

REMARKS OF SENATOR HUBERT H. HUMPHREY

NATIONAL MODEL CITIES COMMUNITY DEVELOPMENT DIRECTORS ASSOCIATION

ANNUAL SPRING CONFERENCE

Washington, D. C.

May 26, 1976

It's a pleasure to be here today with my many good friends from the National Model Cities Community Development Directors Association. We've worked hand in hand on many of the great battles for economic and social justice in the last eight years -- trying to raise the nation's awareness of central city needs. We haven't always succeeded, but we've never given less than our best.

Today, I would like to share some thoughts with you about the problems and despair that have crept into the lives of our great urban centers. But I also will be hopeful about the opportunities for improvement and the prospects for change.

Too often, our discussions of America's great central cities focus only on the pockets of hopelessness and despair. We forget that our cities offer, in every respect, the very best as well as the very worst that American society has to offer.

Our cities are the pinnacle of American culture -- containing the great orchestras, the theaters, the museums, the universities, the libraries and the great stadiums and sports arenas. They are the centers of world commerce and industry. They are the great gathering places for the American people -- the plazas and marketplaces of twentieth century America.

There is much in our cities that should be preserved. But as you are all aware, in the shadow of these great accomplishments lies the shame and despair of America. Ugly slums, deteriorated housing, high unemployment, hunger and rampant human suffering -- all untouched by the grandeur and splendor that stand just a few short blocks away.

Unfortunately, we have allowed the despair to begin pushing out the grandeur -- in the last eight years. We have permitted chronic and persistent unemployment by responding only half-heartedly at best to the needs of the jobless in our cities. We have tacitly condoned rising crime rates by ignoring their underlying social causes.

We have contributed to substandard housing problems by cutting and abandoning needed housing programs. And we have allowed the physical deterioration of the cities by offering only meager assistance for the reconstruction of our urban centers.

In short, we have responded with too little, too late. There has been plenty of talk but not enough commitment.

But the time for debate has long since passed and the time for action has arrived. It is time that we recognize, once and for all, that our cities cannot be rebuilt with empty promises and 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 of American aid embodied for the restoration of the economy of Europe after the devastation of war. This is not an easy task. It involves changes in both the institutions and the policies of government. But it is a challenge that we must accept.

We need coordinated planning by all levels of government to rebuild the cities. That means that ideas must flow from the bottom up, as well as from the top down. We need to carefully re-examine federal, state and local government priorities. We must encourage all levels of government to work together to establish long-term goals. We must establish interim targets and all levels of government must strive to achieve these targets.

We must make sufficient resources available to meet the needs. Funding must be made available on a consistent and permanent basis -- not in a stop and go manner. We need planning, we need goals, we need commitments, we need consistency, and we need adequate resources. All are necessary, all are required.

That is what we did in Europe under the famous Marshall Plan. Why is it that we can plan to rebuild the cities of Germany, and of Italy, and of England, but we can't rebuild the cities of America?

The rebuilding of America's central cities, like the rebuilding of Europe, is dependent on the achievement of three broad goals -- economic recovery, physical rehabilitation, and institutional reform. They are all interrelated and all necessary.

That's what we learned from the Model Cities program -- a program that you and I worked very hard to enact and make successful. We learned that jobs alone were not enough. We learned that physical improvements could not do the job alone; nor could improved public services.

We have learned that any serious attempt to solve the problems of our central cities must include all of these programs. It must be a comprehensive attack on the problems.

I

The cornerstone of any program to revitalize central city economies must be a binding commitment by the federal government to full employment. Without full employment, the resources simply will not be available.

But how do we get to full employment? First, we need sound monetary and fiscal policies. We cannot afford to rest on our laurels when the national unemployment rate is still 7.5 percent. Tax, expenditure and credit policies must be used to encourage vigorous non-inflationary growth and to reduce the national unemployment rate. The Humphrey-Hawkins Full Employment and Balanced Growth Act recognizes the need to take action along these lines.

But even sound monetary and fiscal policies are not enough by themselves. Their impact just doesn't trickle down into the pockets of high unemployment in our central cities. These pockets remain untouched by the current recovery and continue to experience unemployment rates well above the national average.

That's why we need targetted investment and employment programs, designed to provide stimulus where the unemployment is located. We must develop variable investment incentives to encourage businesses to locate new jobs in the depressed central cities. And most important, we need a Domestic Development Bank to help state and local government build the infrastructure that is necessary for a favorable investment climate.

