REMARKS BY SENATOR HUBERT H. HUMPHREY

LEAGUE OF CITIES CONFERENCE

Washington, D. C.

March 6, 1973

Just one month ago, the President of the United States sent his budget to Congress.

-- a budget of \$268.7 billion.

-- a budget representing more than 1/4 of the total Gross National Product of this country.

And, that is about as much good as one can say about it.

The budget of the President is a tremendously powerful tool for structuring social and economic policy.

It represents a President's priorities.

And, it embodies within it the goals of a nation's leaders for the people.

But, to the Mayors of this nation, I charge that the new budget is hard evidence of bad faith, broken promises, and vanishing fiscal support for the cities of our country.

As my Senate colleague, Walter Mondale, said last week, "The Nixon budget means more comfort for the comfortable. Its solution to domestic problems is -- if we don't succeed, then quit."

Last year, the Mayors joined with a majority in the Congress and the Administration to enact General Revenue Sharing.

I strongly supported that legislation. I sponsored it in the Senate. I helped lead the battle for it.

And the President, amid all the trappings of Independence Hall in Philadelphia, signed the bill.

Little did any of us know that he was also signing the death knell for many of the critical programs so long supported and so long fought for by many of you here in this room.

I remember, as I am certain you do -- the President's words well.

"Revenue sharing is new money," he said.

It does not replace money already going to the cities. It is additional dollars, without strings and without encumberances.

Now, one election later, what do we find?

Revenue sharing is not new money.

It is not supplemental money.

It is not even the promise of new money.

It is an excuse for the Executive Branch to engage in one of the most massive assaults on domestic programs ever waged by one President.

It is an excuse for a lot of double talk about increasing funds when actually programs are being phased-out.

In short, it is an excuse for deceiving and neglecting the American people.

Look at the deception in the budget.

The budget says that funds for mental health will be doubled. But what it does not say is that the community mental health centers will be phased out -- and all the money for that eight-year phase-out is included in this year's budget.

Presumably, the Mayors are supposed to fund community mental health centers by general revenue sharing funds.

Or, consider the claim that more money is going into the poverty program. But at the very moment, the Office of Economic Opportunity is being systematically -- and illegally -- dismantled.

Presumably, you could fund that with general revenue sharing funds also.

And, the budget says that more money will go to the cities -- for pollution control and water and sewer grants. Yet, billions of dollars for these projects are impounded.

Presumably, you could build sewers with general revenue sharing funds also.

And finally, buried beneath the confines of the budget is a \$2.1 billion hidden emergency fund in case hostilities resume in Vietnam -- a kind of insurance fund.

Just try to get this money converted to revenue sharing.

That's deception. But it is only one side of the budget. Neglect is the other side. Not benign neglect, but malignant neglect.

- -- How does a Mayor tell employees paid through the Public Service Employment program that they no longer have a job?
- -- What is a Mayor to do this summer without the Neighborhood Youth Corp?
- -- What is going to happen to cities that have urban renewal programs underway?
- -- What about the cutbacks in medical education, medicare, hospital construction, solid waste, open space, and model cities programs?
- -- What are we to do about increased rents? The President says the answer is to build more housing. But, he slaps on a housing moratorium. That's hardly building more housing.

And how is a Mayor of any community going to answer to his constituents when he has to ask for property or sales tax increases to replace all the federal funds he thought he was going to receive -- all at the very time the President of the United States loudly proclaims his no tax increase dictum?

That's budget fakery. That's neglect. That's deception.

But, there is more than that.

At the critical moment when our economy starts to look better, and with the cessation of hostilities in Vietnam -- at a time when the energies and dreams so long postponed by war should be turned to the problems at home -- the Nixon budget ushers in an Era of Domestic Retreat.

We have been this route before. And we have suffered the consequences.

I will recall the mood of the national administration at the end of the Korean War.

We had opportunity then -- and we lost it.

We faced a challenge then -- and we side-stepped it.

