

REMARKS OF SENATOR HUBERT H. HUMPHREY
NATIONAL CONFERENCE OF DEMOCRATIC MAYORS

URBAN POLICY FORUM

New York, New York

April 1, 1976

It is a pleasure and an honor to be here today with my good friends from the National Conference of Democratic Mayors.

We have fought side by side in all of the great battles for social and economic justice in America over the last three decades. We have shared glorious triumphs and painful setbacks. But we always have given our best and we always stick together.

Today is a landmark in the history of the Democratic Party. For the first time the leaders of our nation's greatest cities have called the aspirants to the Democratic nomination before them to exchange views on crucial national issues.

The mayors have eloquently expressed the hopes, concerns, frustrations and needs of our nation's cities. And the candidates have presented their policies and programs for revitalizing our major urban centers.

We all have been educated, the level of debate has been elevated, and the Democratic Party has been strengthened. It has been a productive day and I applaud Mayor Beame and the National Conference of Democratic Mayors for taking this important initiative.

This Urban Policy Forum demonstrates once again that ours is the Party of creativity, compassion and commitment.

I am here to speak with you of opportunity and hope for our great urban areas. Too often our attention is so taken with the tragic problems in our cities that we fail to look at their great strength. An objective dialogue on urban America in the 1970's is truly a "Tale of Two Cities."

Our cities represent the best and the worst that American society has to offer. They are the pinnacle of American culture -- containing the great orchestras, the theaters, the great libraries and universities. They are the vibrant centers of world commerce and industry. They are the great gathering places for the American people -- the plazas and market places of 20th Century America.

Our cities are wealthy, they are powerful, they are fascinating and, most of all, they are tolerant.

Yet in the shadow of these great accomplishments lies the shame and despair of America. Ugly slums, overcrowded housing, poor schools, rampant crime, malnutrition, drugs and widespread human suffering -- all untouched by the grandeur and splendor that stand a few short blocks away.

Our nation cannot afford this paradox any longer. The sunshine of social betterment and economic development must burn away the clouds of squalor that hang over large portions of our cities and inflict untold misery on our people.

Eight years ago this month, the National Advisory Commission on Civil Disorders issued its final report. That report should have changed the direction of America's urban policies. Every chapter, every page, every word of that report cried out for action.

It described in shocking detail the conditions that precipitated violence and disorder in our cities. As mayors you must live with these conditions every day -- abject poverty, widespread unemployment, deteriorated housing, disintegrating families, and worst of all, broken promises and shattered dreams.

Eight years ago, the members of that Commission reached a sad but prophetic conclusion. They said, "Our Nation is moving toward two societies, one black, one white -- separate but unequal."

But the members of that Commission realized that this conclusion was not an irreversible truth. They knew that America was at a crossroads with two possible paths to the future.

One was the path of neglect, abandonment, and decline. The signposts along that path were a cold shoulder from the Federal Government, a fanatical worship at the altar of the "free market forces," and a continuation of oversold but underfunded social programs.

The other would be the path of revitalization, enrichment and conservation. This path would be marked by a commitment of resources equal to the problem, by an unwillingness to tolerate the waste and indignity of unemployed people and resources, and by a commitment to make good the promises of American democracy to all citizens -- urban and rural, black and white.

Eight years ago, this choice was presented to the American people and to their leaders.

Since then, our Nation and our cities have not fared well. Unemployment in our cities has soared, inflation has ravaged family and city budgets, the quality of public services has declined, and middle income families and jobs have left our cities, leaving behind ever greater concentrations of low income families.

Where have the leaders of our Nation been during this period?

The Nixon-Ford Administration simply sat on its hands -- a cruel and callous indifference. After all, "what could we do," they asked, "this simply is 'the market' at work -- tough luck if you get hurt."

In this blind ideological determination to let "nature take its course," the White House has vetoed every major effort by the Democratic Congress to improve conditions in our cities. We have suffered seven sad years of official neglect of urban America.

The time has come to return to the high road of revitalization and recovery. We cannot shy away from that challenge. We cannot allow this Nation to crumble and decay as its cities are abandoned.

The problems aren't going to disappear by themselves. They must be attacked by every level of government working closely with the private sector. Jobs must be provided, poverty must be eliminated, slums must be rehabilitated, discrimination must be halted, neighborhoods must be restored, social services must be revitalized, hope must be returned in our cities.

In attacking these problems, there is much we can learn from our previous experience. In the 1960's a compassionate and energetic Federal Government plunged headlong into the battle against our urban problems. In this historic experiment in social change, it identified the problems, it made the commitment and it proposed the solutions.

Most of these programs were well conceived, well intended, and successful. Obviously, some were less successful due to poor administration, gross underfunding, and, in some cases, because programs were not effectively coordinated between responsible levels of government. In the 1960's we clearly learned that the Federal Government could not do it alone.

But we have learned an equally important lesson in the 1970's under the so-called "New Federalism." And the problems we see in Detroit, New York, Boston, Milwaukee and many other large and small cities are part of that lesson.

We've learned that rhetoric about "local control" is worthless without a coordinated plan of action involving all levels of government; that talk of local discretion is pointless without a commitment of funds from the federal and state governments that is sufficient to meet the needs. Rhetoric won't pay the policemen and firemen, rhetoric won't operate the school system, and rhetoric won't meet local housing needs. We have learned that state and local governments cannot do it alone either.

Let's take a look at what has happened to the dollar since the so-called "New Federalism" was instituted.

From 1950 to 1972, Federal grants-in-aid grew every year until they were almost 25 percent of all domestic outlays. Since 1972, the numbers tell another story. In Fiscal Year 1977, grants-in-aid will be only 21 percent of domestic outlays, the fifth straight year of decline.

The "New Federalism" of Nixon and Ford is nothing more than a conscious and designed policy to reduce the federal government's commitment to our cities and to the millions of American citizens who live in them.

The challenge that we now confront is to develop a comprehensive national urban policy that combines the commitment of the 1960's with a New Partnership that actively involves all levels of government and the private sector.

