

REMARKS BY SENATOR HUBERT H. HUMPHREY

LEAGUE OF CALIFORNIA CITIES

San Francisco, California

September 27, 1971

For many years, a popular television program began its evening broadcast with the words, "This is the City."

And for many years, Americans thought they knew what a city was ... tall buildings ... concrete ... cars ... trolleys ... baseball games ... and people, doing all kinds of things and going places.

But, this is not the city. The tall buildings are there, of course. And there are plenty of cars.

But in all too many instances, the spirit has gone out of our cities. And no matter how hard we try, we cannot seem to replace it.

This is our national tragedy.

We thought at one time that suburbia was an answer.

We were wrong. Look at Suburbia, with its miles of neon lights, traffic lights, and rings of highways. And, the suburbanite realizes all too clearly that the problems he thought he left in the city are fast catching up with him.

We thought at one time that the answer to ghettoization -- with its poverty, racism, violence, and alienation -- was massive social programs.

We know now that this is only part of the answer.

The ghetto dweller found out that when he worked through normal channels to obtain the benefits of new programs, seldom did anyone pay attention. If he led a protest though, he got action -- but at a severe and often devastating price.

And, in our haste to solve the urban problems, those Americans living in rural areas truly become the people left behind.

In all that we have done, in all the social programs we have passed -- there is one missing element:

There has been no looking ahead. There has been no attempt to get ahead of our problems.

Government and community leaders know that within 25 years, there will be an extra 100 million Americans.

This is as much a fact of the future as the decay and deterioration of cities and rural country side is of the present.

Perhaps it is time to face up to the facts of American life. Time to ask hard questions:

What kind of life do we want? How can we achieve a better balance of growth? How can we design a national growth policy that will encourage better distribution of resources and population.

Let me answer this way:

We can and must design a National Growth Policy.

We can do what we must -- we have no other choice but to fail.

We are a wealthy country -- with resources and talent.

But, we are also confused. We know now that affluence does not necessarily bring happiness, that leisure can mean boredom, and that we are in danger of becoming frozen in our own indifference.

We share an anger at things we cannot understand. And, we sense that many of our programs are often wasteful, stupid, and irrational.

We prescribe rules from the top-down -- we tell cities how to manage their programs. And, in the process we prevent them from utilizing the full strength of local styles and initiatives. Our mayors end up playing second, third, and fourth fiddle to federal bureaucrats.

I think this is wrong.

We are fighting a war in Laos, Cambodia, and in Viet Nam -- a war that saps our energy and our will.

Surely we have learned our lesson -- it is time to end this war.

This war has consumed our spirit and voided our moral strength. It has depleted our resources. And, it has diverted us from the ever-mounting tough problems here at home.

But, we have learned something from this war: We know that if there is something you want to do -- then you will find the money.

I am willing to win the only war we ought to be fighting -- the war against want, disease, ignorance, poverty, slums, and underdevelopment.

In plain and simple language, are we willing to mobilize Americans in a battle for a better life for our people?

We have been too slow, and it has taken too long to set our own house in order.

We have allowed local government to become a holding operation -- a custodian of dreams rather than a cutting edge of social progress.

And, in the process, a nation-wide crisis of confidence in government has resulted.

I think this is sad.

For too long, we have spent more money on creating problems than we have on solving them.

And, in the process, we have become a nation that is privately wealthy, but publicly poor.

I believe this is wrong.

But, what are we going to do about it?

The 70's must be a Decade of Dynamic Domestic Development.

It must be a time when we focus our resources on the central figure of American life -- the people.

It must be a time when we assist "Street Level Government" -- the government closest to people -- in the day in and day out task of providing services.

It must be a time when governments stop over-promising and under-performing.

It must be a time when people can call City Hall and have their sidewalks fixed, their apartments inspected, snow removed, dependable electricity, enough heat and garbage collected.

And so when we ask what are we going to do about it, our answer must be:

We are going to have a program for our communities that does not short-change residents on services their tax dollars ought to buy.

And, we are going to have a realignment of federal dollars that returns money to the local communities where government and people are one and the same.

But, to even make a start, the United States must have a sound economy.

If there is one thing that is clear from all the recent debates over the economy, it is this: Our citizens are telling us that there must be more purpose to our economy than just buying, selling, or making profits.

They are also telling us with a loud and clear voice: We can not tolerate a policy that condones a nation-wide rate of over 6 percent unemployment. And, Californians are echoing the same words: They cannot tolerate a policy that condones a state unemployment rate of 73 percent.

