

001378

REMARKS BY SENATOR HUBERT H. HUMPHREY

KEYNOTE URBAN AFFAIRS PROGRAM

GEORGE WASHINGTON UNIVERSITY
WASHINGTON, D.C.

MARCH 30, 1973

IT IS A GREAT PLEASURE TO BE HERE AT THIS URBAN AFFAIRS
PROGRAM.

I WANT TO CONGRATULATE DR. BURKS ON PUTTING TOGETHER AN
IMPORTANT AND CONSTRUCTIVE DAY'S ACTIVITIES.

THIS IS THE KIND OF DIALOGUE AND WORKSHOP THAT SHOULD
BE HELD MORE OFTEN IN THIS TOWN:

-- LOOKING AT OUR URBAN PROBLEMS FROM THE LOCAL
PERSPECTIVE ON THE ONE HAND, THE FEDERAL PERSPECTIVE ON THE
OTHER.

-- FOCUSING ON PROBLEM AREAS.

-- STRUCTURING IT THIS WAY, YET LEAVING IT OPEN TO
CREATIVE DISCUSSION.

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[NOW THE ONLY THING I FAULT YOU FOR IS NOT UPDATING THE
TITLE OF THE SEMINAR. ^{a most prominent} ~~SOME~~ LOCAL RESIDENTS, RIGHT DOWN THE
STREET, TELL US THERE IS NO URBAN CRISIS. SO WHY BOTHER
DEVELOPING NEW PERSPECTIVES ON IT?

YOU HAD BETTER BELIEVE THAT THE URBAN CRISIS IS NOT
OVER IN MY BOOK. ^{TO BE SURE,} THE WORD "CRISIS" DOES TEND TO BE OVER-USED,
BUT I FIND NO REASON TO STOP USING IT TO DESCRIBE THE STATE
OF OUR LARGE CITIES.

NOW WHEN I TALK ABOUT A CRISIS, I DO NOT MEAN THAT A
CATASTROPHE IS ABOUT TO OCCUR. I MEAN THAT A CROSS-ROADS
HAS BEEN REACHED.

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WHEN YOU ARE AT ^{the} A CROSSROADS, THE SLIGHTEST MOTION ONE
WAY OR THE OTHER PROPELS YOU IN ONE DIRECTION -- RATHER THAN
THE OTHER. AND THAT'S THE PATH YOU FOLLOW.

L YOU ALL KNOW HOW WASHINGTON, D. C. IS LAID OUT. AT
DuPONT CIRCLE, YOU CAN GO UP CONNECTICUT AVENUE, OR
MASSACHUSETTS, OR P STREET -- THEY ALL INTERSECT THERE.

L BUT ONCE YOU'VE TURNED UP ^{CONNECTICUT} ~~ONE OF THEM~~ AND ARE ON IT A HALF
HOUR OR SO, IT'S ^{DARNED} DIFFICULT TO GET BACK ON ^{P STREET} ~~THE OTHER.~~

L OH, YOU CAN DO IT, BUT YOU'VE WASTED A LOT OF TIME AND
^{energy} ~~energy~~, AND MAYBE YOU'LL BE TOO LATE.

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I BELIEVE WE WILL BE TOO LATE IN DEALING WITH OUR
CRITICAL PROBLEMS IF WE GO DOWN THE PRESIDENT'S ROAD AFTER
WASTING A LOT OF TIME AND RESOURCES REORGANIZING AND
DISMANTLING AND DECENTRALIZING, WE WILL WIND UP WITH TOO
LITTLE, TOO LATE, TO DEAL WITH ^{what is} THE CONTINUING URBAN CRISIS.

THIS IS AN ACADEMIC SETTING, AND I WANT TO CONTRIBUTE
TO THE AIR OF OBJECTIVE DISCUSSION HERE. SO LET'S EXAMINE
OBJECTIVELY THE PRESIDENT'S REASONS FOR SAYING THE URBAN
CRISIS IS OVER.

L FIRST, THE PRESIDENT'S ADVISERS SEEMED TO FEEL THAT
CITIES AND STATES WERE ACTUALLY ACCUMULATING SURPLUS REVENUES.

SOMEHOW THEY DEVELOPED THE NOTION THAT STATE AND LOCAL
GOVERNMENTS WERE DOING VERY WELL FISCALLY.

THIS CONCLUSION IS A GOOD EXAMPLE OF THE ISOLATION AND
DISTANCE OF SO MANY ACCOUNTANTS IN THE OFFICE OF MANAGEMENT
AND BUDGET FROM THE REALITY OF CITY LIFE. WHAT THEY DID WAS
TAKE DATA WHICH LUMPS CITY REVENUES TOGETHER WITH STATE
REVENUES. AND THEY TOOK DATA WHICH LUMPS SOCIAL INSURANCE
FUNDS WITH OPERATING FUNDS.

AND FROM THIS THEY CONCLUDED THE CITIES ARE IN REALLY
GOOD FINANCIAL SHAPE IN THE COMING YEAR - *able to care for themselves*

L BUT STATE SURPLUSES WON'T PICK UP CITY GARBAGE, AND
RETIREMENT FUNDS FOR CITY EMPLOYEES CAN'T BE USED TO CURB
CRIME IN THE STREETS.