The federal government must accept its responsibility to maintain full employment and reasonable price stability and to provide income assistance to families that do not participate fully in our economic system.

The States must make sure that their political off-spring, the cities, have sufficient financial resources to provide essential services.

And the local governments must marshal their resources frugally so that they can provide essential services without driving out middle income families and jobs.

This is not an easy task. It involves changes in both the institutions and the policies of government. But it is a challenge we must accept.

We recognize that a New Partnership cannot be built on empty promises or unsupported dreams. A massive commitment is needed -- a commitment that possesses all the scope, the vision, the financial backing, and the spirit that the Marshall Plan embodied.

A New Partnership, a Marshall Plan for America's cities, requires coordinated planning by all levels of government. It means that ideas must flow from the bottom up, as well as from the top down. It means goals and priorities must be carefully set and examined by all levels of government. It means that resources must be made available on a continuing basis -- not in a stop and go manner.

The New Partnership means planning, goals, commitments, consistency, and adequate resources. All are necessary and all are required.

If this New Partnership is to become a reality, the federal government must undertake several actions.

First and foremost, we must make a binding commitment to maintain full employment in our nation and its cities. America cannot afford the catastrophic waste of unemployed workers and capital that we have experienced in the last two years.

Seven million people are now officially unemployed. Another three million have dropped out of the full-time labor force.

Some \$27 billion in revenues was lost by state and local governments in 1975 alone.

Over \$400 billion in output and income has been lost due to this recession.

Yet these national figures mask even greater hardship and suffering in our central cities.

While the "official" national unemployment rate is 7.6 percent, it is 20 percent in Newark, 17 percent in Detroit, 12 percent in Cleveland, 12 percent in Boston, 11 percent in New York, and 10 percent in Philadelphia.

It is time that we accept the fact that the major long-term solution to our urban problems is full employment in our cities.

A true full employment program must start with sound monetary and fiscal policies. But these will not be enough. Their impact just doesn't trickle down into the pockets of high unemployment in our central cities.

National economic policies must include economic development programs designed specifically to create new private sector jobs in our central cities.

We need a National Domestic Development Bank to provide low interest loans to encourage businesses to locate in our central cities and to help state and local governments build the infrastructure necessary to attract new industry. And we need selective tax credits that make investing in high unemployment areas more attractive.

There are some people in this Nation that say we can't afford full employment. They are concerned that full employment can only be achieved at the expense of price stability.

They are wrong. We have seen that as employment increases inflation is reduced.

But even if they were not wrong, I could not accept their philosophy. No national economic policy should ask millions of American families to suffer the hardship of unemployment so that the majority of Americans can experience the pleasure of price stability.

We once had an economic system in this country where the few suffered for the benefit of the many. But we ended that system 113 years ago with the Emancipation Proclamation.

It is time we provided that same freedom to those enslaved by unemployment.

Second, the Federal Government must accept primary responsibility, once and for all, with respect to financing welfare and health programs for disadvantaged American families.

No state or local government should be driven to bankruptcy by welfare expenditures because a large share of the Nation's poor have chosen that city or state as a place in which to live. Nor should any state or local government be forced to bear a disproportionate share of the burden of providing essential health services to the poor.

The health and welfare of individual American citizens always has been and should remain a chief concern of the federal government.

Third, we need a permanent system of anti-recession programs ready and in place whenever the unemployment rate rises above full employment levels.

There should be two elements to this anti-recession strategy -- emergency public service jobs and emergency budget support grants.

The concept is quite simple. The federal government has an obligation to maintain full employment. When it fails, it should provide assistance to cities that experience excessive unemployment. These programs will allow cities to maintain essential services.

Fourth, we need a major public works investment program to modernize and replace deteriorating infrastructure. For too long, our Nation has been privately rich and publicly poor.

It is time to make a major commitment to revitalize our transportation system, to improve our sewage treatment facilities, to upgrade our housing stock, and to provide day care centers for pre-school education.

We must identify all major public investment needs and begin to meet these needs with consistent funding and a permanent program.

We also should identify an inventory of individual projects that could be taken off the shelf quickly if the unemployment rate starts to rise. These should be important projects that can be started and completed rapidly. We then would be prepared to swing into action quickly with useful projects if we enter another recession. It's very simple -- we just do a little planning ahead.

Fifth, the revenue sharing program must be renewed immediately to allow cities to plan next year's budgets.

In the future, however, I believe we should consider the desirability of using revenue sharing to encourage regional tax base sharing. One of the major problems confronting some of our older cities is that they are islands of urban poverty in a sea of suburban wealth. Revenue sharing could be used to encourage suburban jurisdictions to share a small portion of this wealth with the central city on whom their future viability relies.

The Twin Cities area in my home state of Minnesota already has developed an extremely effective tax sharing scheme. Other regions should be encouraged to do the same.

I also believe we should consider adjusting the revenue sharing formula to reflect more adequately the number of low income families that reside within each jurisdiction.

Sixth, we must utilize Federal Government procurement and employment expenditures to bolster the economies of depressed cities and areas. At present, the federal government is spending three and four times more per person in growing areas than in declining areas.

Finally, we must re-examine our institutions for formulating economic policy and for coordinating federal, state and local government activities. At present there is no systematic institution through which States and cities can make their concerns known. Nor is there any method for coordinating federal, state and local government policies. Mayors and governors quite frankly are on the outside looking in.

This relationship should be changed in several respects.

First, the Vice President should become a permanent liaison with state and local government officials. When I was Vice President, governors and mayors regularly were consulted on major policy decisions and they had direct access to the White House through my office. Now, they're lucky if they get a peek at federal policy after it has been released to the press.

Second, a system of permanent regional councils should be established. These councils would be composed of state and local government elected officials and a representative of the federal government. The President would use the regional councils to become acquainted with the unique concerns of each region. The federal representative would be an official just below cabinet rank, who would act as the eyes and the ears of the President.

Finally, state and local government officials should be included in the federal budget process before the budget is signed, sealed and delivered. At present, they are invited for a little party in the White House after the budget is released.