We must have an economy of job creation -- not job destruction.

Jobs mean food on the table, clothing, and dignity. Jobs mean that families stay together.

And, to our cities, jobs mean vitality -- an enhanced ability to pay for basic services.

And, we also need an economy without runaway inflation. Inflation robs us all. It hits cities particularly hard.

Inflation has accounted for over 40 percent of the total increase in local government outlays -- only 25 percent was due to increased services.

An incalculable amount of damage to financial planning is done by inflation on one hand and recession on the other. Changes in the cost of providing government services increase 2 percent for each 1 percent rise in the general price level.

The consequences of this are apparent: inflation increases the cost of government faster so that revenues cannot keep up the pace. This means new taxes -- or as usual, increased taxes.

But that is not all. By the end of this year, our current economic recession will have cost state and local governments over 7 billion dollars in lost revenues. It will cost the federal government over \$35 billion, and it will cost all of us over \$200 billion.

There has been a lot of talk about the economy lately. And, many of us have ideas different from those proposed by the President.

Right now, however, what is most important to local governments are the policies that will prevail after the 90 day freeze.

As far as local governments are concerned, the policies of Phase Two must clearly recognize that the financing of local government differs significantly from private industry. And, state and local government must be consulted prior to any announcement of Phase Two policies and on a continuing basis thereafter.

FISCAL PROGRAMS

A sound, healthy economy will provide the foundation for fiscal programs that can pay for basic services.

We need a financing strategy that goes to the heart of the urban crisis -- our cities are overburdened by debt, they lack an expanding tax base, and they cannot pay for fundamental services.

I want to outline to you such strategy.

In May of this year, I introduced the National Domestic Development Bank Act of 1971.

The objective of my bill is to provide an alternative source of funds for new school, medical, and hospital centers, day-care centers, parks, waste disposal plants, playgrounds, and more.

Under this plan, cities and communities borrow money for facilities at rates comparable to municipal bonds.

All lending activities will be regionalized, and the bank will emphasize decision making at the local level where the problems are known first-hand.

The National Domestic Development Bank will provide an orderly, continuous source of capital funds and long-term credit for our financially strapped communities.

And, I want to emphasize the importance of long-term credit.

We simply must have a credit and financing structure that will eliminate the present stop-start method of public finance that has resulted in a string of broken promises to our communities and increased costs.

The National Domestic Development Bank emphasizes community planning -- planning that results in a decision to implement a project -- not a decision to have another study.

It emphasizes multi-year financing -- so that projects do not get half finished.

My proposal for a National Domestic Development Bank has been tested and found workable. It can do for American cities and local governments what the World Bank has been doing for other countries of this globe.

I say that if we can make long-term and generous loans to Rio de Janeiro and India, then we can make long-term and generous loans to American cities, villages, and towns.

The National Domestic Development Bank can help those large cities and counties, but what about rural areas?

We simply must turn some attention to rural America. It is from rural America that we have 30 million people migrating to the cities -- depleting the city services, causing additional problems of poverty, and joblessness, and welfare.

It is with this in mind that I introduced companion legislation to the National Domestic Development Bank. This is a supplementary program for counties, and towns under 35,000 population. It is designed to supply them with a credit mechanism for building new learning centers, revitalizing community property, and spurring job development in the rural heartland.

Long-term credit -- for both urban and rural America -- can take the pressure off the indebtedness of cities, but it does not solve the problem of immediate basic services.

It does not tell the citizens watching two men walk on the moon why his services are so poor, why he has trouble getting to work, and why he is afraid to tak an evening walk.

If we are going to have quality community services -- if we are going to answer the family watching television -- then we have to change our regressive state tax structures and assure adequate dollar return from the federal government.

How equitable are our taxes?

Right now, the top ten percent of the income population in the United States receives 30 percent of the total income but pays only 9.8 percent of the total taxes.

On the other hand, the middle and moderate income groups receive only 11 percent of the income but pay 25 percent of the taxes. And, the lowest tenth of the population receive one percent of the national income, but pay about four percent of the taxes.

The tax structures in short, are out of joint.

Look at your own communities. Better than \$6 billion is collected in California by the property tax -- this is 35 to 40 percent of total local government revenue.

But, who gets hit the hardest from the property tax? It is the moderate income, the middle income, and the low income tax payer.

Public officials at all levels of government have an obligation to seek out ways to make taxing fair and reduce the crushing burden of property taxes.

The federal government can make a start by returning to local communities nothing less than \$5 billion a year -- money that belongs in the local community but is siphoned off by the national government.