As a result, many of the problems of the '60's were a product of the indifference of the '50's.

It is easy to abandon the arduous effort to help 30 million Americans in poverty or to turn away from the cities or ignore the urgent pleas of middle America.

It may even be temporarily popular to do so.

But I say to the Mayors of this country, we can not let that happen.

We cannot let the problems of the 1980's result from the indifference of the 1970's.

We must seize the opportunity now before us.

And, no amount of sloganeering or pious moralizing will do it for us.

It takes hard work, commitment, and leadership to meet needs.

We only have to look at the President's "New Federalism" to see that talk about problems doesn't solve problems.

The President talks often about efficiency, the spectre of big government and of spending reform.

He talks decentralization of government, but with the new "Supercrats" he is actually centralizing control.

What is the "New Federalism?" What is the Nixon Administration really doing?

I tell you: Power to the people? No -- no.

The power is staying in Washington.

The money is staying in Washington.

The problems are being returned to the people.

REMARKS BY SENATOR HUBERT H. HUMPHREY

LEAGUE OF CITIES CONFERENCE

Washington, D.C. March 6, 1973

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- Mayor Welch - 11-5-Confume

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Just one Month Ago, THE PRESIDENT OF THE UNITED STATES

SENT HIS BUDGET TO CONGRESS.

- -- A BUDGET OF \$268.7 BILLION.
- -- A BUDGET REPRESENTING MORE THAN 1/4 OF THE TOTAL GROSS NATIONAL PRODUCT OF THIS COUNTRY.

THE BUDGET OF THE PRESIDENT IS A TREMENDOUSLY POWERFUL

TOOL FOR STRUCTURING SOCIAL AND ECONOMIC POLICY.

IT REPRESENTS A PRESIDENT'S PRIORITIES.

AND, IT EMBODIES WITHIN IT, THE GOALS OF A NATION'S LEADERS

FOR THE PEOPLE.

Received morethan \$30 million in 1972
Will Lose: About \$13 million due to funding impoundments, program cancellations and funding cutbacks....

Breakdown: \$1.2 Single family housing: 1.2 day-care centers: 1.0 other social services: 1.1 rehab loans andgrants 2.0 (min) NDP: .5 Various environmental: Model Cities 3.0 .2(cash need) LEAA 1.0 OEO 1.6

Seuthing N.D.P Need \$15 million to acquire
24 acres for roundingout MMMSX
site acquisition, thatwould have
meant \$75 million in development
for residential, commercial and
public....Includesmore than 2,000
new dwelling units. Had already
invested \$34 million to acquire
more than 700 properties of 135 acres

from which more than 1,000 families and businesses have been displaced.

All the land is off the tax rolls, the poor and the elderly are standing in line to find a decent place to live.... and operate their businesses.

Other ramifications:
More than 3,500 construction jobs down the drain in next 18 months because of losing commitments for \$8 million in 236 housing and 235 single family program.

A 1,2000 senior citizens hi rise tentative commitment would by the have produced \$21 million in development.

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Senior Citizen Butreach Programs - Cut.

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to the State Local Hosts

BUT, TO THE MAYORS OF THIS NATION, I CHARGE THAT THE

NEW BUDGET IS HARD EVIDENCE OF BAD FAITH, BROKEN PROMISES, AND

VANISHING FISCAL SUPPORT FOR THE CITIES OF OUR COUNTRY.

As MY SENATE COLLEAGUE, WALTER MONDALE, SAID LAST WEEK,

"THE NIXON BUDGET MEANS MORE COMFORT FOR THE COMFORTABLE.

ITS SOLUTION TO DOMESTIC PROBLEMS IS -- IF WE DON'T SUCCEED,

THEN QUIT.

LAST YEAR, THE MAYORS JOINED WITH A MAJORITY IN THE

Congress and the Administration to enact General Revenue
Sharing.

I STRONGLY SUPPORTED THAT LEGISLATION, I SPONSORED IT IN

THE SENATE. I HELPED LEAD THE BATTLE FOR IT.