Our nation's cities represent the best of times and the worst of times -- the hope and the despair -- of 20th Century America. The poverty of the ghetto languishes next to the affluence of Park Avenue. Pockets of 30 and 40 percent unemployment are just a few short blocks from the plush offices of the captains of American industry. Luxurious townhouses cast shadows over crumbling slum tenements. Open spaces and parks are fed by rubbish-strewn streets. And tightly knit ethnic neighborhoods are surrounded by pockets of alienation.

In many senses our cities represent the apex of American achievement, that portion of society that results from our hardest work and that which is most worth saving. But in other respects, the shame of our cities is the largest scar on the national body politic, that portion of society that is most in need of work so that it can be saved.

It is that task -- turning despair into hope, promises into results, opportunities into accomplishments -- to which we must be willing to commit ourselves and our Party today.

It is a large job that will require a great deal of the human energy and financial resources of the American people. But it is a job that we simply cannot afford to put off until tomorrow.

Thank you.

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NEWS



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HUMPHREY OUTLINES SEVEN-POINT PLAN TO REVITALIZE NATION'S DECLINING CITIES

Contact: Betty South

FOR RELEASE THURSDAY, APRIL 1, 12:30 P.M.

NEW YORK CITY, April 1--Senator Hubert H. Humphrey today called for a "New Partnership" among all levels of government to rebuild and revitalize America's declining cities, charging that there have been "seven sad years of official neglect of urban America.

"The problems are not going to disappear by themselves," Humphrey said. Jobs must be provided, poverty must be eliminated, slums must be rehabilitated, discrimination must be halted, neighborhoods must be restored, social services must be revitalized."

Speaking at the National Conference of Democratic Mayors' Urban Policy Forum luncheon, Waldorf Astoria, the Minnesota Senator urged "a commitment that possesses all the scope, the vision, the financial backing and the spirit that the Marshall Plan embodied.

He maintained that "the New Federalism of Nixon and Ford is nothing more than a conscious and designed policy to reduce the federal government's commitment to the cities and to the millions of American citizens who live in them."

Since the inception of the "New Federalism," Humphrey pointed out that grants-in-aid to cities actually have declined as a percentage of total domestic outlays, from a 1972 high of 25 percent to a low of 21 percent in the proposed 1977 budget.

"The challenge that we now confront is to develop a comprehensive national urban policy that combines the commitment of the 1960's with a New Partnership that actively involves all levels of government and the private sector," he said.

(more)

Under the Humphrey plan, the federal government would accept responsibility to "maintain full employment" (which he termed the major long-term solution to urban problems), "reasonable price stability" and income assistance.

State government would "make sure that the cities have sufficient financial resources to provide essential services," and the cities themselves would "marshal their resources frugally and carefully" to provide services without "driving out middle income families and jobs."

For the federal role in the partnership, Humphrey proposed a seven-point plan for a "comprehensive national urban policy," including:

--"a binding commitment to maintain full employment," coupled with "sound monetary and fiscal policies," economic development programs for private sector jobs and the creation of a National Domestic Development Bank with loan policies designed to encourage business location in central cities;

--federal acceptance of "primary responsibility" for welfare and health programs for the disadvantaged, and assurance that no city or state would become bankrupt "because a disproportionate share of the nation's poor have chosen to live there";

--"a permanent system of anti-recession programs" linked to the unemployment rate and federal assistance to cities with disproportionately high unemployment;

--"a major public works investment program to modernize and replace" existing urban facilities, including transportation, sewage treatment, housing and day care facilities;

--immediate renewal of the revenue sharing program "to allow our cities to plan next year's budgets," and regional tax bases which would encourage suburbs "to share a small portion of their wealth with the central cities on which their future viability relies";

--use of federal procurement and employment expenditures to aid the economies of declining and depressed areas; and

--coordination of state, local and federal policies through a system of permanent regional councils which would report to the Vice President, who would act as liaison, on the "unique concerns of each region," and the inclusion of state and local officials in the federal budget planning process.

Humphrey concluded his remarks with the observation that "the nation's cities represent the best of times and the worst of times -- the hope and the despair of 20th Century America.

"It is that task -- turning despair into hope, promises into results, opportunities into accomplishments -- to which we must be willing to commit ourselves and our (Democratic) Party today.

It is a large job that will require a great deal of the human energy and financial resources of the American people. But it is a job that we simply cannot afford to put off until tomorrow."

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NATIONAL CONFERENCE OF DEMOCRATIC MAYORS

URBAN POLICY FORUM

NEW YORK, NEW YORK

Chris Huntfield
APRIL 1, 1976

Mayor Beame
Mayor Meier
Chris ~~Frank~~ Trauss

St. Gov. Mary Ann
Krupsat
Krup-Satt

IT IS A PLEASURE AND AN HONOR TO BE HERE TODAY WITH MY GOOD FRIENDS FROM THE NATIONAL CONFERENCE OF DEMOCRATIC MAYORS.

WE HAVE FOUGHT SIDE BY SIDE IN ALL OF THE GREAT BATTLES FOR SOCIAL AND ECONOMIC JUSTICE IN AMERICA OVER ~~THE LAST THREE DECADES,~~ *many years*

WE HAVE SHARED GLORIOUS TRIUMPHS AND PAINFUL SETBACKS, BUT WE ALWAYS HAVE GIVEN OUR BEST AND WE ALWAYS STICK TOGETHER.

TODAY, IS A LANDMARK IN THE HISTORY OF THE DEMOCRATIC PARTY.

FOR THE FIRST TIME, THE LEADERS OF OUR NATION'S GREATEST CITIES HAVE CALLED THE ~~ASPIRANTS~~ *candidates for* THE DEMOCRATIC NOMINATION BEFORE THEM TO EXCHANGE VIEWS ON CRUCIAL NATIONAL ISSUES.

THE MAYORS HAVE ~~EXPRESSED~~ EXPRESSED THE HOPES, CONCERNS, FRUSTRATIONS AND NEEDS OF OUR NATION'S CITIES. AND THE CANDIDATES HAVE PRESENTED THEIR POLICIES AND PROGRAMS FOR REVITALIZING OUR MAJOR URBAN CENTERS.