Call it what you want -- revenue assistance, revenue sharing, bloc grants, grant-in-aids -- who cares what the title is. The important thing is where the money is.

And, I think we need it right now.

I am opposed to the President's delay of federal aid to our cities and states.

I also believe we can make urgently needed changes in our transportation program. If it is sound policy for the Federal government to pay 90 percent of the cost of an interstate highway system, then it is equally sound policy for the federal government to pay for the streets that lead off and feed into that system.

I am in favor of opening up the highway trust fund to full city participation -- for street repair, for mass transit facilities, for construction, for maintenance, and for improving the transportation from the country to the city.

Finally, I believe we must reform the welfare system.

In California, cities are hit only indirectly by welfare costs. The counties have to pay the bills, but the city residents are still taxed for it. And, welfare costs are a drain on potential resources that the communities could use to pay for basic services.

Welfare reform has three purposes. First, to help those who really need help. Second, to retrain and employ those who are capable of work. And, third, to alleviate the tax burden on county and city taxpayers.

All three are vital. That is why I am for welfare reform.

And, I regret the President's request to delay it for a year.

Our cause is urgent.

A report issued last week by the National Urban Coalition reported that "those who wield the power in America were not willing to take the drastic action necessary to make American cities liveable again."

And, it pointed once more to the frustration shared by "people of all ages and races, and incomes" over the way programs disrupt and demean peoples' lives."

I ask you today to give of ourselves, to do what must be done to build liveable cities and develop rural America.

I ask you today to concentrate your energies on the services that make cities work.

I ask you today to leave this luncheon with a common goal:

We will succeed in dispelling Frustration.

We will succeed in building liveable cities.

We will succeed in building a better rural America.

And, the anxiety of the past shall not crush out the promises of American life.

REMARKS BY SENATOR HUBERT H. HUMPHREY

LEAGUE OF CALIFORNIA CITIES

SAN FRANCISCO, CALIFORNIA

SEPTEMBER 27, 1971

FOR MANY YEARS, A POPULAR TELEVISION PROGRAM BEGAN ITS
EVENING BROADCAST WITH THE WORDS, "THIS IS THE CITY."

L AND FOR MANY YEARS, AMERICANS THOUGHT THEY KNEW WHAT

A CITY WAS ... TALL BUILDINGS ... CONCRETE ... CARS ...

TROLLEYS ... BASEBALL GAMES ... AND PEOPLE, DOING ALL KINDS
OF THINGS AND GOING PLACES.!

L BUT, THIS IS NOT THE CITY, THE TALL BUILDINGS ARE THERE,
OF COURSE, AND THERE ARE PLENTY OF CARS,

L BUT IN ALL TOO MANY INSTANCES, THE SPIRIT HAS GONE OUT OF
OUR CITIES, AND NO MATTER HOW HARD WE TRY, WE CANNOT SEEM TO

Review
REPLACE it.

↳ THIS IS OUR NATIONAL TRAGEDY.

↳ WE THOUGHT AT ONE TIME THAT SUBURBIA WAS AN ANSWER.

WE WERE WRONG! LOOK AT SUBURBIA, WITH ITS MILES OF NEON LIGHTS, TRAFFIC LIGHTS, AND RINGS OF HIGHWAYS. AND, THE SUBURBANITE REALIZES ALL TOO CLEARLY THAT THE PROBLEMS HE THOUGHT

^{behind} HE LEFT IN THE CITY ARE FAST CATCHING UP WITH HIM!

↳ WE THOUGHT AT ONE TIME THAT THE ANSWER TO GHETTOIZATION --

WITH ^{their} POVERTY, RACISM, VIOLENCE, AND ALIENATION -- WAS

MASSIVE SOCIAL PROGRAMS.

WE KNOW NOW THAT THIS IS ONLY PART OF THE ANSWER.

THE GHETTO DWELLER FOUND OUT THAT WHEN HE WORKED THROUGH
 NORMAL CHANNELS TO OBTAIN THE BENEFITS OF NEW PROGRAMS, SELDOM
 DID ANYONE PAY ATTENTION. IF HE LED A PROTEST THOUGH, HE GOT *some*
 ACTION -- BUT AT A SEVERE AND OFTEN DEVASTATING PRICE.

AND, IN OUR HASTE TO SOLVE THE URBAN PROBLEMS, THOSE
 AMERICANS LIVING IN RURAL AREAS TRULY BECOME THE PEOPLE *Forgotten*

Americans!