But full employment policies are not enough to restore economic viability to our central cities. Other programs must also be developed to insure economic recovery.

-- First, federal government procurement and employment expenditures must be used as a catalyst -- encouraging the revitalization of the truly needy regions of our nation.

-- Second, the federal government must assume primary responsibility, once and for all, for financing welfare and health programs for the disadvantaged. Poverty is a national problem that can only be addressed through national programs and national solutions.

-- Third, a permanent system of anti-recession programs must be established -- ready for implementation as soon as the unemployment rate rises above predetermined levels.

-- Fourth, federal government tax expenditures and regulatory policies must be reexamined to insure that they are not contributing inadvertently to the decline of the central cities.

II

But restoring the economies of our central cities is not enough to make them desirable places to live and work. The physical deterioration of our cities must also be attacked.

Public facilities, such as transit systems, roads, and sewer and water facilities often are in desperate need of rebuilding or expansion. Private structures, warehouses, offices, factories and particularly houses -- often are in even worse shape.

Physical recovery is every bit as important as economic recovery to the viability of the central cities. New or rehabilitated public facilities generally lead to more efficient public services. They produce a sense of civic pride -- that a city is worth living in and working for. New or rehabilitated housing reinvigorates the sense of community in a neighborhood. People take better care of their neighborhood and their city when the city merits their care.

The first priority of any program to revitalize the physical environment of our central cities is to rebuild the cities' housing stock. That is the fastest way to improve the living conditions of central city residents. Federal legislation long ago recognized this fact.

We have a national housing goal in this country that you and I consider to be very important but that others have chosen to ignore. That goal contains two separate but closely related objectives. The first portion of the goal commits the government to provide "a decent home for every American family." The second part of our national housing goal commits the government to provide, "a suitable living environment" for the family that occupies the home. A sound structure is not enough. It must be located in a healthy neighborhood with good schools, clean streets, reasonable public safety and, hopefully, a little greenery.

During the first five years under our goal we did pretty well. New housing starts from 1968 through 1973 averaged 1.9 million units a year. But since then, we have had nothing short of a disaster. Housing starts in the three-year period from 1974 to 1976, despite the recent recovery, will average approximately 1.3 million units a year, exactly half the production necessary to meet our goal.

There are several steps that should be taken to correct our totally inadequate performance in meeting our housing goals.

First, we need a steady and expansive monetary policy. Every time the Federal Reserve tightens the monetary screws, the whole economy suffers. But when the economy gets a cold, housing gets double-pneumonia.

Second, we need low and moderate income housing programs that really work. The Section 8 program simply has not gotten the job done, primarily because the Administration has failed to get this program off the ground. HUD promised that 400,000 units would be reserved by the end of FY 1976. That's five days away and less than 3,000 units have actually been occupied.

The simple fact of the matter is that Section 8 alone is not enough. We must expand our public housing programs with the recognition that low-income housing is sometimes more expensive than middle-income houses. We need to pull Section 236 out of the mothballs. We need a strengthened and expanded Section 235 program. And we need to provide State Housing Finance agencies with a source of credit so that they can make their necessary contribution.

We already have the institutions in place. The Mayors, with your help, are ready to carry out their Housing Assistance Plans. But we must make the tools available.

Third, we need a greater emphasis on where housing is located as well as how much we are building.

We do need to encourage a mix of lower income housing in new areas. But we cannot, at the same time, continue to permit the central city housing stock to rot from within.

Fourth, we need a much greater emphasis on housing rehabilitation as a means for meeting our housing goals.

Fifth, we need policies designed to make home ownership available to a larger number of American families. That means we have got to reduce mortgage interest rates. If looser monetary policy is not enough, we will just have to do it more directly. The federal government should establish a Federal Housing Bank to buy mortgages and assure a steady supply of mortgage money at a fair rate of interest -- six to seven percent.

Finally, we need a renewed emphasis on "a suitable living environment" as part of our housing and urban policy goals. We should develop a major public works investment program through the community development program to modernize and replace deteriorating public 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 systems, to improve our sewage treatment facilities, to upgrade our housing stock, to provide day care centers for pre-school education, and to improve recreation and park facilities. Only when this is done will our cities, once again, be desirable places to live and work.

III

The third part of my three part program to rebuild the cities involves adjusting the federal system so that state and local government officials have a greater input into federal government policy.

