, BY INADEQUATE MANAGEMENT SERVICES

BUT WHERE IS THE REPORT OF THIS STUDY, <sup>which was to have</sup> ~~TO HAVE BEEN~~

<sup>been</sup> CARRIED OUT BY THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT?

HAS ANY ACTION BEEN TAKEN YET? HAS THE DEPARTMENT MOVED  
AGGRESSIVELY TO CHANNEL FUNDS AUTHORIZED BY CONGRESS TO  
ENABLE CITIES TO MOVE IN AND ACQUIRE VACANT AND DETERIORATING  
PROPERTY, ELIMINATE BLIGHT, AND IMPROVE PUBLIC SERVICES?

(Hi-way construction  
get done)

EVEN IF RESPONSIVE ANSWERS WERE PROVIDED TO THESE  
 QUESTIONS TOMORROW, WE ARE CONFRONTED BY ~~\_\_\_\_\_ POLICY~~  
~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~ STANCE BY THE ADMINISTRATION - A POLICY OF RESPONDING TO  
 CRISIS ONLY UNDER PUBLIC PRESSURE, - A POLICY THAT ALL TOO OFTEN  
~~\_\_\_\_\_~~  
 INDICATES A FAILURE TO PLAN AHEAD TO MEET NATIONAL PROBLEMS  
~~\_\_\_\_\_~~

THAT ARE ALREADY ON THE HORIZEN, - A POLICY THAT EMPLOYS

*Rhetoric*  
~~\_\_\_\_\_~~ INSTEAD OF HARD ~~\_\_\_\_\_~~ CASH TO MEET

THESE PROBLEMS HEAD-ON TODAY.

*Future - 20 million jobs  
 100 million people*

*↳* WE OUGHT TO BE PROPOSING NEW FEDERAL ASSISTANCE INCENTIVES  
 TO ENABLE LOWER AND MODERATE INCOME TENANTS AND HOMEOWNERS TO  
~~\_\_\_\_\_~~  
 IMPROVE THEIR DWELLINGS AND NEIGHBORHOODS; AND TO PROMOTE  
~~\_\_\_\_\_~~  
 TRAINING IN PROPERTY MANAGEMENT; AND TO PROVIDE VITAL  
~~\_\_\_\_\_~~  
 COMMUNITY AND SOCIAL SERVICES TO RESIDENTS.  
~~\_\_\_\_\_~~

L WE OUGHT TO BE PRESSING FORWARD WITH EXTENSIVE HELP  
TO BOTH PUBLIC AND PRIVATE DEVELOPERS TO PLAN, DESIGN, AND  
EXECUTE COMPREHENSIVE RESIDENTIAL PROJECTS -- PROJECTS THAT  
MAKE BETTER USE OF LIMITED LAND RESOURCES, THAT PROMOTE  
MODERN AND HIGH-QUALITY CONSTRUCTION TECHNIQUES, AND  
Schools, Hospitals  
THAT PLACE HOUSING NEAR PARKS AND PLAYGROUNDS TO ENHANCE THE  
QUALITY OF LIFE FOR OUR PEOPLE.

h AND AS PART OF THIS WHOLESOME LIVING ENVIRONMENT, WE  
SHOULD ASSURE THE ACCESSIBILITY OF GOOD JOB OPPORTUNITIES,  
SHOPPING CENTERS, AND COMMUNITY SERVICE CENTERS.

*Not just housing*

AND WE SHOULD NO LONGER DELAY THE PROMOTION OF

PLANNED SITES FOR ECONOMICALLY AND RACIALLY INTEGRATED HOUSING

THROUGHOUT ENTIRE METROPOLITAN AREAS / THIS MEANS FULL FUNDING

FOR FEDERALLY SUBSIDIZED HOUSING THAT IS MADE A REQUIRED PART

OF EXTENSIVE HELP THROUGH CONSOLIDATED GRANTS FOR COMPREHENSIVE

COMMUNITY DEVELOPMENT.

↳ THESE ARE ONLY SOME OF THE PROPOSALS I HAVE BEEN

POUNDED HOME AGAIN AND AGAIN OVER THE PAST SEVERAL MONTHS

FOR UNDERTAKING VITAL NEW DIRECTIONS IN HOUSING AND COMMUNITY

DEVELOPMENT IN AMERICA. 6

WHAT IS AT STAKE TODAY IS NOT JUST OUR HOUSING AND OUR  
URBAN CONDITION -- BUT THE HUMAN CONDITION. AND IT IS THE  
PERSONAL INVESTMENT OF EACH OF US THAT WILL IN LARGE PART  
DETERMINE WHETHER AMERICAN CONTINUES TO DENY THE RICHNESS OF  
HUMAN EXISTENCE TO SO MANY PEOPLE, OR AT LAST OFFERS THE  
OPPORTUNITY TO HOPE AND TO DREAM TO ALL ITS CITIZENS.

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