IN ALL THAT WE HAVE DONE, IN ALL THE SOCIAL PROGRAMS
 WE HAVE PASSED -- THERE IS ONE MISSING ELEMENT:

THERE HAS BEEN NO LOOKING AHEAD, THERE HAS BEEN NO
 ATTEMPT TO GET AHEAD OF OUR PROBLEMS.

Patch up -

Its all catch up and

yet-

GOVERNMENT AND COMMUNITY LEADERS KNOW THAT WITHIN 25

YEARS, THERE WILL BE AN EXTRA 100 MILLION AMERICANS.

~~THIS IS AS MUCH A FACT OF THE FUTURE AS THE DECAY AND
DETERIORATION OF CITIES AND RURAL COUNTRY SIDE IS OF THE PRESENT!~~

PERHAPS IT IS TIME TO FACE UP TO THE FACTS OF AMERICAN
LIFE. TIME TO ASK HARD QUESTIONS:

WHAT KIND OF LIFE DO WE WANT? ~~HOW CAN WE ACHIEVE A BETTER
BALANCE OF GROWTH?~~ HOW CAN WE DESIGN A NATIONAL GROWTH POLICY
THAT WILL ENCOURAGE BETTER DISTRIBUTION OF RESOURCES AND
POPULATION.

LET ME ANSWER THIS WAY:

~~WE CAN AND MUST DESIGN A NATIONAL GROWTH POLICY.~~

and WE CAN DO WHAT WE MUST ~~WE HAVE NO OTHER CHOICE BUT TO~~
DO.

L WE ARE A WEALTHY COUNTRY -- WITH RESOURCES AND TALENT.

BUT, WE ARE ALSO CONFUSED, WE KNOW NOW THAT AFFLUENCE

DOES NOT NECESSARILY BRING HAPPINESS; THAT LEISURE CAN MEAN

BOREDOM, AND THAT WE ARE IN DANGER OF BECOMING FROZEN IN OUR

OWN INDIFFERENCE.

L WE SHARE AN ANGER AT THINGS WE CANNOT UNDERSTAND, AND,

WE SENSE THAT SOME OF OUR PROGRAMS ARE OFTEN WASTEFUL, STUPID,

AND IRRATIONAL.

WE PRESCRIBE RULES FROM THE TOP-DOWN -- WE TELL CITIES
HOW TO MANAGE THEIR PROGRAMS AND, IN THE PROCESS WE PREVENT
THEM FROM UTILIZING THE FULL STRENGTH OF LOCAL STYLES AND
INITIATIVES. ^{and} OUR MAYORS END UP PLAYING SECOND, THIRD, AND FOURTH
FIDDLE TO FEDERAL BUREAUCRATS

and this is wrong!

WE ARE FIGHTING A WAR IN LAOS, CAMBODIA, AND IN VIET NAM
-- A WAR THAT SAPS OUR ENERGY AND OUR WILL.

SURELY WE HAVE LEARNED OUR LESSON -- IT IS TIME TO END
THIS WAR.

THIS WAR HAS CONSUMED OUR SPIRIT AND VOIDED OUR MORAL
STRENGTH. IT HAS DEPLETED OUR RESOURCES. AND, IT HAS DIVERTED
US FROM THE EVER-MOUNTING TOUGH PROBLEMS HERE AT HOME.

↳ BUT, WE HAVE LEARNED SOMETHING FROM THIS WAR: WE KNOW THAT
IF THERE IS SOMETHING YOU WANT TO DO -- THEN YOU WILL FIND THE
MONEY,

W
I ~~AM GOING~~ ^{want} TO WIN THE ONLY WAR WE OUGHT TO BE FIGHTING
-- THE WAR AGAINST WANT, DISEASE, IGNORANCE, POVERTY, SLUMS,
AND UNDERDEVELOPMENT.

↳ IN PLAIN AND SIMPLE LANGUAGE, ARE WE WILLING TO MOBILIZE
AMERICANS IN A BATTLE FOR A BETTER LIFE FOR OUR PEOPLE?

WE HAVE BEEN TOO SLOW, AND IT HAS TAKEN TOO LONG TO SET
OUR OWN HOUSE IN ORDER.

WE HAVE ALLOWED LOCAL GOVERNMENT TO BECOME A HOLDING
OPERATION -- A CUSTODIAN OF DREAMS RATHER THAN A CUTTING EDGE
OF SOCIAL PROGRESS.

↳ AND, IN THE PROCESS, A NATION-WIDE CRISIS OF CONFIDENCE
IN GOVERNMENT HAS RESULTED.