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I'M SURE COLUMBUS HAD SIMILAR CALCULATIONS GIVEN TO HIM
 BY ~~THE~~ QUEEN ISABELLA'S OFFICE OF GEOPHYSICAL RESEARCH,

PROVING BEYOND A DOUBT THAT THE WORLD WAS FLAT AS A PANCAKE,

1 COLUMBUS DECIDED TO GO OUT AND SEE FOR HIMSELF, AND THAT'S

WHAT I'D ADVISE SOME OF THOSE PEOPLE AT OMB TO DO ^{+ the White House}

WHAT THEY WOULD FIND, IF THEY SPENT SOME TIME IN NORTHEAST
 WASHINGTON AND OTHER CENTRAL-CITY AREAS ACROSS THIS NATION, IS

A LACK OF MONEY TO DEAL WITH INCREASINGLY SEVERE CITY PROBLEMS:

They would find

-- AN INCREASE IN SERIOUS CRIME OF 30 PERCENT IN THE LAST

FOUR YEARS

find - Every

-- EVERY PERCENT OF THE PEOPLE AFRAID TO GO OUT AT NIGHT

-- SCHOOLS ON THE VERGE OF BANKRUPTCY AND COLLAPSE, IN

SUCH CITIES AS CHICAGO, DETROIT, AND PHILADELPHIA

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- ALMOST 5 MILLION HOMES ~~WITH NO PLUMBING~~ *that fail to meet minimum standards of Safety + Sanitation*
- HUNDREDS OF THOUSANDS OF GHETTO RESIDENTS UNEMPLOYED *and on welfare*
~~AND FORCED TO LEAVE THEIR FAMILIES SO THEY CAN GET WELFARE~~
Business deals with plywood over the doors
- TRAFFIC CONGESTION
- TOTALLY INADEQUATE MASS TRANSIT
- GENERAL LACK OF ADEQUATE WATER AND SEWER FACILITIES
- STREETS IN ILL REPAIR
- TOO FEW PARKS THAT CITY PEOPLE CAN USE
- LACK OF HEALTH CLINICS FOR THE AVERAGE PERSON.

YOU CAN FINISH THE LIST AS WELL AS I CAN.

I'VE BEEN TALKING ABOUT TWO DIFFERENT PERCEPTIONS OF
 THE STATE OF OUR CITIES: THE PRESIDENT'S PERCEPTION AND THE
 PERCEPTION OF SOME OF THE REST OF US.

THOSE DIFFERING PERCEPTIONS ARE CRITICAL. BECAUSE WHAT FLOWS FROM THEM ARE TWO RADICALLY DIFFERENT POINTS OF VIEW ABOUT WHAT THE GOVERNMENT SHOULD DO.

THE PRESIDENT'S VIEW IS THAT THE CRISIS IS OVER. WHAT HE PERCEIVES IS THAT WHEN PEOPLE ARE NOT RIOTING, DESTROYING AND BURNING -- THEN THE REST OF THE PROBLEMS ARE ^{RELATIVELY} MINOR -- SOME KIDS AREN'T DOING WELL IN SCHOOL -- SOME PEOPLE ARE CHEATING ON WELFARE -- SOME PEOPLE LIVE IN POOR HOUSING -- AND SO ON. AND HE SEES THESE PROBLEMS VARYING FROM PLACE TO PLACE. ONE CITY HAS A WELFARE PROBLEM. ANOTHER CITY HAS AN EDUCATION PROBLEM.

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HE SEES A SERIES OF LOCAL PROBLEMS, DIFFERING FROM ONE CITY TO THE NEXT, AND THEREFORE BEST SOLVED AT THE LOCAL LEVEL -- AND INCREASINGLY BY LOCAL FUNDS.

LET ME QUOTE YOU FROM HIS MESSAGE ON COMMUNITY DEVELOPMENT.

"AMERICA'S COMMUNITIES ARE AS DIVERSE AS OUR PEOPLE THEMSELVES . . . WHAT IS GOOD FOR NEW YORK CITY IS NOT NECESSARILY GOOD FOR CHICAGO, OR SAN FRANCISCO. . ."

NOW, NO ONE WOULD DISAGREE THAT OUR CITIES' STRENGTHS LIE IN THEIR DIVERSITY. BUT THEIR PROBLEMS ARE ALARMINGLY SIMILAR,

l ~~MA~~ SINCE THEY ARE CAUSED BY COMMON NATIONAL SOCIAL AND ECONOMIC FORCES: such as

-- DECENTRALIZATION OF INDUSTRY AND NEW HOUSING, WHICH
most of
IS PULLING OUR BEST RESOURCES OUT OF THE CITY;

THESE FORCES ARE MANIFESTED IN SOMEWHAT DIFFERENT WAYS
IN DIFFERENT CITIES, BUT THEY ARE NATIONAL FORCES, NOT LOCAL
ONES.

THE PRESIDENT'S ^{ON} WILLINGNESS TO ADMIT THIS HAS LED HIM
TO PROPOSE A POLICY OF NATIONAL-GOVERNMENT DISENGAGEMENT FROM
THESE PROBLEMS.

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THE PRESIDENT'S 1974 BUDGET IS THEREFORE PREDICATED ON
LETTING LOCALITIES DEAL WITH "LOCAL PROBLEMS" -- WHETHER IT'S
HEALTH, EDUCATION, OR WHATEVER. THIS IS WHY HE IS USING THE
MEAT-AXE ON FEDERAL PROGRAMS. THE NUMBER OF PROGRAMS BEING CUT
BACK OR TERMINATED IS SO LARGE THAT IT WOULD TAKE ME ALL DAY
unw 100
TO DESCRIBE THEM. LET'S REVIEW A FEW OF THEM.

AGAIN, I WILL TRY TO BE OBJECTIVE HERE. THERE ARE SOME
ASPECTS OF THE PRESIDENT'S PROPOSALS I AGREE WITH, BUT THEY
ARE RELATIVELY FEW.