[WE ALL HAVE BEEN EDUCATED. THE LEVEL OF DEBATE HAS BEEN
 ELEVATED, AND THE DEMOCRATIC PARTY HAS BEEN STRENGTHENED. [IT HAS
 BEEN A PRODUCTIVE DAY AND I APPLAUDE MAYOR BEAME ^{✓ may be mine} AND THE NATIONAL
 CONFERENCE OF DEMOCRATIC MAYORS FOR TAKING THIS IMPORTANT
 INITIATIVE.

[THIS URBAN POLICY FORUM DEMONSTRATES ONCE AGAIN THAT OURS
 IS THE PARTY OF CREATIVITY, COMPASSION AND COMMITMENT.

reminded

[I AM HERE TO SPEAK WITH YOU OF OPPORTUNITY AND HOPE FOR
 OUR GREAT URBAN AREAS. [TOO OFTEN OUR ATTENTION IS SO TAKEN WITH
 THE TRAGIC PROBLEMS IN OUR CITIES THAT WE FAIL TO LOOK AT THEIR
 GREAT STRENGTH. [A Conference AN OBJECTIVE DIALOGUE ON URBAN AMERICA IN THE
 1970'S IS TRULY A "TALE OF TWO CITIES."

OUR CITIES REPRESENT THE BEST AND THE WORST THAT AMERICAN SOCIETY HAS TO OFFER. THEY ARE THE PINNACLE OF AMERICAN CULTURE -- MUSEUMS, ART GALLERIES, CONTAINING THE GREAT ORCHESTRAS, THE THEATERS, THE GREAT LIBRARIES AND UNIVERSITIES. They are the centers for medical care. THEY ARE THE GREAT GATHERING PLACES FOR THE AMERICAN PEOPLE -- THE PLAZAS AND MARKET PLACES OF 20TH CENTURY AMERICA.

exacting OUR CITIES ARE WEALTHY, THEY ARE POWERFUL, THEY ARE FASCINATING, AND, MOST OF ALL, THEY ARE COSMOPOLITAN. They are the mosaic ~~of~~ pattern of our people.

YET IN THE SHADOW OF THESE GREAT ACCOMPLISHMENTS LIES THE SHAME AND DESPAIR OF AMERICA. UGLY SLUMS, OVERCROWDED HOUSING, POOR SCHOOLS, RAMPANT CRIME, MALNUTRITION, DRUGS AND WIDESPREAD HUMAN SUFFERING -- ALL UNTOUCHED BY THE GRANDEUR AND SPLENDOR THAT STAND A FEW SHORT BLOCKS AWAY.

OUR NATION CANNOT AFFORD THIS PARADOX, ~~AND LONGER~~ THE
SUNSHINE OF SOCIAL BETTERMENT AND ECONOMIC DEVELOPMENT MUST BURN
AWAY THE CLOUDS OF SQUALOR THAT HANG OVER LARGE PORTIONS OF OUR
CITIES AND INFLICT UNTOLD MISERY ON OUR PEOPLE.

EIGHT YEARS AGO THIS MONTH, THE NATIONAL ADVISORY COMMISSION
ON CIVIL DISORDERS ISSUED ITS FINAL REPORT. THAT REPORT SHOULD
HAVE CHANGED THE DIRECTION OF AMERICA'S URBAN POLICIES. EVERY
CHAPTER, EVERY PAGE, EVERY WORD OF THAT REPORT CRIED OUT FOR ACTION.

IT DESCRIBED IN SHOCKING DETAIL THE CONDITIONS THAT
PRECIPITATED VIOLENCE AND DISORDER IN OUR CITIES. AS MAYORS, YOU
MUST LIVE WITH THESE CONDITIONS EVERY DAY -- ABJECT POVERTY,
WIDESPREAD UNEMPLOYMENT, DETERIORATED HOUSING, DISINTEGRATING
FAMILIES, AND WORST OF ALL, BROKEN PROMISES AND SHATTERED DREAMS.

↳ EIGHT YEARS AGO, THE MEMBERS OF THAT COMMISSION REACHED
A SAD BUT PROPHETIC CONCLUSION, ↳ THEY SAID, "OUR NATION IS MOVING
TOWARD TWO SOCIETIES, ONE BLACK, ONE WHITE -- SEPARATE BUT UNEQUAL."

↳ BUT THE MEMBERS OF THAT COMMISSION REALIZED THAT THIS
CONCLUSION WAS NOT AN IRREVERSIBLE TRUTH. ↳ THEY KNEW THAT AMERICA
WAS AT A CROSSROADS WITH TWO POSSIBLE PATHS TO THE FUTURE.

↳ ONE WAS THE PATH OF NEGLECT, ABANDONMENT, AND DECLINE. ↳ THE
SIGNPOSTS ALONG THAT PATH WERE A COLD SHOULDER FROM THE FEDERAL
GOVERNMENT, A FANATICAL WORSHIP AT THE ALTAR OF THE "FREE MARKET
FORCES," AND A CONTINUATION OF OVERSOLD BUT UNDERFUNDED SOCIAL
PROGRAMS.

↳ THE OTHER WOULD BE THE PATH OF REVITALIZATION, ENRICHMENT
AND CONSERVATION.

↳ THIS PATH WOULD BE MARKED BY A COMMITMENT OF RESOURCES EQUAL TO
THE PROBLEM, BY AN UNWILLINGNESS TO TOLERATE THE WASTE AND
INDIGNITY OF UNEMPLOYED PEOPLE AND RESOURCES, AND BY A COMMITMENT
TO MAKE GOOD THE PROMISES OF AMERICAN DEMOCRACY TO ALL CITIZENS --
URBAN AND RURAL, BLACK AND WHITE.

↳ EIGHT YEARS AGO, THIS CHOICE WAS PRESENTED TO THE AMERICAN
PEOPLE AND TO THEIR LEADERS.