At present, there is no systematic institution through which states and cities can make their concerns known. There is no method for coordinating federal, state and local government policies. We do not know the impact of federal government activities on individual states and cities. Mayors and governors are, quite frankly, 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.

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.

Finally, state and local government officials should be included in the federal budget process before the budget is signed, sealed and delivered. Mayors and governors should be consulted at the beginning of the budget process and given a meaningful input into the content of the budget.

The program that I have outlined mounts a three-pronged attack on the problems of the central cities -- economic recovery, physical rehabilitation, and a new partnership between federal, state, and local governments.

The program will not be cheap, nor will it be easy. It will require a major commitment of human and financial resources from the American people.

But it is a commitment that must be honored -- one that we cannot afford to put off until tomorrow.

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Too often, our discussions of America's great central cities focus only on the pockets of hopelessness and despair.

WE FORGET THAT OUR CITIES OFFER, IN EVERY RESPECT, THE VERY BEST AS WELL AS THE VERY WORST THAT AMERICAN SOCIETY HAS TO OFFER.

OUR CITIES ARE THE PINNACLE OF AMERICAN CULTURE -- CONTAINING THE GREAT ORCHESTRAS, THE THEATERS, THE MUSEUMS, THE UNIVERSITIES, THE LIBRARIES AND THE GREAT STADIUMS AND SPORTS ARENAS. THEY ARE THE CENTERS OF WORLD COMMERCE AND INDUSTRY. THEY ARE THE GREAT GATHERING PLACES FOR THE AMERICAN PEOPLE -- THE PLAZAS AND MARKETPLACES OF TWENTIETH CENTURY AMERICA.

↳ THERE IS MUCH IN OUR CITIES THAT SHOULD BE PRESERVED. BUT AS YOU ARE ALL AWARE, IN THE SHADOW OF THESE GREAT ACCOMPLISHMENTS LIES THE SHAME AND DESPAIR OF AMERICA.

UGLY SLUMS, DETERIORATED HOUSING, HIGH UNEMPLOYMENT, HUNGER
AND RAMPANT HUMAN SUFFERING -- ALL UNTOUCHED BY THE GRANDEUR
AND SPLENDOR THAT STAND JUST A FEW SHORT BLOCKS AWAY.

UNFORTUNATELY, WE HAVE ALLOWED THE DESPAIR TO BEGIN PUSHING
OUT THE GRANDEUR -- IN THE LAST EIGHT YEARS. WE HAVE PERMITTED
CHRONIC AND PERSISTENT UNEMPLOYMENT BY RESPONDING ONLY
HALF-HEARTEDLY AT BEST TO THE NEEDS OF THE JOBLESS IN OUR
CITIES WE HAVE TACITLY CONDONED RISING CRIME RATES BY
IGNORING THEIR UNDERLYING SOCIAL CAUSES.

WE HAVE CONTRIBUTED TO SUBSTANDARD HOUSING PROBLEMS BY
CUTTING AND ABANDONING NEEDED HOUSING PROGRAMS. AND WE HAVE
ALLOWED THE PHYSICAL DETERIORATION OF THE CITIES BY OFFERING
ONLY MEAGER ASSISTANCE FOR THE RECONSTRUCTION OF OUR URBAN CENTERS.

IN SHORT, WE HAVE RESPONDED WITH TOO LITTLE, TOO LATE.

THERE HAS BEEN PLENTY OF TALK BUT NOT ENOUGH COMMITMENT,

L BUT THE TIME FOR DEBATE HAS LONG SINCE PASSED AND THE

TIME FOR ACTION HAS ARRIVED. L IT IS TIME THAT WE RECOGNIZE,

ONCE AND FOR ALL, THAT OUR CITIES CANNOT BE REBUILT WITH EMPTY
PROMISES AND UNSUPPORTED DREAMS.

L A MASSIVE COMMITMENT IS NEEDED -- A COMMITMENT THAT
POSSESSES ALL THE SCOPE, THE VISION, THE FINANCIAL BACKING
AND THE SPIRIT THAT THE MARSHALL PLAN OF AMERICAN AID
EMBODIED FOR THE RESTORATION OF THE ECONOMY OF EUROPE AFTER

THE DEVASTATION OF WAR. L THIS IS NOT AN EASY TASK. L IT

INVOLVES CHANGES IN BOTH THE INSTITUTIONS AND THE POLICIES
OF GOVERNMENT. L BUT IT IS A CHALLENGE THAT WE MUST ACCEPT.