HEALTH

-- THE PRESIDENT WOULD TERMINATE THE CONSTRUCTION OF NEW HEALTH
FACILITIES UNDER THE HILL-BURTON ACT

*Dept
needs*

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-- HE WOULD PHASE OUT THE COMMUNITY MENTAL HEALTH CENTERS

-- HE WOULD END CATEGORICAL TRAINING PROGRAMS IN ALLIED HEALTH,
PUBLIC HEALTH, AND MENTAL HEALTH

-- ON THE POSITIVE SIDE, HE WOULD INCREASE CANCER AND HEART
RESEARCH, BUT AT THE EXPENSE OF OTHER PROGRAMS

-- HE WOULD TERMINATE REGIONAL MEDICAL PROGRAMS

-- HE WOULD CUT BACK VENEREAL DISEASE PROGRAMS -- AND PHASE OUT
RAT CONTROL AND LEAD POISONING PROGRAMS

JOBS

-- HE WOULD TERMINATE THE EMERGENCY EMPLOYMENT ACT AND THE
NEIGHBORHOOD YOUTH CORPS -- THUS CUTTING BY 53 PERCENT THE
NATION'S JOB CREATION AND TRAINING EFFORT

-- HE WOULD GIVE CITIES A HOBSON'S CHOICE -- USE THE MONEY TO
PAY FOR AN UNEMPLOYED FATHER OR HIS UNEMPLOYED SON --

9/11 CITIES WITH MANPOWER MONEY FOR ADULT PROGRAMS COULD KEEP
THE YOUTH PROGRAM GOING IF THEY WISHED TO TAKE MONEY OUT OF THE
ADULT PROGRAMS.

POVERTY

-- HE WOULD DISMANTLE OEO AND PAY GSA \$33 MILLION JUST TO CLOSE
IT DOWN AND PAY EVERYONE OFF.

-- HE WOULD REDUCE MINORITY ENTERPRISE FUNDING BY \$30 MILLION

HOUSING

-- HE WOULD HAVE A MORATORIUM ON ALL NEW LOW-INCOME HOUSING
STARTS

-- ON THE PLUS SIDE, HIS COMMUNITY DEVELOPMENT PROPOSALS MAKE SENSE. IT IS TIME WE BUILT OUR POLICIES AROUND THE IDEA OF OVERALL COMMUNITY DEVELOPMENT

WELFARE AND SOCIAL SERVICES

-- HE WOULD SPEND \$655 MILLION LESS THAN IN 1973 ON SOCIAL SERVICES. THESE ARE PEOPLE PROGRAMS THAT ARE DESPERATELY NEEDED

-- CHILD CARE

-- CONSUMER EDUCATION

-- JOB COUNSELING

-- WHATEVER HAPPENED TO THE PRESIDENT'S PROPOSAL TO GET AT

PEOPLE'S PROBLEMS EARLY -- BY FOCUSING ON THE FIRST FIVE YEARS

OF LIFE? A TOTAL OF ONLY \$25 MILLION IS PROPOSED FOR THE OFFICE

OF CHILD DEVELOPMENT

-- WHATEVER HAPPENED TO WELFARE REFORM?

ENVIRONMENT

-- THE PRESIDENT WOULD SPEND LESS THAN HALF OF WHAT THE CONGRESS
APPROPRIATED FOR WATER POLLUTION CONTROL

-- HE WOULD CUT BACK FUNDS FOR NOISE POLLUTION

-- HE WOULD CUT RECREATION FUNDS BY \$245 MILLION

RURAL DEVELOPMENT

-- HE WOULD TERMINATE EDA AND CUT BACK SHARPLY ON FUNDS WHICH
WOULD MAKE RURAL AREAS AN ALTERNATIVE TO THE CITY AS A PLACE
FOR PEOPLE TO LIVE AND WORK

EDUCATION

-- HE WOULD CUT FUNDING LEVELS BY \$277 MILLION

reduce
-- HE WOULD ~~END~~ LIBRARY SERVICES

-- HE WOULD PHASE OUT THE "FOLLOW-THROUGH" PROGRAM, WHICH PRESERVES THE EDUCATIONAL GAINS OF "HEADSTART"

DRUGS AND LAW ENFORCEMENT

-- HE WOULD FORTUNATELY NOT CUT BACK FUNDING FOR DRUG ABUSE,
BUT NOT INCREASE IT EITHER. THE SAME IS TRUE FOR LAW
ENFORCEMENT.

NOW, THE PRESIDENT GIVES VARYING REASONS FOR THESE
CUTBACKS.

-- HOUSING, HE SAYS, IS A FAILURE. BUT IT ISN'T THE
HOUSING POLICY -- IT'S THE MANAGEMENT THAT'S THE FAILURE.

AND WHO HAS MANAGED THE PROGRAMS THE LAST FOUR YEARS? CLEARLY

WE BADLY NEED PUBLIC HOUSING, RENT SUPPLEMENTS, 235 RENT
HOMEOWNERSHIP, AND OUR 236 RENTAL ASSISTANCE HOUSING PROGRAMS.

-- OEO, HE SAYS, IS A FAILURE -- YET HE IGNORES AN
IN-DEPTH EVALUATION WHICH SAYS OTHERWISE. *(Symbolic)*

-- MANPOWER PROGRAMS AREN'T AS NECESSARY AS THEY ONCE
WERE, HE SAYS -- DISREGARDING THE 30 TO 40 PERCENT SUB-
EMPLOYMENT RATES IN MOST CENTRAL CITIES.

IF THERE'S THE SLIGHTEST DIFFICULTY WITH A PROGRAM --
OUT IT GOES.

BUT IF A PROGRAM IS A GLARING SUCCESS, THE PRESIDENT TAKES
A DIFFERENT LINE: "THE PROGRAM WAS REALLY JUST A DEMONSTRATION
PROJECT -- NOW IT'S TIME TO TURN IT OVER TO THE STATES AND
CITIES."

COMMUNITY MENTAL HEALTH CENTERS HAVE BEEN VERY SUCCESSFUL,
HE SAYS -- SO LET'S GIVE THEM BACK TO THE STATES.

WHAT DOES ALL THIS ADD UP TOO -- OR SUBTRACT OUT TO?

bts
~~IT ADDS UP TO~~ A POLICY OF RETRENCHMENT BY THE NATIONAL
GOVERNMENT FROM OUR CITIES' PROBLEMS.