↳ SINCE THEN, OUR NATION AND OUR CITIES HAVE NOT FARED WELL,
↳ UNEMPLOYMENT IN OUR CITIES HAS SOARED, INFLATION HAS RAVAGED
FAMILY AND CITY BUDGETS, THE QUALITY OF PUBLIC SERVICES HAS DECLINED,
AND MIDDLE INCOME FAMILIES AND JOBS HAVE LEFT OUR CITIES, LEAVING
BEHIND EVER GREATER CONCENTRATIONS OF LOW INCOME FAMILIES.

↳ WHERE HAVE THE LEADERS OF OUR NATION BEEN DURING THIS PERIOD?

↳ THE NIXON-FORD ADMINISTRATION SIMPLY SAT ON ITS HANDS -- A
CRUEL AND CALLOUS INDIFFERENCE. ↳ AFTER ALL, "WHAT COULD WE DO,"
THEY ASKED, "THIS SIMPLY IS 'THE MARKET' AT WORK -- TOUGH LUCK
IF YOU GET HURT."

↳ IN THIS BLIND IDEOLOGICAL DETERMINATION TO LET "NATURE TAKE
ITS COURSE," THE WHITE HOUSE HAS VETOED EVERY MAJOR EFFORT BY THE
DEMOCRATIC CONGRESS TO IMPROVE CONDITIONS IN OUR CITIES. ↳ WE HAVE
SUFFERED SEVEN SAD YEARS OF "OFFICIAL NEGLECT OF URBAN AMERICA."

↳ THE TIME HAS COME TO RETURN TO THE HIGH ROAD OF REVITALIZATION
Rehabilitation, AND RECOVERY. ↳ WE CANNOT SHY AWAY FROM THAT CHALLENGE. ↳ WE CANNOT
ALLOW THIS NATION TO CRUMBLE AND DECAY AS ITS CITIES ARE ABANDONED.

↳ THE PROBLEMS AREN'T GOING TO DISAPPEAR BY THEMSELVES. ↳ THEY
MUST BE ATTACKED BY EVERY LEVEL OF GOVERNMENT WORKING CLOSELY WITH
THE PRIVATE SECTOR. ↳ JOBS MUST BE PROVIDED, POVERTY MUST BE
ELIMINATED, SLUMS MUST BE REHABILITATED, DISCRIMINATION MUST BE
HALTED, NEIGHBORHOODS MUST BE RESTORED, SOCIAL SERVICES MUST BE
REVITALIZED, HOPE MUST BE RETURNED IN OUR CITIES.

↳ IN ATTACKING THESE PROBLEMS, THERE IS MUCH WE CAN LEARN
FROM OUR PREVIOUS EXPERIENCE. ↳ IN THE 1960'S A COMPASSIONATE AND
ENERGETIC FEDERAL GOVERNMENT PLUNGED HEADLONG INTO THE BATTLE
AGAINST OUR URBAN PROBLEMS. ↳ IN THIS HISTORIC EXPERIMENT IN
SOCIAL CHANGE, IT IDENTIFIED THE PROBLEMS, IT MADE THE COMMITMENT
AND IT PROPOSED THE SOLUTIONS.

↳ MOST OF THESE PROGRAMS WERE WELL CONCEIVED, ^{and} WELL INTENDED. ~~AND,~~

~~THESE~~ ~~SUCCESSFUL.~~ ↳ OBVIOUSLY, SOME WERE LESS SUCCESSFUL DUE TO POOR

ADMINISTRATION, GROSS UNDERFUNDING, AND, IN SOME CASES, BECAUSE

PROGRAMS WERE NOT EFFECTIVELY COORDINATED BETWEEN RESPONSIBLE LEVELS

OF GOVERNMENT. ↳ IN THE 1960'S WE CLEARLY LEARNED THAT THE FEDERAL

GOVERNMENT COULD NOT DO IT ALONE. ^{but we also learned}

~~that with out the federal government, the task was impossible.~~

↳ WE HAVE LEARNED AN EQUALLY IMPORTANT LESSON IN THE 1970'S

UNDER THE SO-CALLED "NEW FEDERALISM" AND THE PROBLEMS WE SEE

IN DETROIT, ^{newark,} NEW YORK, BOSTON, MILWAUKEE AND MANY OTHER LARGE AND

^{smaller} ~~CITIES~~ CITIES ARE PART OF THAT LESSON.

↳ WE'VE LEARNED THAT RHETORIC ABOUT "LOCAL CONTROL" IS

WORTHLESS WITHOUT A COORDINATED PLAN OF ACTION INVOLVING ALL

LEVELS OF GOVERNMENT;

We have learned that

~~that~~ TALK OF LOCAL DISCRETION IS POINTLESS WITHOUT A COMMITMENT

OF FUNDS FROM THE FEDERAL AND STATE GOVERNMENTS THAT IS SUFFICIENT

TO MEET THE NEEDS. *L* RHETORIC WON'T PAY THE POLICEMEN AND FIREMEN,

RHETORIC WON'T OPERATE THE SCHOOL SYSTEM, AND RHETORIC WON'T MEET

LOCAL HOUSING NEEDS. *Rhetoric won't clean out the slums,* *L* WE HAVE LEARNED THAT STATE AND LOCAL

GOVERNMENTS CANNOT DO IT ALONE. ~~EVER.~~

L LET'S TAKE A LOOK AT WHAT HAS HAPPENED TO THE DOLLAR SINCE THE SO-CALLED "NEW FEDERALISM" WAS INSTITUTED.

L FROM 1950 TO 1972, FEDERAL GRANTS-IN-AID GREW EVERY YEAR UNTIL THEY WERE ALMOST 25 PERCENT OF ALL DOMESTIC OUTLAYS. *L* SINCE 1972,

THE NUMBERS TELL ANOTHER STORY. *L* IN FISCAL YEAR 1977, GRANTS-IN-AID WILL BE ONLY 21 PERCENT OF DOMESTIC OUTLAYS, THE FIFTH STRAIGHT YEAR

OF DECLINE.

↳ THE "NEW FEDERALISM" OF NIXON AND FORD IS NOTHING MORE THAN A
CONSCIOUS AND DESIGNED POLICY TO REDUCE THE FEDERAL GOVERNMENT'S
COMMITMENT TO OUR CITIES AND TO THE MILLIONS OF AMERICAN CITIZENS
WHO LIVE IN THEM.