AND THE PRESIDENT, AMID ALL THE TRAPPINGS OF INDEPENDENCE
HALL IN PHILADELPHIA, SIGNED THE BILL.

LITTLE DID ANY OF US KNOW THAT HE WAS ALSO SIGNING THE

DEATH KNELL FOR MANY OF THE CRITICAL PROGRAMS SO LONG

SUPPORTED AND SO LONG FOUGHT FOR BY MANY OF YOU HERE IN THIS

ROOM,

I REMEMBER, AS I AM CERTAIN YOU DO -- THE PRESIDENT'S WORDS

"REVENUE SHARING IS NEW MONEY," HE SAID.

IT DOES NOT REPLACE MONEY ALREADY GOING TO THE CITIES 45 States.

IT IS ADDITIONAL DOLLARS, WITHOUT STRINGS AND WITHOUT

ENCUMBERANCES.

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FUNDS WHEN ACTUALLY PROGRAMS ARE BEING PHASED-OUT or the state of the - H- Insert

IN SHORT, IT IS AN EXCUSE OF THE DECEPTION AND NEGLECT OF THE AMERICAN PEOPLE,

LOOK AT THE DECEPTION IN THE BUDGET.

THE BUDGET SAYS THAT FUNDS FOR MENTAL HEALTH WILL BE DOUBLED, BUT WHAT IT DOES NOT SAY IS THAT THE COMMUNITY MENTAL HEALTH CENTERS WILL BE PHASED OUT -- AND ALL THE MONEY FOR THAT EIGHT-YEAR PHASE-OUT IS INCLUDED IN THIS YEAR'S BUDGET PRESUMABLY, THE MAYORS ARE SUPPOSED TO FUND COMMUNITY MENTAL HEALTH CENTERS BY GENERAL REVENUE SHARING FUNDS. OR, CONSIDER THE CLAIM THAT MORE MONEY IS GOING INTO THE POVERTY PROGRAM. BUT AT THE VERY MOMENT, THE OFFICE OF ECONOMIC OPPORTUNITY IS BEING SYSTEMATICALLY -- AND ILLEGALLY --DISMANTLED.

PRESUMABLY, YOU COULD FUND THAT WITH GENERAL REVENUE SHARING

FUNDS ALSO.

AND, THE BUDGET SAYS THAT MORE MONEY WILL GO TO THE CITIES -- FOR POLLUTION CONTROL AND WATER AND SEWER GRANTS YET, BILLIONS OF DOLLARS FOR THESE PROJECTS ARE IMPOUNDED PRESUMABLY, YOU COULD BUILD SEWERS WITH GENERAL REVENUE SHARING FUNDS ALSO, AND FINALLY BURIED BENEATH THE CONFINES OF THE BUDGET IS A \$2.1 BILLION HIDDEN EMERGENCY FUND IN CASE HOSTILITIES RESUME IN VIETNAM -- A KIND OF INSURANCE FUND.

JUST TRY TO GET THIS MONEY CONVERTED TO REVENUE SHARING.

THAT'S DECEPTION. BUT IT IS ONLY ONE SIDE OF THE BUDGET.

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NEGLECT.

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ADDITIONAL EXAMPLES OF CUTBACKS AND ANSWERS TO THE "PIPELINE" DODGE OF THE NIXON ADMINISTRATION

1. His Community Development Revenue Sharing is simply a rehash of his proposals made in the last session of Congress.

The only thing different is the "political black-mail" being practiced by the Nixon Administration:

Either the Congress enacts Special Revenue Sharing or else we will not fund any of the programs.

But Pipeline notes:

- A) Nixon says there is enough money in Model Cities to carry through to end of fy 74. But as of February 1, 1973, each of the 147 communities participating in the model cities were told to absorb immediate cuts averaging about 45% each.
- (B) Nixon says he is going to allocate \$110 million to help state and local governments build up Administrative skills and planning.