↳ WE NEED COORDINATED PLANNING BY ALL LEVELS OF GOVERNMENT

TO REBUILD THE CITIES. ↳ THAT MEANS THAT IDEAS MUST FLOW FROM

THE BOTTOM UP, AS WELL AS FROM THE TOP DOWN ↳ WE NEED TO

CAREFULLY RE-EXAMINE FEDERAL, STATE AND LOCAL GOVERNMENT PRIORITIES.

↳ WE MUST ENCOURAGE ALL LEVELS OF GOVERNMENT TO WORK TOGETHER

TO ESTABLISH LONG-TERM GOALS ↳ WE MUST ESTABLISH INTERIM TARGETS

AND ALL LEVELS OF GOVERNMENT MUST STRIVE TO ACHIEVE THESE TARGETS.

↳ WE MUST MAKE SUFFICIENT RESOURCES AVAILABLE TO MEET THE

NEEDS. ↳ FUNDING MUST BE MADE AVAILABLE ON A CONSISTENT AND

PERMANENT BASIS -- NOT IN A STOP AND GO MANNER. ↳ WE NEED

PLANNING, WE NEED GOALS, WE NEED COMMITMENTS, WE NEED CONSISTENCY,

AND WE NEED ADEQUATE RESOURCES. ↳ ALL ARE NECESSARY, ALL ARE

REQUIRED.

↳ THAT IS WHAT WE DID IN EUROPE UNDER THE FAMOUS MARSHALL
PLAN. ↳ WHY IS IT THAT WE CAN PLAN TO REBUILD THE CITIES OF
GERMANY, AND OF ITALY, AND OF ENGLAND, BUT WE CAN'T REBUILD
THE CITIES OF AMERICA?

↳ THE REBUILDING OF AMERICA'S CENTRAL CITIES, LIKE THE REBUILDING
OF EUROPE, IS DEPENDENT ON THE ACHIEVEMENT OF THREE BROAD
GOALS -- ECONOMIC RECOVERY, PHYSICAL REHABILITATION, AND
INSTITUTIONAL REFORM. ↳ THEY ARE ALL INTERRELATED AND ALL NECESSARY.

↳ THAT'S WHAT WE LEARNED FROM THE MODEL CITIES PROGRAM -- A
PROGRAM THAT YOU AND I WORKED VERY HARD TO ENACT AND MAKE

SUCCESSFUL. ↳ WE LEARNED THAT JOBS ALONE WERE NOT ENOUGH. ↳ WE
LEARNED THAT PHYSICAL IMPROVEMENTS COULD NOT DO THE JOB ALONE;
NOR COULD IMPROVED PUBLIC SERVICES.

L WE HAVE LEARNED THAT ANY SERIOUS ATTEMPT TO SOLVE THE PROBLEMS OF OUR CENTRAL CITIES MUST INCLUDE ALL OF THESE PROGRAMS. IT MUST BE A COMPREHENSIVE ATTACK ON THE PROBLEMS.

I

L THE CORNERSTONE OF ANY PROGRAM TO REVITALIZE CENTRAL CITY ECONOMIES MUST BE A BINDING COMMITMENT BY THE FEDERAL

GOVERNMENT TO FULL EMPLOYMENT. L WITHOUT FULL EMPLOYMENT, THE RESOURCES SIMPLY WILL NOT BE AVAILABLE.

L BUT HOW DO WE GET TO FULL EMPLOYMENT? L FIRST, WE NEED SOUND MONETARY AND FISCAL POLICIES. WE CANNOT AFFORD TO REST ON OUR LAURELS WHEN THE NATIONAL UNEMPLOYMENT RATE IS STILL 7.5 PERCENT. TAX, EXPENDITURE AND CREDIT POLICIES MUST BE USED TO ENCOURAGE VIGOROUS NON-INFLATIONARY GROWTH AND TO REDUCE THE NATIONAL UNEMPLOYMENT RATE.

THE HUMPHREY-HAWKINS FULL EMPLOYMENT AND BALANCED GROWTH ACT

RECOGNIZES THE NEED TO TAKE ACTION ALONG THESE LINES.