↳ THE CHALLENGE THAT WE NOW CONFRONT IS TO DEVELOP A COMPREHENSIVE
NATIONAL URBAN POLICY THAT COMBINES THE COMMITMENT OF THE 1960'S WITH
A NEW PARTNERSHIP THAT ACTIVELY INVOLVES ALL LEVELS OF GOVERNMENT
AND THE PRIVATE SECTOR.

↳ THE FEDERAL GOVERNMENT MUST ACCEPT ITS RESPONSIBILITY TO
MAINTAIN FULL EMPLOYMENT AND REASONABLE PRICE STABILITY AND TO
PROVIDE INCOME ASSISTANCE TO FAMILIES THAT DO NOT PARTICIPATE
FULLY IN OUR ECONOMIC SYSTEM.

↳ THE STATES MUST MAKE SURE THAT THEIR POLITICAL OFF-SPRING,
THE CITIES, HAVE SUFFICIENT FINANCIAL RESOURCES TO PROVIDE ESSENTIAL
SERVICES.

↳ AND THE LOCAL GOVERNMENTS MUST MARSHAL THEIR RESOURCES FRUGALLY
SO THAT THEY CAN PROVIDE ESSENTIAL SERVICES WITHOUT DRIVING
OUT MIDDLE INCOME FAMILIES AND JOBS.

↳ THIS IS NOT AN EASY TASK, ↳ IT INVOLVES CHANGES IN BOTH THE
INSTITUTIONS AND THE POLICIES OF GOVERNMENT ↳ BUT IT IS A CHALLENGE
WE MUST ACCEPT.

*and a matter of highest
Priority for a Democratic President
& Administration*

↳ WE RECOGNIZE THAT A NEW PARTNERSHIP CANNOT BE BUILT ON EMPTY
PROMISES OR UNSUPPORTED DREAMS ↳ A MASSIVE COMMITMENT IS NEEDED --
A COMMITMENT THAT POSSESSES ALL THE SCOPE, THE VISION, THE
FINANCIAL BACKING, AND THE SPIRIT THAT THE MARSHALL PLAN EMBODIED.

yes

A NEW PARTNERSHIP, A MARSHALL PLAN FOR AMERICA'S CITIES,

REQUIRES COORDINATED PLANNING BY ALL LEVELS OF GOVERNMENT. *↳* IT

MEANS THAT IDEAS MUST FLOW FROM THE BOTTOM UP, AS WELL AS

FROM THE TOP DOWN. *↳* IT MEANS GOALS AND PRIORITIES MUST BE

CAREFULLY SET AND EXAMINED BY ALL LEVELS OF GOVERNMENT. *↳* IT

MEANS THAT RESOURCES MUST BE MADE AVAILABLE ON A CONTINUING

BASIS -- NOT IN A STOP AND GO MANNER.

↳ THE NEW PARTNERSHIP MEANS PLANNING, GOALS, COMMITMENTS,

CONSISTENCY, AND ADEQUATE RESOURCES. *↳* ALL ARE NECESSARY, AND

ALL ARE REQUIRED - *anything less, will not do the job.*

↳ IF THIS NEW PARTNERSHIP IS TO BECOME A REALITY, THE

FEDERAL GOVERNMENT MUST UNDERTAKE SEVERAL ACTIONS.

First and foremost, we must make a binding commitment to

maintain full employment in our nation and its cities. America

cannot afford the catastrophic waste of unemployed workers and

capital that we have experienced in the last two years.

Seven million people are now officially unemployed, another

three million have dropped out of the full-time labor force.

Some \$27 billion in revenues was lost by state and local

governments in 1975 alone.

Over \$400 billion in output and income has been lost due

to this recession — *tragic waste.*

Yet these national figures mask even greater hardship and

suffering in our central cities.

↳ WHILE THE "OFFICIAL" NATIONAL UNEMPLOYMENT RATE IS 7.6 PERCENT,

IT IS 20 PERCENT IN NEWARK, 17 PERCENT IN DETROIT, 12 PERCENT

IN CLEVELAND, 12 PERCENT IN BOSTON, 11 PERCENT IN NEW YORK, AND

10 PERCENT IN PHILADELPHIA.

↳ IT IS TIME THAT WE ACCEPT THE FACT THAT THE MAJOR LONG-TERM

SOLUTION TO OUR URBAN PROBLEMS IS FULL EMPLOYMENT IN OUR CITIES.

↳ A TRUE FULL EMPLOYMENT PROGRAM MUST START WITH SOUND

MONETARY AND FISCAL POLICIES. ↳ BUT THESE WILL NOT BE ENOUGH.

↳ THEIR IMPACT JUST DOESN'T TRICKLE DOWN ~~TO THE POCKETS OF HIGH~~ *fast enough to absorb*

the High UNEMPLOYMENT IN OUR CENTRAL CITIES.

↳ NATIONAL ECONOMIC POLICIES MUST INCLUDE ECONOMIC

DEVELOPMENT PROGRAMS DESIGNED SPECIFICALLY TO CREATE NEW PRIVATE

JOBS IN OUR CENTRAL CITIES.

↳ WE NEED A NATIONAL DOMESTIC DEVELOPMENT BANK TO PROVIDE *long*

Terms,

LOW INTEREST LOANS TO ENCOURAGE BUSINESSES TO LOCATE IN OUR

CENTRAL CITIES AND TO HELP STATE AND LOCAL GOVERNMENTS BUILD

THE INFRASTRUCTURE NECESSARY TO ATTRACT NEW INDUSTRY. ↳ AND WE

NEED SELECTIVE TAX CREDITS THAT MAKE INVESTING IN HIGH UNEMPLOYMENT

AREAS MORE ATTRACTIVE.

↳ THERE ARE SOME PEOPLE ~~IN THE NORTH~~ ^{who} SAY WE CAN'T

AFFORD FULL EMPLOYMENT. ↳ THEY ARE CONCERNED THAT FULL EMPLOYMENT

CAN ONLY BE ACHIEVED AT THE EXPENSE OF PRICE STABILITY.

