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FINAL

UNITED STATES CONFERENCE OF MAYORS

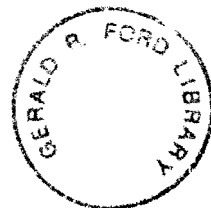
JUNE 30, 1976

ONE OF THE FIRST AND MOST IMPORTANT EVENTS IN MY NEW LIFE AS SECRETARY OF HUD WAS THE OPPORTUNITY TO ADDRESS YOUR CONFERENCE IN BOSTON, LAST JULY.

IT WAS ALSO ONE OF THE MOST PLEASURABLE BECAUSE, ASIDE FROM YOUR WARM HOSPITALITY, I FOUND GREAT COMMON GROUND WITH YOUR VIEW THAT THE ONLY WAY THE FEDERAL GOVERNMENT IS EVER GOING TO HELP THE CITIES HELP THEMSELVES IS TO CONCENTRATE ON THE THINGS THE CITIES THEMSELVES KNOW THEY NEED.

IT DOES NOT TAKE A GENIUS TO FIGURE OUT THAT THIS 200-YEAR-OLD NATION -- WHICH HAS LONG SINCE PASSED FROM A RURAL LAND MASS TO A NETWORK OF EVER-EXPANDING URBAN CENTERS -- WILL SURVIVE ITS THIRD CENTURY ONLY IF IT LEARNS HOW TO MAKE ITS URBAN CENTERS SURVIVE AND THRIVE.

NOSTALGIA, NOTWITHSTANDING -- AND SURELY NO ONE CAN BEGRUDGE AMERICA THIS YEAR'S PLEASANT TRIP DOWN MEMORY LANE -- WE ARE AN URBAN SOCIETY, LIKE IT OR NOT, AND THE SOLUTIONS TO OUR NATIONAL PROBLEMS WILL BE FOUND ONLY IN THE SOLUTIONS WE FIND TO RECYCLE OUR CITIES AND THE HOUSING AND PHYSICAL RESOURCES THAT THEY CONTAIN.



TODAY I WOULD LIKE TO TAKE STOCK. WHERE WERE WE ONE YEAR AGO? WHAT HAVE WE DONE ABOUT IT? WHAT HAVE WE LEARNED? WHERE CAN WE GO?

WHEN I SPOKE TO YOU LAST YEAR, THE MAJOR UNDERLYING QUESTION MARK TEMPERING ALL OF OUR DELIBERATIONS WAS THE ABILITY OF OUR NATIONAL ECONOMY TO SUSTAIN THE FORWARD MOMENTUM WHICH, AT THAT POINT, WAS ON THE CUSP OF A POSITIVE TURN-AROUND FROM THE BLEAK AND DEPRESSING 12-MONTH PERIOD OF A FRIGHTENING RECESSION COMPOUNDED BY UNCEASING INFLATION.

FROM YOUR STANDPOINT YOUR TAX REVENUES WERE WAY DOWN, YOUR VOTERS WERE TURNING DOWN BOND ISSUES AT A TERRIFYING RATE, NEW YORK AND OTHER CITIES WERE ON THE BRINK OF FINANCIAL FAILURE, ONE OF HUD'S MOST VISIBLE CONTRIBUTIONS SEEMED TO BE 51,000 ABANDONED HOMES, AND HUD'S NEW RENTAL SUBSIDY PROGRAM WAS BARELY OFF THE GROUND.

SO HERE WE ARE -- ONE YEAR LATER.

THE NATION AND ITS ECONOMY SURVIVED -- IN SPITE OF THE DOOMSAYERS -- AND THE DELICATE HEALTH OF THE ECONOMIC UPTURN, WHICH WE WATCHED SO FRETFULLY A YEAR AGO, HAS BECOME STRONGER WITH EACH PASSING MONTH. FOR EXAMPLE, TAX REVENUES OF STATE AND LOCAL GOVERNMENTS ARE NOW AT AN ANNUAL RATE OF \$248 MILLION, MORE THAN 12 PERCENT ABOVE LAST YEAR'S LEVEL. HUD'S INVENTORY OF UNSOLD HOMES HAS BEEN REDUCED BY A THIRD. AND WE HAVE CONTRACTED TO ASSIST ALMOST 300,000 RENTAL UNITS.