L BUT EVEN SOUND MONETARY AND FISCAL POLICIES ARE NOT
ENOUGH BY THEMSELVES. L THEIR IMPACT JUST DOESN'T TRICKLE

DOWN INTO THE POCKETS OF HIGH UNEMPLOYMENT IN OUR CENTRAL

CITIES. L THESE POCKETS REMAIN UNTOUCHED BY THE CURRENT RECOVERY

AND CONTINUE TO EXPERIENCE UNEMPLOYMENT RATES WELL ABOVE THE

NATIONAL AVERAGE.

L THAT'S WHY WE NEED TARGETTED INVESTMENT AND EMPLOYMENT

PROGRAMS, DESIGNED TO PROVIDE STIMULUS WHERE THE UNEMPLOYMENT

IS LOCATED. L WE MUST DEVELOP VARIABLE INVESTMENT INCENTIVES

TO ENCOURAGE BUSINESSES TO LOCATE NEW JOBS IN THE DEPRESSED

CENTRAL CITIES.

AND MOST IMPORTANT, WE NEED A DOMESTIC DEVELOPMENT BANK TO
HELP STATE AND LOCAL GOVERNMENT BUILD THE INFRASTRUCTURE THAT IS
NECESSARY FOR A FAVORABLE INVESTMENT CLIMATE.

BUT FULL EMPLOYMENT POLICIES ARE NOT ENOUGH TO RESTORE
ECONOMIC VIABILITY TO OUR CENTRAL CITIES. OTHER PROGRAMS MUST
ALSO BE DEVELOPED TO INSURE ECONOMIC RECOVERY.

-- FIRST, FEDERAL GOVERNMENT PROCUREMENT AND EMPLOYMENT
EXPENDITURES MUST BE USED AS A CATALYST -- ENCOURAGING THE
REVITALIZATION OF THE TRULY NEEDY REGIONS OF OUR NATION.

-- SECOND, THE FEDERAL GOVERNMENT MUST ASSUME PRIMARY
RESPONSIBILITY, ONCE AND FOR ALL, FOR FINANCING WELFARE AND
HEALTH PROGRAMS FOR THE DISADVANTAGED. POVERTY IS A NATIONAL
PROBLEM THAT CAN ONLY BE ADDRESSED THROUGH NATIONAL PROGRAMS
AND NATIONAL SOLUTIONS.

-- THIRD, A PERMANENT SYSTEM OF ANTI-RECESSION PROGRAMS MUST BE ESTABLISHED -- READY FOR IMPLEMENTATION AS SOON AS THE UNEMPLOYMENT RATE RISES ABOVE PREDETERMINED LEVELS.

-- FOURTH, FEDERAL GOVERNMENT TAX EXPENDITURES AND REGULATORY POLICIES MUST BE REEXAMINED TO INSURE THAT THEY ARE NOT CONTRIBUTING INADVERTENTLY TO THE DECLINE OF THE CENTRAL CITIES.

II

BUT RESTORING THE ECONOMIES OF OUR CENTRAL CITIES IS NOT ENOUGH TO MAKE THEM DESIRABLE PLACES TO LIVE AND WORK. THE PHYSICAL DETERIORATION OF OUR CITIES MUST ALSO BE ATTACKED.

PUBLIC FACILITIES, SUCH AS TRANSIT SYSTEMS, ROADS, AND SEWER AND WATER FACILITIES OFTEN ARE IN DESPERATE NEED OF REBUILDING OR EXPANSION.

PRIVATE STRUCTURES, WAREHOUSES, OFFICES, FACTORIES AND PARTICULARLY HOUSES -- OFTEN ARE IN EVEN WORSE SHAPE.

PHYSICAL RECOVERY IS EVERY BIT AS IMPORTANT AS ECONOMIC RECOVERY TO THE VIABILITY OF THE CENTRAL CITIES. NEW OR REHABILITATED PUBLIC FACILITIES GENERALLY LEAD TO MORE EFFICIENT PUBLIC SERVICES. THEY PRODUCE A SENSE OF CIVIC PRIDE -- THAT A CITY IS WORTH LIVING IN AND WORKING FOR. NEW OR REHABILITATED HOUSING REINVIGORATES THE SENSE OF COMMUNITY IN A NEIGHBORHOOD. PEOPLE TAKE BETTER CARE OF THEIR NEIGHBORHOOD AND THEIR CITY WHEN THE CITY MERITS THEIR CARE.

THE FIRST PRIORITY OF ANY PROGRAM TO REVITALIZE THE PHYSICAL ENVIRONMENT OF OUR CENTRAL CITIES IS TO REBUILD THE CITIES' HOUSING STOCK.