THE PRESIDENT SAYS HIS BUDGET WILL ACTUALLY RESULT IN
\$1 BILLION IN NEW MONEY FOR THE CITIES, SINCE HIS GENERAL
AND SPECIAL REVENUE-SHARING FUNDS WILL MAKE UP FOR THE
CATEGORICAL CUTS HE HAS PROPOSED.

BUT THE MAYORS COME UP WITH A DIFFERENT FIGURE -- \$4.1
BILLION LESS APPROPRIATED FOR THE CITIES IN FISCAL YEAR 1974.

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MAYOR GIBBS OF DETROIT, MICHIGAN, SAYS: "THESE CUTS WILL GIVE IMPETUS TO A NEW CYCLE OF DECAY IN AMERICAN CITIES."

MAYOR MAIER OF MILWAUKEE SAYS:

"THE FINAL AND INEVITABLE RESULT OF THESE REDUCTIONS IN

CITY PROGRAMS THROUGH THE FREEZING OF FUNDS AND THE DEEP SLASHES

IN THE BUDGET WILL BE TO TRANSFER THE BURDEN ONTO THE BACK OF

THE ALREADY OVER-BURDENED LOCAL PROPERTY TAXPAYER."

IN A NUTSHELL, WHAT IS MISSING FROM THE PRESIDENT'S

1974 BUDGET PROPOSAL ARE TWO THINGS: MONEY FOR CITIES -- AND

A NATIONAL POLICY TOWARD THE CITIES. THE TWO ARE RELATED, BUT

ALSO SEPARATE.

FIRST, LET'S TALK ABOUT THE MONEY.

I HAVE DWELT LONG ENOUGH ON WHAT I THINK IS WRONG WITH THE PRESIDENT'S BUDGET CUTBACKS. BUT I HAVE NOT MENTIONED HOW I WOULD PROPOSE DEALING WITH THE FISCAL SQUEEZE WE ARE IN, WHICH THE PRESIDENT USES AS A RATIONALE FOR THOSE CUTS.

THE FIRST ORDER OF BUSINESS IS TO ENACT TAX REFORM LEGISLATION AND ELIMINATE WASTE IN DIFENSE SPENDING, TO RELEASE NEW MONEY RESOURCES.

EQUALLY IMPORTANT FOR THE LONG-TERM, HOWEVER, IS TO THINK ABOUT ENTIRELY NEW FINANCING MECHANISMS FOR OUR CITIES.

I AM TALKING ABOUT CREATING A NATIONAL DOMESTIC DEVELOPMENT BANK.

WE ARE THE LEADING PARTNER IN AN INSTITUTION THAT HAS HAD
SIGNIFICANT IMPACT ON DEVELOPMENT ABROAD -- THE WORLD BANK.

I PROPOSE THAT WE NOW APPLY THIS APPROACH TO OUR PRESSING
DEVELOPMENT NEEDS AT HOME.

I BELIEVE THAT A NATION THAT CAN ASSIST DEVELOPMENT IN
AFRICA, ASIA, EUROPE AND LATIN AMERICA MUST BE ABLE TO PROVIDE
FINANCING FOR DEVELOPMENT OF OUR OWN CITIES AND TOWNS.

IF WE CAN BUILD A BETTER RIO DE JANEIRO, WHY CAN'T WE
HELP BUILD A BETTER DETROIT, MICHIGAN? IF WE CAN ASSIST A
PROVINCE IN PERU, WHY CAN'T WE HELP WRIGHT COUNTY, MINNESOTA?

A DOMESTIC DEVELOPMENT BANK WOULD PROVIDE AN ORDERLY,
CONTINUING SOURCE OF CAPITAL FUNDS. IT IS DESIGNED TO END
THE "STOP-START" HISTORY OF PUBLIC CONSTRUCTION IN OUR COUNTRY.
AND IT IS DESIGNED TO HELP COMMUNITIES PLAN FOR SOUND,
COORDINATED, COMPREHENSIVE DEVELOPMENT THAT TRULY SERVES ITS
CITIZENS.

NOW, LET'S MOVE FROM FINANCING OF CITIES TO THE BUSINESS
OF SHAPING AN OVERALL NATIONAL POLICY WITH RESPECT TO CITIES.

WHAT ARE THE FACTS WE NEED TO CONSIDER IN SHAPING SUCH
A NATIONAL URBAN POLICY?

FIRST OF ALL, WE MUST LOOK AT NATIONAL ECONOMIC AND
SOCIAL TRENDS:

THROUGHOUT THE NATION, THE BEST OF
THE NATION'S RESOURCES -- THE BEST OF ITS HUMAN AND PHYSICAL
AND CAPITAL RESOURCES -- HAS BEEN FLOWING OUT OF THE CITY, TO
THE SUBURBS.

WHAT IS TO BE DONE? THE ALTERNATIVES ARE FAIRLY CLEAR.

WE CAN DO NOTHING -- ALLOW "NATURE TO TAKE ITS COURSE,"
AND WITNESS A SLOW EROSION OF THE PHYSICAL AND HUMAN RESOURCES
OF THE CITY.

A SECOND ALTERNATIVE IS TO CONCENTRATE ON SAVING THE
CENTER-CITY -- ON REBUILDING -- ON REHABILITATION.

WE CAN AND SHOULD INVEST, BY BOTH PUBLIC AND PRIVATE
MEANS, BILLIONS INTO NEW HOUSING.

AND SHOULD
WE CAN, ~~IN OTHER WORDS,~~ TRY TO REVERSE THE TIDE OF
PHYSICAL DECAY WHICH DRIVES RESOURCES OUT. ~~AND, MORE~~
AND SHOULD
~~DIFFICULT,~~ WE CAN [^] TRY TO REVERSE THE TIDE OF SUBURBANIZATION
WHICH PULLS RESOURCES OUT.