But unlike the present planning program--in which 25% of all funds go directly to the cities-the new Nixon program will make all funds go through state government--in short, the cities are not guaranteed one nickel. They have to negotiate with the Governors.

- C) HUD budget for fy 74 is down 36% from current years fiscal actual level of spending. Is this new money?
- D) Impoundment fund equal 21% of fy 74
- D) Administration says it had \$5.7 billion in the pipeline, but these funds are mostly committed to urban renewal programs now underway. And, the budget does not contain adequate detail to substantiate this projection.

In short, we don't know whether it is there or not.

F) On Housing, Nixon says that 300,000 units are still in the pipelines.

He needs to get his figures straight, because when he announced the moratorium, he noted that there were enough funds for an annual building of 250,000 units.

And, what he does not say is that housing starts under the subsidized program will be about zero in 1975.

--This Nixon slash on housing will reduce the GNP by \$12 billion dollars. Add to housing increase prices, and increase unemployment, and unemployment in the construction industry will likely increase to 10 to 12%.

The fundamental problem has been Nixon mismanagement of the housing market.

The programs are generally sound. The management has been bad.

And, trying to cover up horrible management by scrapping the program instead of the manager just won't work--for the problem will remain: How to provide the necessary housing.

- -- How does a Mayor tell employees paid through the

 Public Service Employment program that they no longer have

 A Job?
 - -- WHAT IS A MAYOR TO DO THIS SUMMER WITHOUT THE

NEIGHBORHOOD YOUTH CORPLOS

-- WHAT IS GOING TO HAPPEN TO CITIES THAT HAVE URBAN

RENEWAL PROGRAMS UNDERWAY?

-- WHAT ABOUT THE CUTBACKS IN MEDICAL EDUCATION, MEDICARE,

HOSPITAL CONSTRUCTION, SOLID WASTE, OPEN SPACE, AND MODEL

CITIES PROGRAMS?

-- WHAT ARE WE TO DO ABOUT INCREASED RENTS? THE

PRESIDENT SAYS THE ANSWER IS TO BUILD MORE HOUSING. BUT,

HE SLAPS ON A HOUSING MORATORIUM. THAT'S HARDLY BUILDING

MORE HOUSING.

AND HOW IS A MAYOR OF ANY COMMUNITY GOING TO ANSWER TO
HIS CONSTITUENTS WHEN HE HAS TO ASK FOR PROPERTY OR SALES

TAX INCREASES TO REPLACE ALL THE FEDERAL FUNDS HE THOUGHT

HE WAS GOING TO RECEIVE -- ALL AT THE VERY TIME THE

PRESIDENT OF THE UNITED STATES LOUDLY PROCLAIMS HIS NO TAX

INCREASE Allingen

THAT'S BUDGET FAKERY. THAT'S NEGLECT. THAT'S DECEPTION.

BUT, THERE IS MORE THAN THAT.

AT THE CRITICAL MOMENT WHEN OUR ECONOMY STARTS TO LOOK

BETTER, AND WITH THE CESSATION OF HOSTILITIES IN VIETNAM -
AT A TIME WHEN THE ENERGIES AND DREAMS SO LONG POSTPONED BY

WAR SHOULD BE TURNED TO THE PROBLEMS AT HOME -- THE NIXON

BUDGET USHERS IN AN ERA OF DOMESTIC RETRENCHMENT.

WE HAVE BEEN THIS ROUTE BEFORE. AND WE HAVE SUFFERED THE CONSEQUENCES.

THE END OF THE KOREAN WAR.

WE HAD OPPORTUNITY THEN -- AND WE LOST IT.

WE FACED A CHALLENGE THEN -- AND WE SIDE-STEPPED IT.

As a result, many of the problems of the '60's were a

PRODUCT OF THE INDIFFERENCE OF THE '50's.

LIT IS EASY TO ABANDON THE ARDUOUS EFFORT TO HELP 30

MILLION AMERICANS IN POVERTY OR TO TURN AWAY FROM THE CITIES

OR IGNORE THE URGENT PLEAS OF MIDDLE AMERICA.