THAT IS THE FASTEST WAY TO IMPROVE THE LIVING CONDITIONS OF
CENTRAL CITY RESIDENTS. FEDERAL LEGISLATION LONG AGO RECOGNIZED
THIS FACT.

WE HAVE A NATIONAL HOUSING GOAL IN THIS COUNTRY THAT YOU
AND I CONSIDER TO BE VERY IMPORTANT BUT THAT OTHERS HAVE CHOSEN
TO IGNORE. THAT GOAL CONTAINS TWO SEPARATE BUT CLOSELY RELATED
OBJECTIVES. THE FIRST PORTION OF THE GOAL COMMITS THE GOVERNMENT
TO PROVIDE "A DECENT HOME FOR EVERY AMERICAN FAMILY." THE SECOND
PART OF OUR NATIONAL HOUSING GOAL COMMITS THE GOVERNMENT TO
PROVIDE, "A SUITABLE LIVING ENVIRONMENT" FOR THE FAMILY THAT
OCCUPIES THE HOME. A SOUND STRUCTURE IS NOT ENOUGH. IT MUST BE
LOCATED IN A HEALTHY NEIGHBORHOOD WITH GOOD SCHOOLS, CLEAN STREETS,
REASONABLE PUBLIC SAFETY AND, HOPEFULLY, A LITTLE GREENERY.

DURING THE FIRST FIVE YEARS UNDER OUR GOAL WE DID PRETTY WELL. NEW HOUSING STARTS FROM 1968 THROUGH 1973 AVERAGED 1.9 MILLION UNITS A YEAR. BUT SINCE THEN, WE HAVE HAD NOTHING SHORT OF A DISASTER. HOUSING STARTS IN THE THREE-YEAR PERIOD FROM 1974 TO 1976, DESPITE THE RECENT RECOVERY, WILL AVERAGE APPROXIMATELY 1.3 MILLION UNITS A YEAR, EXACTLY HALF THE PRODUCTION NECESSARY TO MEET OUR GOAL.

THERE ARE SEVERAL STEPS THAT SHOULD BE TAKEN TO CORRECT OUR TOTALLY INADEQUATE PERFORMANCE IN MEETING OUR HOUSING GOALS.

FIRST, WE NEED A STEADY AND EXPANSIVE MONETARY POLICY. EVERY TIME THE FEDERAL RESERVE TIGHTENS THE MONETARY SCREWS, THE WHOLE ECONOMY SUFFERS. BUT WHEN THE ECONOMY GETS A COLD, HOUSING GETS DOUBLE-PNEUMONIA.

SECOND, WE NEED LOW AND MODERATE INCOME HOUSING PROGRAMS THAT REALLY WORK. THE SECTION 8 PROGRAM SIMPLY HAS NOT GOTTEN THE JOB DONE, PRIMARILY BECAUSE THE ADMINISTRATION HAS FAILED TO GET THIS PROGRAM OFF THE GROUND. HUD PROMISED THAT 400,000 UNITS WOULD BE RESERVED BY THE END OF FY 1976. THAT'S FIVE DAYS AWAY AND LESS THAN 3,000 UNITS HAVE ACTUALLY BEEN OCCUPIED.

THE SIMPLE FACT OF THE MATTER IS THAT SECTION 8 ALONE IS NOT ENOUGH. WE MUST EXPAND OUR PUBLIC HOUSING PROGRAMS WITH THE RECOGNITION THAT LOW-INCOME HOUSING IS SOMETIMES MORE EXPENSIVE THAN MIDDLE-INCOME HOUSES. WE NEED TO PULL SECTION 236 OUT OF THE MOTHBALLS. WE NEED A STRENGTHENED AND EXPANDED SECTION 235 PROGRAM. AND WE NEED TO PROVIDE STATE HOUSING FINANCE AGENCIES WITH A SOURCE OF CREDIT SO THAT THEY CAN MAKE THEIR NECESSARY CONTRIBUTION.

WE ALREADY HAVE THE INSTITUTIONS IN PLACE. THE MAYORS, WITH YOUR HELP, ARE READY TO CARRY OUT THEIR HOUSING ASSISTANCE PLANS, BUT WE MUST MAKE THE TOOLS AVAILABLE.