I BELIEVE THAT THIS ALTERNATIVE IS FEASIBLE, BUT NOT
AS THE ONLY STRATEGY. I SAY THIS BECAUSE I FEEL THAT THE FORCES
FOR DECENTRALIZATION IN THIS NATION ARE POWERFUL ONES. THESE
ARE HEALTHY FORCES -- FORCES OF GROWTH -- WE CAN BUILD ON THEM.

I FEEL WE ARE MOVING TOWARD A NEW DECENTRALIZATION,
NOT ONLY INTO THE SUBURBS, AND TO SMALLER CITIES, BUT ALSO
ULTIMATELY BACK INTO THE COUNTRYSIDE -- WHAT DR. PETER
GOLDMARK CALLS A "NEW RURAL SOCIETY,"

THE FACT IS THAT ECONOMIC CENTRALIZATION AROUND RIVERS,
RAILROADS AND RESOURCE CENTERS IS NO LONGER AS NECESSARY AS IT
ONCE WAS.

HIGHWAYS AND TELEPHONES AND OTHER NEW TRANSPORTATION AND
COMMUNICATIONS SYSTEMS HAVE MADE CENTRALIZED LOCATION LESS
NECESSARY.

SUCH ADVANCES AS CABLE TELEVISION WILL MAKE IT EVEN MORE
FEASIBLE FOR BUSINESSES AND PUBLIC SERVICES TO DECENTRALIZE.

THIS BRINGS US TO THE THIRD POSSIBLE POLICY ALTERNATIVE
FOR THE NATION -- AND THAT IS TO GO "WITH THE ECONOMIC GRAIN"
OF DECENTRALIZATION IN DEALING WITH OUR URBAN PROBLEMS.

^{MAY}
THIS MEANS[^] HELPING GHETTO RESIDENTS "MOVE OUT" FOR
ONLY EIGHT HOURS A DAY, VIA MASS TRANSIT TO A JOB IN THE
SUBURBS. OR IT MAY MEAN HELPING THEM MOVE OUT
PERMANENTLY, TO NEARBY SUBURBS OR NEW TOWNS.

OR IT MAY MEAN MOVING TO MORE DISTANT SMALLER CITIES
OR NEWLY RENASCENT RURAL AREAS.

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IF THE RESULT OF ALL THIS IS THE GRADUAL "EMPTYING OUT" OF THE GHETTO, AS ITS RESIDENTS ARE GIVEN THE ECONOMIC AND SOCIAL OPPORTUNITY TO BETTER THEMSELVES, SO BE IT.

THE LAST TWO POLICY ALTERNATIVES I HAVE MENTIONED ARE CAST AS EITHER/OR CHOICES BY SOME PEOPLE. IT IS CLEAR TO ME THAT WE NEED BOTH AS SUPPLEMENTARY POLICIES.

WE NEED TO USE THE FORCES OF DECENTRALIZATION -- TO PLAN AND DEVELOP NEW TOWNS, TO MODERNIZE AND REVITALIZE RURAL AMERICA, TO BUILD SUBURBS WITH AN IDENTITY AND SENSE OF COMMUNITY. AS PEOPLE IN THE GHETTO AND ELSEWHERE ARE PROVIDED WITH JOBS AND ECONOMIC OPPORTUNITY, THEY WILL BE PART OF THE GROWTH OF THOSE NEW PLACES.

BUT WE MUST NOT ABANDON THE CENTER CITY. IT IS THERE,
AND IT WILL EITHER BE A SLUM OF FILTH AND CRIME AND POVERTY
OR ELSE A COMMUNITY THAT OFFERS HOPE AND OPPORTUNITY AND GOOD
LIVING COINDITIONS. THE CHOICE IS UP TO US.

THE POINT IS, WE CAN'T RUN AWAY FROM OUR PROBLEMS.

THE POINT IS ALSO THAT THE CITIES ARE FAR FROM DEAD. THERE
IS A NEW VITALITY IN MANY OF OUR GREAT CITIES. NEW SHOPPING
CENTERS, NEW OFFICE BUILDINGS.

BUT WE MUST MAKE CITIES GOOD PLACES TO LIVE, AS WELL
AS WORK.

WE MUST MAKE CITIES MORE LIVEABLE BY MAKING THE BASIC
UNIT OF CITY LIFE -- THE NEIGHBORHOOD, A MORE HUMAN AND
FUNCTIONAL PLACE -- WITH SHOPS AND SERVICES.

THE GROWTH OF BUSINESS ACTIVITY MUST BE ACCOMPANIED BY
IMPROVEMENT IN PUBLIC SERVICES.

IF WE DO THAT, IF WE REHABILITATE PEOPLE, IF WE BRING
UP CHILDREN WITH GOOD DIET AND EDUCATION AND THEIR PARENTS HAVE
DECENT JOBS, THEN PUBLIC HOUSING, WHETHER IT'S RENTAL OR
PRIVATELY-OWNED, WILL BE "KEPT UP," NEIGHBORHOODS WILL BE SAFE
AND CLEAN, AND INDUSTRY WILL BE ATTRACTED BACK INTO THE CITY
BY A VITAL LABOR FORCE.

A NATIONAL POLICY OF DEVELOPING A HEALTHY AND HOPEFUL
PEOPLE WILL, IN THE END, BE THE ONLY THING THAT WILL SAVE
OUR CITIES.

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I THINK THIS IS THE KIND OF THINKING -- A SYNTHESIS
OF ECONOMICS, SOCIOLOGY, AND PLAIN COMMON SENSE -- THAT MUST
UNDERLIE THE DEVELOPMENT OF A NATIONAL URBAN POLICY.

IF WE WANT TO PUT THE RESOURCES AND THE PROBLEMS CLOSER
TOGETHER, WE NEED A SUSTAINED EFFORT --

-- TO TACKLE THE HUMAN PROBLEMS IN OUR CITIES

-- TO CONTINUE DESEGREGATION IN JOBS, HOUSING, AND SCHOOL

WITH FULL SPEED AHEAD

-- TO PLAN CAREFULLY THE TRANSPORTATION NEEDS OF CITY

RESIDENTS AND HOW THEY CAN GET TO JOBS

-- TO CREATE INCENTIVES FOR METROPOLITAN-WIDE

GOVERNMENT,

-- TO MAKE THE NEIGHBORHOOD A FOCAL POINT FOR GOVERNMENT
POLICIES.