PRESIDENT FORD PROVED THE SOUNDNESS OF HIS ECONOMIC COURSE, AND HE SET THE TONE FOR A NEW NATIONAL AWARENESS, IN WHICH THE PEOPLE OF THIS COUNTRY HAVE ADOPTED HIS LONG-HELD VIEW THAT AMERICA'S WISDOM DOES NOT RESIDE ENTIRELY IN THE CORRIDORS OF CONGRESS OR WITH THE FEDERAL FORM MAKERS.

IN TRUTH, THE VERY APPROACH WHICH THE PRESIDENT HAS ESPOUSED ALL ALONG -- HIS CONTINUING CRUSADE TO RETURN GOVERNMENT TO THE GOVERNED AND TO TRANSFER POWER AWAY FROM THE POTOMAC AND BACK TO THE PEOPLE -- HAS SO CAPTURED THE IMAGINATION OF OUR NATION IN THIS BICENTENNIAL YEAR, THAT 1976 BECAME THE YEAR IN WHICH EVERY CANDIDATE FOR OFFICE WAS "RUNNING AGAINST WASHINGTON" -- SURELY A "GRAVE-TURNING" THOUGHT TO THE "FATHER OF OUR COUNTRY".

BUT THE FEDERAL GOVERNMENT IS WHAT THE AMERICAN PEOPLE HAVE MADE IT. IT HAS GROWN TO FIT THE EXPRESSED WILL OF THE ELECTORATE. MANY OF ITS FUNCTIONS AND MANY OF ITS AGENCIES HAVE SURVIVED THE VOTERS AND THE LEGISLATURES, WHICH PUT THEM INTO BEING. MANY HAVE OUTLIVED THEIR USEFULNESS, YET CARRY ON UNDER THE PROTECTION OF STRONG SPECIAL INTEREST GROUPS -- OR VOTING BLOCS -- OR SIMPLY BECAUSE NOT ENOUGH PEOPLE CARED.

IF THE FEDERAL GOVERNMENT HAS FRUSTRATED THOSE WHO HAVE GONE TO WASHINGTON TO HELP MANAGE IT, THE RIPPLE EFFECT OF ITS GROWTH -- PARTICULARLY OVER THE PAST SEVERAL DECADES -- HAS HAD AN EVEN GREATER IMPACT ON STATE AND LOCAL LEADERS WHO, INCREASINGLY, HAVE FOUND THEIR DESTINIES TIED TO DECISIONS BEING MADE FOR THEM IN THE UNITED STATES CONGRESS.

PERHAPS THE MOST VIVID WORD PICTURE OF THIS FRUSTRATION WAS OFFERED BY UTAH'S SENATOR JAKE GARN WHO SAID THAT WHEN HE WAS THE MAYOR OF SALT LAKE CITY HE FELT LESS LIKE THE CHIEF ADMINISTRATOR OF AN IMPORTANT URBAN ENTITY THAN THE LOCAL MANAGER FOR THE FEDERAL GOVERNMENT.

WELL, IT TOOK A LONG TIME, AND A LOT OF LEGISLATION TO PUT THE NATION'S MAYORS IN THAT POSITION, AND IT IS NOT GOING TO CHANGE OVER NIGHT, REGARDLESS OF CAMPAIGN RHETORIC.

PRESIDENT FORD, WHO SPENT 21 YEARS ON CAPITOL HILL FIGHTING AGAINST THE FLOW OF YOUR POWER FROM CITY HALL TO THE FEDERAL BUREAUCRACY, HAS BEEN USING THAT LONG EXPERIENCE, IN HIS ROLE AS CHIEF EXECUTIVE, TO GIVE CONTROL BACK TO THE CITIES. HIS FIGHT FOR RENEWAL OF REVENUE SHARING -- ONCE AGAIN AGAINST THOSE IN CONGRESS WHO SEE ALL WISDOM IN THE CONFINES OF WASHINGTON -- IS WELL KNOWN TO THIS AUDIENCE.