THIRD, WE NEED A GREATER EMPHASIS ON WHERE HOUSING IS LOCATED AS WELL AS HOW MUCH WE ARE BUILDING.

WE DO NEED TO ENCOURAGE A MIX OF LOWER INCOME HOUSING IN NEW AREAS. BUT WE CANNOT, AT THE SAME TIME, CONTINUE TO PERMIT THE CENTRAL CITY HOUSING STOCK TO ROT FROM WITHIN.

FOURTH, WE NEED A MUCH GREATER EMPHASIS ON HOUSING REHABILITATION AS A MEANS FOR MEETING OUR HOUSING GOALS.

FIFTH, WE NEED POLICIES DESIGNED TO MAKE HOME OWNERSHIP AVAILABLE TO A LARGER NUMBER OF AMERICAN FAMILIES. THAT MEANS WE HAVE GOT TO REDUCE MORTGAGE INTEREST RATES.

IF LOOSER MONETARY POLICY IS NOT ENOUGH, WE WILL JUST HAVE TO DO IT MORE DIRECTLY. THE FEDERAL GOVERNMENT SHOULD ESTABLISH A FEDERAL HOUSING BANK TO BUY MORTGAGES AND ASSURE A STEADY SUPPLY OF MORTGAGE MONEY AT A FAIR RATE OF INTEREST -- SIX TO SEVEN PERCENT.

FINALLY, WE NEED A RENEWED EMPHASIS ON "A SUITABLE LIVING ENVIRONMENT" AS PART OF OUR HOUSING AND URBAN POLICY GOALS.

WE SHOULD DEVELOP A MAJOR PUBLIC WORKS INVESTMENT PROGRAM THROUGH THE COMMUNITY DEVELOPMENT PROGRAM TO MODERNIZE AND REPLACE DETERIORATING PUBLIC 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 SYSTEMS, TO IMPROVE OUR SEWAGE TREATMENT FACILITIES,

TO UPGRADE OUR HOUSING STOCK, TO PROVIDE DAY CARE CENTERS FOR PRE-SCHOOL EDUCATION, AND TO IMPROVE RECREATION AND PARK FACILITIES. ONLY WHEN THIS IS DONE WILL OUR CITIES, ONCE AGAIN, BE DESIRABLE PLACES TO LIVE AND WORK.

III

THE THIRD PART OF MY THREE PART PROGRAM TO REBUILD THE CITIES INVOLVES ADJUSTING THE FEDERAL SYSTEM SO THAT STATE AND LOCAL GOVERNMENT OFFICIALS HAVE A GREATER INPUT INTO FEDERAL GOVERNMENT POLICY.

AT PRESENT, THERE IS NO SYSTEMATIC INSTITUTION THROUGH WHICH STATES AND CITIES CAN MAKE THEIR CONCERNS KNOWN. THERE IS NO METHOD FOR COORDINATING FEDERAL, STATE AND LOCAL GOVERNMENT POLICIES.

WE DO NOT KNOW THE IMPACT OF FEDERAL GOVERNMENT ACTIVITIES ON INDIVIDUAL STATES AND CITIES. MAYORS AND GOVERNORS ARE, QUITE FRANKLY, 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.

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.

FINALLY, STATE AND LOCAL GOVERNMENT OFFICIALS SHOULD BE INCLUDED IN THE FEDERAL BUDGET PROCESS BEFORE THE BUDGET IS SIGNED, SEALED AND DELIVERED. MAYORS AND GOVERNORS SHOULD BE CONSULTED AT THE BEGINNING OF THE BUDGET PROCESS AND GIVEN A MEANINGFUL INPUT INTO THE CONTENT OF THE BUDGET.

THE PROGRAM THAT I HAVE OUTLINED MOUNTS A THREE-PRONGED ATTACK ON THE PROBLEMS OF THE CENTRAL CITIES -- ECONOMIC RECOVERY, PHYSICAL REHABILITATION, AND A NEW PARTNERSHIP BETWEEN FEDERAL, STATE, AND LOCAL GOVERNMENTS.

THE PROGRAM WILL NOT BE CHEAP, NOR WILL IT BE EASY. IT WILL REQUIRE A MAJOR COMMITMENT OF HUMAN AND FINANCIAL RESOURCES FROM THE AMERICAN PEOPLE.

BUT IT IS A COMMITMENT THAT MUST BE HONORED -- ONE THAT WE CANNOT AFFORD TO PUT OFF UNTIL TOMORROW.



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