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I ENCOURAGE YOU TO THINK CONSTRUCTIVELY AND CREATIVELY
IN THESE DIRECTIONS THIS AFTERNOON, AS YOU EXAMINE THE PROBLEMS
OF OUR ~~XX~~ CITIES AND HOW TO DEAL WITH THEM. I WISH YOU
~~XXXXXXXXXXXXXXXXXXXX~~ THE VERY BEST IN YOUR EFFORTS.

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3-30-13

DRAFT REMARKS FOR GEORGE WASHINGTON UNIVERSITY SYMPOSIUM

"New Perspectives on the Urban Crisis"

It is a great pleasure to be here at this Urban Affairs program.

First, I want to congratulate Dr. Burks on putting together an important and constructive day's activities.

This is the kind of dialogue and workshop that should be held more often in this town:

--Looking at our urban problems from the local perspective on the one hand, the federal perspective on the other.

--Focusing on problem areas.

--Structuring it this way, yet leaving it open to creative discussion.

Now the only thing I fault you for is not updating the title of the seminar. Some local residents, right down the street, tell us there is no urban crisis. So why bother developing new perspectives on it?

You had better believe that the urban crisis is not over in my book. The word "crisis" does tend to be over-used--but I find no reason to stop using it to describe the state of our large cities.

Now when I talk about a crisis, I do not mean that a catastrophe is about to occur. I mean that a cross-roads has been reached.

When you are at a crossroads, the slightest motion one way or the other propels you in one direction--rather than the other. And that's the path you follow.

You all know how Washington, D. C. is laid out. At Dupont Circle, you can go up Connecticut Avenue, or Massachusetts, or P Street--they all intersect there. But once you've turned up one of them and are on it a half hour or so, it's damned difficult to get back on the other.

Oh, you can do it, but you've wasted a lot of time and gasoline, and maybe you'll be too late.
^{I believe}
[^] ~~We~~ will be too late in dealing with our critical problems if we go down ^{the President's} ~~this~~ road. After wasting a lot of time and resources reorganizing and dismantling and decentralizing, we will wind up with too little, too late, to deal with the urban crisis.

Now, ~~I'm going to try to hold myself in and not be partisan today, because~~ this is an academic setting, and I want to contribute to the air of objective discussion here. So let's examine objectively the President's reasons for saying the urban crisis is over.

First, the President's advisers seemed to feel that cities and states were actually accumulating surplus revenues. Somehow they developed the notion that state and local governments were doing very well fiscally.

This conclusion is a good example of the isolation and distance of so many accountants in the Office of Management and Budget from the reality of city life. What they did was take data which lumps city revenues together with state revenues. And they took data which lumps social insurance funds with operating funds.

And from this they concluded the cities are in really good financial shape in the coming year.

But state surpluses won't pick up city garbage, and retirement funds for city employees can't be used to curb crime in the streets.

I'm sure Columbus had similar calculations given to him by good Queen Isabella's Office of Geophysical Research, proving beyond a doubt that the world was flat as a pancake. Columbus decided to go out and see for himself, and that's what I'd advise some of those people at OMB to do.

What they would find, if they spent some time in Northeast Washington and other ^{central-}city areas across this nation, is a lack of money to deal with ^{increasingly} severe city problems:

- An increase in serious crime of 30 percent;
- 41 percent of the people afraid to go out at night;
- Schools on the verge of bankruptcy and collapse, in Chicago, Detroit, Philadelphia, and elsewhere;
- Almost 5 million homes without proper plumbing Downton.

You can finish the list as well as I can.

Now, I've been talking about two different perceptions of the state of our cities: the President's perception and the perception of some of the rest of us.

Those differing perceptions are critical. Because what flows from them are two radically different points of view about what the government should do.

Now, the President's view is that the crisis is over. What he sees then--and I underscore the word sees--because it's important, that's his perception--what he sees, now that people aren't rioting, is a kind of a hodge-podge of little problems--some kids aren't doing well in school--some people are cheating on welfare--some people live in poor housing--and

so on. And he sees these problems varying from place to place. One city has a welfare problem. Another city has a really bad education problem.

He sees a series of local problems, differing from one city to the next, and therefore best solved at the local level--and in increasing part by local funds.

Let me quote you from his message on community development.

--"America's communities are as diverse as our people themselves...What is good for New York City is not necessarily good for Chicago, or San Francisco..."

Now, no one would disagree that our cities' strengths lie in their diversity. But their problems are alarmingly similar--since they are caused by common national economic forces:

- automation of farm crops, which ^{pushed} pulled those people with the most problems ^{off the farms and} into central cities, ^{where there were jobs;}
- decentralization of industry and housing, which is pulling our best resources out of the city;
- An increasing gap between the majority of the labor force with good wages and benefits, and a small minority with low-wage jobs, no benefits, and little security.

Replese
6-6

These forces are manifested in somewhat different ways in different cities, but they are national forces, not local ones.

The President's unwillingness to admit this had^s led him to propose a policy of national-government disengagement from these problems.

The President's 1974 budget is therefore predicated on letting localities deal with "local problems"--whether it's health, education, or whatever. This is why he is meat-axing Federal programs to death. The number of programs being cut back or terminated is so large that it would take me all day to describe them. Let's review a few of them.

Again, I will be objective here. There are some aspects of the President's proposals I agree with. But I am afraid they are relatively few:

Health

- The President would terminate the construction of new health facilities under the Hill-Burton act
- He would*
--phase out the community mental health centers
- He would*
--end categorical training programs in allied health, public health and mental health
- on the positive side, he would increase cancer and heart research, but at the expense of other programs.