~~I THINK THIS IS SAD.~~

FOR TOO LONG, WE HAVE SPENT MORE MONEY ON CREATING PROBLEMS
THAN WE HAVE ON SOLVING THEM.

AND ~~IN THE PROCESS~~ ~~WE~~ HAVE BECOME A NATION THAT IS
PRIVATELY WEALTHY, BUT PUBLICLY POOR — *and this is wrong*

I BELIEVE THIS IS WRONG.

↳ BUT, WHAT ARE WE GOING TO DO ABOUT IT?

↳ THE 70'S MUST BE A DECADE OF DYNAMIC DOMESTIC DEVELOPMENT.

IT MUST BE A TIME WHEN WE FOCUS OUR RESOURCES ON THE CENTRAL
FIGURE OF AMERICAN LIFE -- THE PEOPLE.

↳ IT MUST BE A TIME WHEN WE ASSIST "STREET LEVEL GOVERNMENT"

-- THE GOVERNMENT CLOSEST TO PEOPLE -- IN THE DAY-IN AND DAY-
OUT TASK OF PROVIDING SERVICES.

↳ IT MUST BE A TIME WHEN GOVERNMENTS STOP "OVER-PROMISING"
AND UNDER-PERFORMING.

↳ IT MUST BE A TIME WHEN PEOPLE CAN CALL CITY HALL AND HAVE
THEIR SIDEWALKS FIXED, THEIR APARTMENTS INSPECTED, SNOW REMOVED,
DEPENDABLE ELECTRICITY, ENOUGH HEAT AND GARBAGE COLLECTED.

↳ AND SO WHEN WE ASK WHAT ARE WE GOING TO DO ABOUT IT, OUR
ANSWER MUST BE:

↳ WE ARE GOING TO HAVE A PROGRAM FOR OUR COMMUNITIES
THAT DOES NOT SHORT-CHANGE RESIDENTS ON SERVICES THEIR TAX
DOLLARS OUGHT TO BUY,

↳ AND, WE ARE GOING TO HAVE A REALIGNMENT OF FEDERAL DOLLARS
THAT RETURNS MONEY TO THE LOCAL COMMUNITIES WHERE GOVERNMENT AND
PEOPLE ARE ONE AND THE SAME,

BUT, TO EVEN MAKE A START, THE UNITED STATES MUST HAVE A
SOUND ECONOMY.

↳ IF THERE IS ONE THING THAT IS CLEAR FROM ALL THE RECENT
DEBATES OVER THE ECONOMY, IT IS THIS: OUR CITIZENS ARE TELLING
US THAT THERE MUST BE MORE PURPOSE TO OUR ECONOMY THAN JUST
BUYING, SELLING, OR MAKING PROFITS.

↳ THEY ARE ALSO TELLING US WITH A LOUD AND CLEAR VOICE: WE
CAN NOT TOLERATE A POLICY THAT CONDONES A NATION-WIDE RATE OF
OVER 6 PERCENT UNEMPLOYMENT, AND, CALIFORNIANS ARE ECHOING
THE SAME WORDS: THEY CANNOT TOLERATE A POLICY THAT CONDONES
A STATE UNEMPLOYMENT RATE OF ~~7~~ ^{more than 7%} PERCENT.

WE MUST HAVE AN ECONOMY OF JOB CREATION -- NOT JOB
DESTRUCTION.

Jobs

h JOBS MEAN FOOD ON THE TABLE, CLOTHING, AND DIGNITY JOBS
MEAN THAT FAMILIES STAY TOGETHER.

h AND, TO OUR CITIES, JOBS MEAN VITALITY -- ~~and the~~
ABILITY TO PAY FOR BASIC SERVICES.

h ~~But~~ WE ALSO NEED AN ECONOMY WITHOUT RUNAWAY INFLATION.

INFLATION ROBS US ALL. IT HITS CITIES PARTICULARLY HARD.

h INFLATION HAS ACCOUNTED FOR OVER 40 PERCENT OF THE TOTAL
INCREASE IN LOCAL GOVERNMENT OUTLAYS -- ONLY 25 PERCENT WAS
DUE TO INCREASED SERVICES.

h AN INCALCULABLE AMOUNT OF DAMAGE TO FINANCIAL PLANNING
IS DONE BY INFLATION ON ONE HAND AND RECESSION ON THE OTHER.

h CHANGES IN THE COST OF PROVIDING GOVERNMENT SERVICES INCREASES
2 PERCENT FOR EACH 1 PERCENT RISE IN THE GENERAL PRICE LEVEL.