BUT I SAY TO THE MAYORS OF THIS COUNTRY, WE CAN NOT LET THAT HAPPEN. WE CANNOT LET THE PROBLEMS OF THE 1980'S RESULT FROM THE INDIFFERENCE OF THE 1970's. WE MUST SEIZE THE OPPORTUNITY NOW BEFORE USE CANT- 10 more pri-AND, NO AMOUNT OF SLOGANEERING OR PIOUS MORALIZING WILL DO IT FOR US. IT TAKES HARD WORK, COMMITMENT, AND LEADERSHIP TO MEET NEEDS. WE ONLY HAVE TO LOOK AT THE PRESIDENT'S "NEW FEDERALISM"

TO SEE THAT TALK ABOUT PROBLEMS DOESN'T SOLVE PROBLEMS.

THE PRESIDENT TALKS OFTEN ABOUT EFFICIENCY, THE SPECTRE OF BIG GOVERNMENT AND OF SPENDING REFORM.

HE TALKS DECENTRALIZATION OF GOVERNMENT, BUT WITH THE NEW "SUPERCRATS" HE IS ACTUALLY CENTRALIZING CONTROL.

WHAT IS THE "NEW FEDERALISM?" WHAT IS THE NIXON

ADMINISTRATION REALLY DOING?

I TELL YOU: POWER TO THE PEOPLE? NO -- NO.

THE POWER IS STAYING IN WASHINGTON.

THE MONEY IS STAYING IN WASHINGTON.

THE PROBLEMS ARE BEING RETURNED TO THE PEOPLE.

THAT IS NOT HOW GOVERNMENT OUGHT TO WORK.

GOVERNMENT OUGHT TO BE A PARTNERSHIP DEDICATED TO

IMPROVING THE LOT OF PEOPLE.

WE DO NOT HAVE TO GET BOGGED DOWN BY FIGHTS OVER

CATEGORICAL PROGRAMS VERSUS SPECIAL REVENUE SHARING. I

SUPPORT THE MAYORS IN THEIR DRIVE FOR FLEXIBLE FINANCING

TOOLS.

FAVOR A BLOC GRANT APPROACH,

BUT WHAT IS REALLY IMPORTANT IS GETTING

PROGRAMS TO MEET THE PROBLEMS, IN OTHER MONEY AND

RESOURCES, NOT WORDS AND PROMISES.

THAT IS WHY I CALL NOW FOR A REW RESOLVE -- TO DO THE

THINGS THAT MUST BE DONE,

I HAVE SPOKEN BEFORE OF A MARSHALL PLAN FOR OUR

COMMUNITIES -- A PLAN TO ORGANIZE THE RESOURCES, THE

ENERGIES, THE TALENTS, AND THE FINANCING TO REBUILD

NEIGHBORHOODS, IMPROVE PUBLIC SERVICES, AND BRING A NEW

AND BETTER QUALITY OF LIFE TO THE HAVE-NOTS AS WELL AS THE

HAVES.

WE NEED A MARSHALL PLAN FOR THIS NATION.

IF WE CAN HAVE A FOREIGN AID FOR HANOI AND SAIGON, THEN

WE CAN HAVE A DOMESTIC AID FOR DETROIT, NEW YORK, CLEVELAND,

MINNEAPOLIS, OR WASHINGTON, D.C. Duluth, Arranton,

How do we start? Where do we begin?