↳ THEY ARE WRONG! WE HAVE SEEN THAT AS EMPLOYMENT INCREASES

INFLATION IS REDUCED.

↳ BUT EVEN IF THEY WERE NOT WRONG, I COULD NOT ACCEPT THEIR

PHILOSOPHY.

↳ NO NATIONAL ECONOMIC POLICY SHOULD ASK MILLIONS OF AMERICAN

FAMILIES TO SUFFER THE HARDSHIP OF UNEMPLOYMENT SO THAT THE MAJORITY

OF AMERICANS CAN EXPERIENCE THE PLEASURE OF PRICE STABILITY.

↳ WE ONCE HAD AN ECONOMIC SYSTEM IN THIS COUNTRY WHERE THE FEW

SUFFERED FOR THE BENEFIT OF THE MANY. ↳ BUT WE ENDED THAT SYSTEM

113 YEARS AGO WITH THE EMANCIPATION PROCLAMATION.

↳ IT IS TIME WE PROVIDED THAT SAME FREEDOM TO THOSE ~~OPPRESSED~~ ^{oppressed} BY

UNEMPLOYMENT.

↳ SECOND, THE FEDERAL GOVERNMENT MUST ACCEPT PRIMARY

RESPONSIBILITY, ONCE AND FOR ALL, WITH RESPECT TO FINANCING

WELFARE AND HEALTH PROGRAMS FOR DISADVANTAGED AMERICAN FAMILIES.

L NO STATE OR LOCAL GOVERNMENT SHOULD BE DRIVEN TO BANKRUPTCY
BY WELFARE EXPENDITURES BECAUSE A LARGE SHARE OF THE NATION'S
POOR HAVE CHOSEN THAT CITY OR STATE AS A PLACE IN WHICH TO LIVE.

L NOR SHOULD ANY STATE OR LOCAL GOVERNMENT BE FORCED TO BEAR A
DISPROPORTIONATE SHARE OF THE BURDEN OF PROVIDING ESSENTIAL HEALTH
SERVICES for THE POOR.

L THE HEALTH AND WELFARE OF INDIVIDUAL AMERICAN CITIZENS
should be the
~~ALWAYS HAS BEEN AND SHOULD BE THE~~ CHIEF CONCERN OF THE FEDERAL
GOVERNMENT.

h THIRD, WE NEED A PERMANENT SYSTEM OF ANTI-RECESSION PROGRAMS
READY AND IN PLACE WHENEVER THE UNEMPLOYMENT RATE RISES ABOVE FULL
EMPLOYMENT LEVELS.

THERE SHOULD BE TWO ELEMENTS TO THIS ANTI-RECESSION STRATEGY --

EMERGENCY PUBLIC SERVICE JOBS AND EMERGENCY BUDGET SUPPORT GRANTS.

L THE CONCEPT IS QUITE SIMPLE L THE FEDERAL GOVERNMENT HAS AN

OBLIGATION TO MAINTAIN FULL EMPLOYMENT. L WHEN IT FAILS, IT SHOULD

PROVIDE ASSISTANCE TO CITIES THAT EXPERIENCE EXCESSIVE UNEMPLOYMENT,

L THESE PROGRAMS WILL ALLOW CITIES TO MAINTAIN ESSENTIAL SERVICES.

L FOURTH, WE NEED A MAJOR PUBLIC WORKS INVESTMENT PROGRAM

TO MODERNIZE AND REPLACE DETERIORATING INFRASTRUCTURE. L FOR TOO

LONG, OUR NATION HAS BEEN PRIVATELY RICH AND PUBLICLY POOR,

L IT IS TIME TO MAKE A MAJOR COMMITMENT TO REVITALIZE OUR

TRANSPORTATION SYSTEM, TO IMPROVE OUR SEWAGE TREATMENT FACILITIES,

TO UPGRADE OUR HOUSING STOCK, AND TO PROVIDE DAY CARE CENTERS FOR

PRE-SCHOOL EDUCATION.

L WE MUST IDENTIFY ~~THE~~ MAJOR PUBLIC INVESTMENT NEEDS AND
BEGIN TO MEET THESE NEEDS WITH CONSISTENT FUNDING AND A ~~PLANNED~~ ^{Planned}
PROGRAM *of construction and development,*

L WE ALSO SHOULD IDENTIFY AN INVENTORY OF INDIVIDUAL PROJECTS
THAT COULD BE TAKEN OFF THE SHELF QUICKLY IF THE UNEMPLOYMENT
RATE STARTS TO RISE. L THESE SHOULD BE IMPORTANT PROJECTS THAT CAN
BE STARTED AND COMPLETED RAPIDLY. L ~~WE THEN WOULD BE PREPARED TO~~
~~SWING INTO ACTION QUICKLY WITH USEFUL PROJECTS IF WE ENTER ANOTHER~~
~~RECESSION. IT'S VERY SIMPLE -- WE JUST DO A LITTLE PLANNING AHEAD.~~

L FIFTH, THE REVENUE SHARING PROGRAM MUST BE RENEWED IMMEDIATELY
TO ALLOW CITIES TO PLAN NEXT YEAR'S BUDGETS.

L IN THE FUTURE, HOWEVER, I BELIEVE WE SHOULD CONSIDER THE
DESIRABILITY OF USING REVENUE SHARING TO ENCOURAGE REGIONAL TAX
BASE SHARING.

ONE OF THE MAJOR PROBLEMS CONFRONTING SOME OF OUR OLDER CITIES IS THAT THEY ARE ISLANDS OF URBAN POVERTY IN A SEA OF SUBURBAN WEALTH. REVENUE SHARING COULD BE USED TO ENCOURAGE SUBURBAN JURISDICTIONS TO SHARE A SMALL PORTION OF THIS WEALTH WITH THE CENTRAL CITY ON WHOM THEIR FUTURE VIABILITY RELIES.