~~THE CONSEQUENCES OF THIS ARE APPARENT: INFLATION INCREASES THE COST OF GOVERNMENT FASTER SO THAT REVENUES CANNOT KEEP UP THE PACE, THIS MEANS NEW TAXES -- OR AS USUAL, INCREASED TAXES.~~

↳ BUT THAT IS NOT ALL. BY THE END OF THIS YEAR, ^{the} ~~our~~ CURRENT ECONOMIC RECESSION WILL HAVE COST STATE AND LOCAL GOVERNMENTS OVER 7 BILLION DOLLARS IN LOST REVENUES. ↳ IT WILL COST THE FEDERAL GOVERNMENT OVER \$35 BILLION, AND IT WILL COST ALL OF US OVER \$200 BILLION *in lost production.*

THERE HAS BEEN A LOT OF TALK ABOUT THE ECONOMY LATELY.

AND, MANY OF US HAVE IDEAS DIFFERENT FROM THOSE PROPOSED BY THE PRESIDENT.

RIGHT NOW, HOWEVER, WHAT IS MOST IMPORTANT TO LOCAL GOVERNMENTS ARE THE POLICIES THAT WILL PREVAIL AFTER THE 90 DAY FREEZE.

AS FAR AS LOCAL GOVERNMENTS ARE CONCERNED, THE POLICIES OF PHASE TWO MUST CLEARLY RECOGNIZE THAT THE FINANCING OF LOCAL GOVERNMENT DIFFERS SIGNIFICANTLY FROM PRIVATE INDUSTRY. AND, STATE AND LOCAL GOVERNMENT MUST BE CONSULTED PRIOR TO ANY ANNOUNCEMENT OF PHASE TWO POLICIES AND ON A CONTINUING BASIS THEREAFTER.

FISCAL PROGRAMS

This we know - an expanding

growing
~~A sound~~

ECONOMY WILL PROVIDE THE FOUNDATION

FOR FISCAL PROGRAMS THAT CAN PAY FOR BASIC SERVICES.

L WE NEED A FINANCING STRATEGY THAT GOES TO THE HEART OF THE URBAN CRISIS -- OUR CITIES ARE OVERBURDENED BY DEBT, THEY LACK AN EXPANDING TAX BASE, ~~AND THEY CANNOT PAY FOR FUNDAMENTAL SERVICES.~~

L I WANT TO OUTLINE TO YOU SUCH STRATEGY.

IN MAY OF THIS YEAR, I INTRODUCED THE NATIONAL DOMESTIC DEVELOPMENT BANK ACT OF 1971.

L THE OBJECTIVE OF MY BILL IS TO PROVIDE AN ALTERNATIVE SOURCE OF FUNDS FOR NEW SCHOOL, MEDICAL, AND HOSPITAL CENTERS, DAY-CARE CENTERS, PARKS, WASTE DISPOSAL PLANTS, PLAYGROUNDS, Economic Development and more.

↳ UNDER THIS PLAN, CITIES AND COMMUNITIES ^{could} BORROW MONEY FOR FACILITIES AT RATES COMPARABLE TO MUNICIPAL BONDS.

↳ ALL LENDING ACTIVITIES WILL BE REGIONALIZED, AND THE BANK WILL EMPHASIZE DECISION MAKING AT THE LOCAL LEVEL WHERE THE PROBLEMS ARE KNOWN FIRST-HAND.

↳ THE NATIONAL DOMESTIC DEVELOPMENT BANK WILL PROVIDE AN ORDERLY, CONTINUOUS SOURCE OF CAPITAL FUNDS AND LONG-TERM CREDIT FOR OUR FINANCIALLY STRAPPED COMMUNITIES.

AND, I WANT TO EMPHASIZE THE IMPORTANCE OF LONG-TERM CREDIT.

↳ WE SIMPLY MUST HAVE A CREDIT AND FINANCING STRUCTURE THAT
WILL ELIMINATE THE PRESENT "STOP-START" METHOD OF PUBLIC FINANCE

THAT HAS RESULTED IN A STRING OF BROKEN PROMISES ~~TO OUR~~

~~PROJECTS~~ AND INCREASED COSTS. ↓

↳ THE NATIONAL DOMESTIC DEVELOPMENT BANK EMPHASIZES COMMUNITY

PLANNING -- PLANNING THAT RESULTS IN A DECISION TO IMPLEMENT

A PROJECT -- NOT A DECISION TO HAVE ANOTHER STUDY

↳ IT EMPHASIZES MULTI-YEAR FINANCING -- SO THAT PROJECTS

DO NOT GET HALF FINISHED.