WE MUST SQUARELY FACE THE THREAT TO THE CITIES POSED BY THE 1974 BUDGET. AND WE MUST DO SO NOT OUT OF BLIND OPPOSITION BUT WITH CONSTRUCTIVE ALTERNATIVES. THIS AFTERNOON -- ON THE FLOOR OF THE SENATE -- I WILL TAKE THE FIRST STEP TOWARDS PROVIDING THOSE ALTERNATIVES. I WILL INTRODUCE A NATIONAL PRIORITIES RESOLUTION THAT WILL MANDATE THE CONGRESS TO PARE THE FAT FROM A BLOATED, OVERGROWN MILITARY BUDGET; BEGIN A PROGRAM OF IMMEDIATE 10 10 TAX REFORM; AND DEVOTE AN ESTIMATED \$14 BILLION SAVED AND EARNED TO THE PRESSING DOMESTIC NEEDS -- PUBLIC EMPLOYMENT,

HOUSING, EDUCATION, POLLUTION CONTROL, AND OTHER

HEALTH CARE, URBAN REHABILITATION, RURAL ECONOMIC DEVELOPMENT,

CONSTRUCTIVE NATIONAL AND LOCAL PROGRAMS.

My RESOLUTION WILL DRAW THE LINE.

/ IT WILL SAY WHAT THE PRESIDENT'S BUDGET DOES NOT.

IT WILL CHALLENGE THE PRESIDENT'S ASSUMPTION THAT IN

A TIME OF PEACE WE ACTUALLY NEED A BIGGER AND HIGHER

MILITARY BUDGET.

IT WILL CLEARLY SAY THAT WE FAVOR SPENDING REFORM, BUT

WE ALSO WANT TAX REFORM.

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BUT, MOST OF ALL, THIS RESOLUTION WILL ALLOW US TO SEIZE

THE OPPORTUNITY -- TO AVOID THE ERA OF RETRENCHMENT -- AND

TO BEGIN THE ERA OF DOMESTIC DEVELOPMENT.

THERE ARE THINGS TO DO IN THIS COUNTRY.

WE HAVE STREETS THAT NEED REPAIR; WE HAVE RIVERS AND AIR TO BE CLEANED; WE HAVE POVERTY AND RACIAL INJUSTICE TO OVERCOME; WE HAVE MASSIVE TRANSPORTATION PROBLEMS; WE HAVE TO CARE FOR THE WORKING FAMILIES OF OUR LAND. Is it wrong to do these things? WE COMPLETELY FUND THE WATER AND SEWER PROJECTS NIXON SAYS HE CANNOT AFFORD BY CUTTING BACK THE TRIDENT SUBMARINE. WE CAN DOUBLE FUNDS FOR LOW AND MODERATE INCOME HOUSING

BY NOT BUILDING THE CVN-70 AIRCRAFT CARRIER.

WE CAN HAVE A SUMMER YOUTH PROGRAM -- AND PUT 500,000

YOUNGSTERS TO WORK -- BY REFUSING TO BUILD THE B-1 BOMBER.

Is it so wrong to take the \$2 billion in the hidden

FUNDS FOR VIETNAM AND EMPLOY 180,000 MEN AND WOMEN IN PUBLIC

EMPLOYMENT -- RATHER THAN FORCE THEM TO THE WELFARE ROLLS?

Is it wrong to say that we must create a tax system that

PROMOTES JUSTICE INSTEAD OF PROMOTING SPECIAL PRIVILEGE?

Is it wrong to want to make urban life liveable? I say No.

I WILL NOT RETREAT FROM THESE RESPONSIBILITIES.

You must not retreat from them.

Together, we must forge an America that can best be found in the words of Carl Sandberg:

"I SEE AMERICA, NOT IN THE SETTING SUN OF A BLACK NIGHT OF DESPAIR AHEAD OF US. I SEE AMERICA IN THE CRIMSON LIGHT OF A RISING SUN FRESH FROM THE BURNING, CREATIVE HAND OF GOD. I SEE GREAT DAYS AHEAD, GREAT DAYS POSSIBLE TO MEN AND WOMEN OF WILL AND VISION. . . "

SAME NIXON SOLUTION

- 1. DECLARE THE PROBLEM SOLVED
- 2. ANOTHER "SECRET PLAN" -- THIS TIME FOR THE CITIES
 - TRUST US FELLOWS -- YOU KNOW WE MEAN WELL.
 - THAT'S WHY WE ARE CUTTING YOUR FUNDS

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