Jobs

- He would terminate the Emergency Employment Act and the Neighborhood Youth Corps -- thus cutting by 53 percent the nation's job creation and training effort.

Poverty

- He would dismantle OEO

Housing

- He would have a moratorium on all new low-income housing starts
- on the plus side, *his* community development proposals make sense. It is time we built our policies around the idea of overall community development.

Welfare and social services

- He would spend \$655 million less than in 1973 on social services

--What ever happened to the President's proposal to get at people's problems early -- by focusing on the first five years of life? A total of only \$25 million is proposed for the Office of Child Development

--Whatever happened to welfare reform?

Now, the President gives varying reasons for these cutbacks.

--Housing, he says, is a failure -- yet it is his own mismanagement in the last four years -- not the basic policies -- which are a failure, as a JEC study concludes.

--OEO, he says, is a failure -- yet he is sitting on an in-depth evaluation which says otherwise.

--Manpower programs aren't as necessary as they once were, he says -- disregarding the 30 to 40 percent sub-employment rates in most central cities. If there's the slightest difficulty with a program -- out it goes.

But if a program is a glaring success, the President takes a different line: "The program was really just a demonstration project--let's give it to the states and cities."

Community mental health centers have been very successful, he says -- so let's stop paying for them ^{and} give them back to the states.

What does all this add up to -- or subtract out to?

It adds up to a policy of ^{trench} ~~resentment~~ by the national government from our cities' problems.

The President says his budget will actually result in \$1 billion in new money for the cities, since his general and special revenue-sharing funds will make up for the categorical cuts he has proposed.

But the mayors come up with a different figure -- \$4.1 billion less appropriated for the cities in FY 1974.

Mayor Gribbs of Detroit, Michigan, says:

"These cuts will give impetus to a new cycle of decay in American cities."

Mayor Maier of Milwaukee, Wisconsin, says:

"The final and inevitable result of these reductions in city programs through the freezing of funds and the deep slashes in the budget will be to transfer the burden onto the back of the already over-burdened local property taxpayer."

In a nutshell, what is missing from the President's 1974 budget proposal are two things: money for cities -- and a national policy toward the cities. The two are related, but also separate.

First, let's talk about the money.

I have dwelt long enough on what I think is wrong with the President's budget cutbacks. But I have not mentioned how I would propose dealing with the fiscal squeeze we are in, which the President uses as a rationale

for those cuts. Well, the first order of business is to enact tax reform legislation and eliminate waste in defense spending, to create new ~~revenues~~ *money resources*.

Equally important for the long-term, however, is to think about entirely new financing mechanisms for our cities.

I am talking about creating a National Domestic Development Bank.

We are the leading partner in an institution that has had significant impact on development abroad-- the World Bank. I propose that we now apply this approach to our pressing development needs at home.

I believe that a nation that can assist development in Africa, Asia, Europe and Latin America must be able to provide financing for development of our own cities and towns.

If we can build a better Rio de Janiero, why can't we help build a better Detroit, Michigan? If we can assist a province in Peru, why can't we help Wright County, Minnesota?

A Domestic Development Bank would provide an orderly, continuing source of capital funds. It is designed to end the "stop-start" history of public construction in our country. And it is designed to help communities plan for sound, coordinated, comprehensive development that truly serves its citizens.

This would be
~~My proposal is~~ fully consistent with this country's long-established principles of public financing.

There is abundant precedent in the Federal Land Banks, the Banks for Cooperatives, the Federal Intermediate Credit Banks, the Reconstruction Finance Corporation and similar institutions.

All of these have been successful both in terms of development and financial stability.

Now, let's move from financing of cities to *the business of* shaping an overall national policy with respect to cities.

What are the facts we need to consider in ¹shaping such a national urban policy?

First of all, we must look at national economic and social trends:

-- A second and third generation is now growing up in our central cities--children and grandchildren of those who were forced to migrate out of the depressed southern rural areas, due to automation of farm crops.

-- These are urban people. They do not have the appreciation that their rural parents and grandparents had for the chance to escape from rural poverty to the city's relatively higher standard of living. *They are now saying, "This, I believe, is why there is a new urbanity."*

-- All they know is the city. And the city they know is increasingly crime-ridden, drug-ridden, filthy and depressing.

-- The city is that way for one reason. The best of the nation's resources--the best of its human and physical and capital resources--has been flowing out of the city, to the suburbs.

-- Those human beings who are youngest, strongest, and best-off economically are leaving the ghetto. Those businesses that are biggest and most profitable and expansion-minded are leaving. The tax resources represented by these people and businesses are leaving.

What is to be done? The alternatives are fairly clear.

We can do nothing--allow "nature to take its course," and let those left behind become increasingly hopeless. This, to a great extent, is what is happening now.

A second alternative is to concentrate on saving the ghetto as a physical place. We can try to rebuild whole downtowns.

We can pour billions into new ghetto housing.

We can, in other words, try to ^ver~~s~~e the tide of physical decay which drives resources out. And, more difficult, we can try somehow to reverse the tide of suburbanization which pulls resources out.

I believe that this alternative is feasible, but only to a limited extent--and not at all feasible as the only strategy. I say this because I feel that the forces for decentralization in this nation are powerful ones.

I feel we are moving toward a new decentralization--not only into the suburbs, and to smaller cities, but also back into the countryside--what Dr. Peter Goldmark calls a "new rural society."

The fact is that economic centralization around rivers, railroads and resource centers is no longer as necessary as it once was.

Highways and telephones and other new transportation and communications systems have made centralized location less necessary.

The most efficient¹ highways are those which ring the city, not those which go into it and get bogged down by its congestion. The increase in light industry and service industry, as opposed to manufacturing, also makes industrial location less dependent on centralized urban places.