↳ MY PROPOSAL FOR A NATIONAL DOMESTIC DEVELOPMENT BANK

HAS BEEN TESTED AND FOUND WORKABLE. IT CAN DO FOR AMERICAN

CITIES AND LOCAL GOVERNMENTS WHAT THE WORLD BANK HAS BEEN

DOING FOR OTHER COUNTRIES OF THIS GLOBE.

↳ I SAY THAT IF WE CAN MAKE LONG-TERM AND GENEROUS LOANS

TO Brazil RIO DE JANEIRO AND INDIA, THEN WE CAN MAKE LONG-TERM AND

GENEROUS LOANS TO AMERICAN CITIES, VILLAGES, AND TOWNS.

↳ THE NATIONAL DOMESTIC DEVELOPMENT BANK CAN HELP THOSE

LARGE CITIES AND COUNTIES, BUT WHAT ABOUT RURAL AREAS?

↳ WE SIMPLY MUST TURN SOME ATTENTION TO RURAL AMERICA. IT

IS FROM RURAL AMERICA THAT WE ^{have had over} 30 MILLION PEOPLE MIGRATING

TO THE CITIES -- DEPLETING THE CITY SERVICES, ^{adding to the} CAUSING ADDITIONAL

PROBLEMS OF POVERTY, ^{unemployment} AND UNEMPLOYMENT, AND WELFARE.

IT IS WITH THIS IN MIND THAT I INTRODUCED COMPANION
LEGISLATION TO THE NATIONAL DOMESTIC DEVELOPMENT BANK. THIS
IS A SUPPLEMENTARY PROGRAM FOR COUNTIES, AND TOWNS UNDER
35,000 POPULATION. IT IS DESIGNED TO SUPPLY THEM WITH A CREDIT
MECHANISM FOR BUILDING NEW LEARNING CENTERS, REVITALIZING
COMMUNITY PROPERTY, AND SPURRING JOB DEVELOPMENT IN THE RURAL
HEARTLAND.

LONG-TERM CREDIT -- FOR BOTH URBAN AND RURAL AMERICA --
CAN TAKE THE PRESSURE OFF THE INDEBTEDNESS OF CITIES, BUT IT
DOES NOT SOLVE THE PROBLEM OF IMMEDIATE BASIC SERVICES.

IT DOES NOT TELL your neighbor ~~CITIZEN'S~~ WATCHING TWO MEN WALK

ON THE MOON WHY HIS SERVICES ARE SO POOR, WHY HE HAS TROUBLE

GETTING TO WORK, AND WHY HE IS AFRAID TO TAKE AN EVENING WALK ^{in the} _{Park}

IF WE ARE GOING TO HAVE QUALITY COMMUNITY SERVICES --

THEN WE HAVE TO CHANGE OUR REGRESSIVE STATE TAX STRUCTURES AND
ASSURE ADEQUATE DOLLAR RETURN FROM THE FEDERAL GOVERNMENT,

HOW EQUITABLE ARE OUR TAXES?

RIGHT NOW, THE TOP TEN PERCENT OF THE INCOME POPULATION
IN THE UNITED STATES RECEIVES 30 PERCENT OF THE TOTAL INCOME
BUT PAYS ONLY 9.8 PERCENT OF THE TOTAL TAXES.

ON THE OTHER HAND, THE MIDDLE AND MODERATE INCOME GROUPS RECEIVE ONLY 11 PERCENT OF THE INCOME BUT PAY 25 PERCENT OF THE TAXES. AND, THE LOWEST TENTH OF THE POPULATION RECEIVE ONE PERCENT OF THE NATIONAL INCOME, BUT PAY ABOUT FOUR PERCENT OF THE TAXES.

THE TAX STRUCTURES IN SHORT, ARE OUT OF JOINT.

LOOK AT YOUR OWN COMMUNITIES. BETTER THAN \$6 BILLION IS COLLECTED IN CALIFORNIA BY THE PROPERTY TAX -- THIS IS 35 TO 40 PERCENT OF TOTAL LOCAL GOVERNMENT REVENUE.

BUT, WHO GETS HIT THE HARDEST FROM THE PROPERTY TAX? IT IS THE MODERATE INCOME, THE MIDDLE INCOME, AND THE LOW INCOME TAX PAYER.

Public officials at all levels of government have an obligation to seek out ways to make TAXING FAIR AND REDUCE THE CRUSHING BURDEN OF PROPERTY TAXES.