THE TWIN CITIES AREA IN MY HOME STATE OF MINNESOTA ALREADY HAS DEVELOPED AN EXTREMELY EFFECTIVE TAX SHARING SCHEME. OTHER REGIONS SHOULD BE ENCOURAGED TO DO THE SAME.

I ALSO BELIEVE WE SHOULD CONSIDER ADJUSTING THE REVENUE SHARING FORMULA TO REFLECT MORE ADEQUATELY THE NUMBER OF LOW INCOME FAMILIES THAT RESIDE WITHIN EACH JURISDICTION.

SIXTH, WE MUST UTILIZE FEDERAL GOVERNMENT PROCUREMENT AND
EMPLOYMENT EXPENDITURES TO BOLSTER THE ECONOMIES OF DEPRESSED
CITIES AND AREAS.

AT PRESENT, THE FEDERAL GOVERNMENT IS SPENDING ⁹ THREE AND FOUR
TIMES MORE PER PERSON IN GROWING AREAS THAN IN DECLINING AREAS.

↳ FINALLY, WE MUST RE-EXAMINE OUR INSTITUTIONS FOR FORMULATING
ECONOMIC POLICY AND ~~FOR~~ COORDINATING FEDERAL, STATE AND LOCAL
GOVERNMENT ACTIVITIES. AT PRESENT THERE IS NO SYSTEMATIC INSTITUTION
THROUGH WHICH STATES AND CITIES CAN MAKE THEIR CONCERNS KNOWN.

↳ NOR IS THERE ANY METHOD FOR COORDINATING FEDERAL, STATE AND LOCAL
GOVERNMENT POLICIES. MAYORS AND GOVERNORS QUITE FRANKLY ARE
ON THE OUTSIDE LOOKING IN.

↳ THIS RELATIONSHIP SHOULD BE CHANGED. ~~IN SEVERAL RESPECTS.~~

↳ FIRST, THE VICE PRESIDENT SHOULD BECOME A PERMANENT LIAISON
WITH STATE AND LOCAL GOVERNMENT OFFICIALS. — their man

in Washington. He should be —
the spokesman for State & Local government
in the President's Cabinet — He should
expedite action — Break through the Bottlenecks.

WHEN I WAS VICE PRESIDENT, GOVERNORS AND MAYORS REGULARLY WERE CONSULTED ON MAJOR POLICY DECISIONS AND THEY HAD DIRECT ACCESS TO THE WHITE HOUSE THROUGH MY OFFICE. NOW, THEY'RE LUCKY IF THEY GET A PEEK AT FEDERAL POLICY AFTER IT HAS BEEN RELEASED TO THE PRESS,

SECOND A SYSTEM OF PERMANENT REGIONAL COUNCILS SHOULD BE ESTABLISHED. THESE COUNCILS WOULD BE COMPOSED OF STATE AND LOCAL GOVERNMENT ELECTED OFFICIALS AND A REPRESENTATIVE OF THE PRESIDENT, GOVERNMENT. THE PRESIDENT WOULD USE THE REGIONAL COUNCILS TO BECOME ACQUAINTED WITH THE UNIQUE CONCERNS OF EACH REGION. THE

PRESIDENTIAL FEDERAL REPRESENTATIVE WOULD BE AN OFFICIAL JUST above below CABINET

RANK, WHO WOULD ACT AS THE EYES AND THE EARS OF THE PRESIDENT —
with power to cut through departmental jurisdictional squabbles, & get Action.

~~Finally, the President must see~~
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Finally, ~~FEDERAL~~ STATE AND LOCAL GOVERNMENT OFFICIALS SHOULD BE

INCLUDED IN THE FEDERAL BUDGET PROCESS BEFORE THE BUDGET IS

SIGNED, SEALED AND DELIVERED. At present, they are invited for

a little party in the White House after the BUDGET IS RELEASED.

Our nation's cities represent the BEST OF TIMES AND THE
WORST OF TIMES -- THE HOPE AND THE DESPAIR -- OF 20TH CENTURY

AMERICA. The poverty of the ghetto languishes next to the

AFFLUENCE OF PARK AVENUE POCKETS OF 30 AND 40 PERCENT UNEMPLOYMENT

ARE JUST A FEW SHORT BLOCKS FROM THE PLUSH OFFICES OF THE CAPTAINS

OF AMERICAN INDUSTRY LUXURIOUS TOWNHOUSES CAST SHADOWS OVER

CRUMBLING SLUM TENEMENTS. OPEN SPACES AND PARKS ARE FED BY

RUBBISH-STREWN STREETS, AND TIGHTLY KNIT ETHNIC NEIGHBORHOODS ARE

SURROUNDED BY POCKETS OF ALIENATION.

L IN MANY ~~SOME~~ ^{ways} OUR CITIES REPRESENT THE APEX OF AMERICAN
ACHIEVEMENT, THAT PORTION OF SOCIETY THAT RESULTS FROM OUR
HARDEST WORK AND THAT WHICH IS MOST WORTH SAVING BUT IN OTHER
 RESPECTS, THE SHAME OF OUR CITIES IS THE LARGEST SCAR ON THE
NATIONAL BODY POLITIC, THAT PORTION OF SOCIETY THAT IS MOST IN
 NEED OF WORK SO THAT IT CAN BE SAVED.

L IT IS THAT TASK -- TURNING DESPAIR INTO HOPE, PROMISES INTO
RESULTS, OPPORTUNITIES INTO ACCOMPLISHMENTS -- TO WHICH WE MUST BE
WILLING TO COMMIT OURSELVES AND OUR PARTY TODAY.

L IT IS A ~~task~~ ^{mighty challenge} THAT WILL REQUIRE A GREAT DEAL OF THE HUMAN
ENERGY AND FINANCIAL RESOURCES OF THE AMERICAN PEOPLE. BUT IT IS A
^{challenge} ~~task~~ THAT WE SIMPLY CANNOT AFFORD TO PUT OFF UNTIL TOMORROW.

Victor Hugo
 THANK YOU.

"The future has several names.
 For the weak, it is the impossible
 For the faint-hearted, it is the uncertain
 For the thoughtful & valiant, it is ideal
 The challenge is urgent
 The task is large
 The time is now.



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