The next stage, I think, will see even more decentralization out of downtown, not only into the suburbs, but also into nearby rural areas. Such

advances as cable television will make it feasible for businesses and individuals to remain in the countryside and conduct business and personal affairs.

Education, business conferences, health diagnoses and other private and public services will be conducted over two-way cable television.

This brings us to the third possible policy alternative for the nation--and that is to go "with the economic grain" of decentralization in dealing with our urban problems.

Given scarce resources, this policy would concentrate on helping residents move out, so as to be closer to where the nation's economic and public resources are located.

This may mean "moving out" for only eight hours a day, via mass transit to a job. Or it may mean moving out permanently, to nearby suburbs or new towns.

Or it may mean moving to more distant smaller cities or newly renaissance rural areas.

If the result of all this is the gradual "emptying out" of the ghetto, as its residents are given the economic and social opportunity to better themselves, so be it.

Clearly, the nation is not going to choose one absolute policy over another, a policy of saving people rather than saving places.

We shall certainly continue to have a mixture of physical and human rehabilitation, and I am not advocating a moratorium on ghetto housing or incentives to industry to move back to the city.

But the issue is, "Where should the emphasis lie?" I submit that it is time to face the hard truth that people are more important than buildings.

We must ask ourselves whether ghettos represent such an accumulation of physical and human problems that dealing with any one resident's problems effectively becomes next to impossible.

If that individual's or family's problem could be solved more easily outside the ghetto, we should base our policies accordingly.

I submit, moreover, that if we rehabilitate people, if we bring up children with good diet and education and provide their parents with decent jobs, then public housing will be "kept up" by its inhabitants; then industry will be attracted back into the city by the labor force.

I submit that a national policy of developing a healthy and hopeful people will, in the end, be the only thing that will save our cities.

I think this is the kind of thinking--a synthesis of economics, history and plain common sense--that must underlie the development of a national urban policy. I see no sign of it so far from the President. This, I believe, stems from a real failure or unwillingness to look at the national parameters of the problem as I've outlined them.

The implication of such an analysis is clear. If we want to put the resources and the problems closer together, we need a sustained effort--

- to continue desegregation in job, home and school with full speed ahead,
- to think carefully about the transportation needs of the inner city residents and how they can get to jobs,
- to create incentives for metropolitan-wide government.

National economic and social forces, *-- as well as government policies --* have ~~also~~ resulted in a lesser role for local neighborhoods. "Economies of scale" have resulted in huge shopping

[Part of a national urban policy should also include making the neighborhood a focal point for government policies.]

centers rather than corner stores; in central-city bureaucracies rather than neighborhood service centers. Our national highway policy has helped make neighborhoods obsolete.

Unless we start thinking about ways to make neighborhoods more human, functional places, everyone is going to become increasingly isolated from each other, thus ~~compounding~~ *The existing isolation across race and class lines, will be compounded by isolation of neighbors from each other, and from government.*

Right now city hall is too distant. Perhaps we need more neighborhood service centers or "city halls," so that people can feel more directly in touch with their government, to get their sidewalks fixed, their garbage collected, snow removed, enough heat.

Bring in
from p. 15

Perhaps we should have neighborhood revenue sharing, to assure that people can get their money's worth back in services that they believe are most important, ~~by having some~~ *small* fraction of government revenues ~~returned~~ *might be* to people directly at the neighborhood level. Neighborhoods might then plan for child care centers or playgrounds or whatever they believe is needed.

Perhaps we should create incentives in the tax systems, so that Americans can get some tax credit for the time they put in on public service work at the neighborhood level--just as the affluent get credit for cash contributions.

Such a tax mechanism, combined with neighborhood revenue sharing--and even use of computers to match people needing assistance with those willing to

help--could lead to a revitalization and rehumanization of neighborhoods through exchange of services and

could be exchanged by people -- avoiding a
~~but down~~ spawning government bureaucracy.

Neighbors could provide car transportation for the elderly. Teenage youth could tutor children.

Some approaches of this type are needed to match up our unused human resources with the vast unmet needs of people who need help. There are literally millions of women, youth and others who would take advantage of such a tax incentive to help assist the elderly, the disabled and others with special needs, even outside their immediate neighborhoods.

Perhaps we also need to follow New York City's example and establish neighborhood productivity guidelines, to make delivery of municipal services more efficient.

move to
p. 14

Perhaps we should create a new role for working people in the neighborhood--steelworkers as well as doctors and lawyers--to give badly needed vocational guidance in our schools.

Perhaps we need new incentives for neighborhoods to share cars, to cut down noise and air pollution and to help meet the impending energy crisis. After all, most people live within a five-minute ride of ^{at least} two or three other people who also work right nearby. Yet an average of only 1.2 people is in each car. We need to create more incentives--and information exchanges--so that people will share cars, as well as use buses and rail.

At the rate we're going, we may even need to create incentives for "energy communes," so that people will use energy more efficiently, by sharing it in other ways at the neighborhood level. I understand that ^{Harvard} ~~Howard~~ University has a network of steam tunnels that conserves much more energy by sharing it among buildings.

These are people-level, neighborhood-level ideas. Maybe they're not exactly the right ones. The point is that we must experiment and we must plan. For we are a nation that is the most industrially and socially advanced in history. We cannot depend on the past to solve our problems.

of the failure of buses + mass transit is due to the fact that they cannot serve low-density, spread out suburbs as well as cars. We must therefore use the car more effectively. Putting two people, instead of one, in each car, could cut travel time, pollution + ^{car} energy consumption in half.

Now the President might say--if the cities and states come up with these solutions, fine." But I say--the national government must lend the resources and the leadership in developing such new solutions. For the decreased functional role of neighborhoods results from national ^{economic forces and from} ~~trends~~ and national policies which have paid absolutely no attention to neighborhoods.

In this way we can carry forward the pioneer spirit which made our nation great. We can build an America that may be seen throughout the world as Carl Sandburg saw us:

"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."



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