The federal government can make a start by returning to local communities nothing less than \$5 billion a year -- money that belongs in the local community but is siphoned off by the NATIONAL GOVERNMENT.

Call it what you want -- REVENUE ASSISTANCE, REVENUE SHARING, BLOC GRANTS, GRANT-IN-AIDS -- WHO CARES WHAT THE TITLE

IS. THE IMPORTANT THING IS ~~WHERE~~ THE MONEY

needed ~~AND I THINK WE NEED~~ RIGHT NOW.

I AM OPPOSED TO THE PRESIDENT'S DELAY OF FEDERAL AID TO
OUR CITIES AND STATES.

I ALSO BELIEVE WE CAN MAKE URGENTLY NEEDED CHANGES IN
OUR TRANSPORTATION PROGRAM. IF IT IS SOUND POLICY FOR THE
FEDERAL GOVERNMENT TO PAY 90 PERCENT OF THE COST OF AN
INTERSTATE HIGHWAY SYSTEM, THEN IT IS EQUALLY SOUND POLICY
FOR THE FEDERAL GOVERNMENT TO PAY FOR THE STREETS THAT LEAD
OFF AND FEED INTO THAT SYSTEM.

I AM IN FAVOR OF OPENING UP THE HIGHWAY TRUST FUND TO
FULL CITY PARTICIPATION -- FOR STREET REPAIR, FOR MASS
TRANSIT FACILITIES, FOR CONSTRUCTION, FOR MAINTENANCE, AND FOR
IMPROVING THE TRANSPORTATION FROM THE COUNTRY TO THE CITY.

FINALLY, I BELIEVE WE MUST REFORM THE WELFARE SYSTEM.

IN CALIFORNIA, CITIES ARE HIT ONLY INDIRECTLY BY WELFARE COSTS. THE COUNTIES HAVE TO PAY THE BILLS, BUT THE CITY RESIDENTS ARE STILL TAXED FOR IT, AND, WELFARE COSTS ARE A DRAIN ON POTENTIAL RESOURCES THAT THE COMMUNITIES COULD USE ^{OTHER} TO PAY FOR BASIC SERVICES.

WELFARE REFORM HAS THREE PURPOSES. FIRST, TO HELP THOSE WHO REALLY NEED HELP. SECOND, TO RETRAIN AND EMPLOY THOSE WHO ARE CAPABLE OF WORK. AND, THIRD, TO ALLEVIATE THE TAX BURDEN ON COUNTY AND CITY TAXPAYERS.

ALL THREE ARE VITAL. THAT IS WHY I AM FOR WELFARE REFORM.

AND, I REGRET THE PRESIDENT'S REQUEST TO DELAY IT FOR
A YEAR.

OUR CAUSE IS URGENT.

A REPORT ISSUED LAST WEEK BY THE NATIONAL URBAN COALITION
REPORTED THAT "THOSE WHO WIELD THE POWER IN AMERICA WERE NOT
WILLING TO TAKE THE DRASTIC ACTION NECESSARY TO MAKE AMERICAN
CITIES LIVEABLE AGAIN."

AND, IT POINTED ONCE MORE TO THE FRUSTRATION SHARED
BY "PEOPLE OF ALL AGES AND RACES AND INCOMES" OVER THE WAY
PROGRAMS DISRUPT AND Demean PEOPLES' LIVES."

I ASK YOU TODAY TO GIVE OF OURSELVES, TO DO WHAT MUST
BE DONE TO BUILD LIVEABLE CITIES AND DEVELOP RURAL AMERICA.

I ASK YOU TODAY TO CONCENTRATE YOUR ENERGIES ON THE SERVICES THAT MAKE CITIES WORK.

I ASK YOU TODAY TO LEAVE THIS LUNCHEON WITH A COMMON GOAL:

WE WILL SUCCEED IN DISPELLING FRUSTRATION.

WE WILL SUCCEED IN BUILDING LIVEABLE CITIES.

WE WILL SUCCEED IN BUILDING A BETTER RURAL AMERICA.

AND, THE ANXIETY OF THE PAST SHALL NOT CRUSH OUT THE PROMISES OF AMERICAN LIFE.

#



Minnesota Historical Society

Copyright in this digital version belongs to the Minnesota Historical Society and its content may not be copied without the copyright holder's express written permission. Users may print, download, link to, or email content, however, for individual use.

To request permission for commercial or educational use, please contact the Minnesota Historical Society.



www.mnhs.org