WE MUST FIND IT AT LEAST PECULIAR THAT THIS CONGRESS WHICH HAS DEVISED SO MANY MORE WAYS TO INCREASE THE FEDERAL DEBT THROUGH MASSIVE SPENDING BILLS HAS BEEN SO RECALCITRANT ON THE ONE MAJOR SPENDING PROGRAM, ABOVE ALL OTHERS, THAT IS CRUCIAL TO YOUR MOST URGENT NEEDS.

ONE MUST WONDER IF CONGRESS REALLY TRUSTS THE PEOPLE TO MAKE THEIR OWN LOCAL DECISIONS.

WHATEVER THE ANSWER, IT IS CLEAR THAT THE REAL NEEDS OF OUR CITIES, DURING THE PERIOD OF CONGRESSIONAL JOCKEYING ON REVENUE SHARING, TOOK SECOND PLACE WITH THE MAJORITY OF YOUR OWN SURROGATES ON CAPITOL HILL.

IT IS SOMETHING TO THINK ABOUT.

THIS PAST YEAR WE HAVE TRIED TO RESPOND TO THE FRUSTRATIONS OF THOSE WHO HAVE BEEN WHIPSAWED BY CONFLICTING FEDERAL PROGRAMS AND HAMSTRUNG BY OVERLY COMPLEX REQUIREMENTS. NO MATTER HOW WELL-INTENTIONED A NEW PROGRAM OR PIECE OF LEGISLATION, IT CANNOT ACHIEVE ITS INTENDED EFFECT UNLESS IT COMES IN BEHIND AN OVERALL STRATEGY ORCHESTRATED BY LOCAL OFFICIALS TO REVITALIZE OUR URBAN CENTERS.

THERE ARE AT LEAST ENOUGH OF US IN WASHINGTON NOW WHO KNOW THAT IT IS IMPOSSIBLE FOR US TO DEVELOP A COORDINATED URBAN STRATEGY FOR MILWAUKEE OR ANY OTHER CITY. TO ATTEMPT TO DO SO IS RATHER LIKE ASKING FRIGIDAIRE, ANACONDA COOPER AND GEORGIA-PACIFIC EACH TO DESIGN AND TO SEND TO THE HOMEBUYER ITS PART OF A HOUSE.

THE FEDERAL GOVERNMENT OVER THE YEARS DEVELOPED SO MANY SUPPLIERS WITH SO MANY DIFFERENT SCHEDULES, RULES AND REGULATIONS THAT IT HAD BECOME A PRACTICAL IMPOSSIBILITY TO DESIGN A PLAN TO USE RESOURCES EFFICIENTLY. EVEN THE BEST EFFORTS OF LOCAL OFFICIALS WERE TO SOME EXTENT FRUSTRATED BY THE REQUIREMENTS OF FEDERAL CATEGORICAL PROGRAMS.



AND SO, WE HAVE ASKED OURSELVES, CONGRESS, AND MANY OF YOU, AGAIN AND AGAIN: SHOULD WE NOT FIRST HAVE A DESIGN, LOCALLY SPONSORED AND SUPPORTED, RATHER THAN THROW FEDERAL FUNDS IN A RANDOM FASHION AT OUR CITIES?

AND IF WE HAVE A LOCAL DESIGN, IS IT REALISTIC TO PRETEND THAT FEDERAL FUNDS ARE NOT NEEDED TO CARRY OUT THAT DESIGN? THE ANSWER TO THAT QUESTION IS SURELY "NO" -- ONLY THE FEDERAL TAX SYSTEM HAS THE CAPABILITY TO PROVIDE THE RESOURCES NEEDED TO DO THE WORK WHICH MUST BE DONE.

AND IF WE PLACE OUR PRIMARY RELIANCE ON LOCAL DESIGN AND FEDERAL FUNDING, IS THERE A FURTHER ROLE FOR HUD AND ITS SISTER AGENCIES? HERE THE ANSWER IS "YES". THE FEDERAL ROLE WILL CONTINUE TO BE AN IMPORTANT ONE -- TO SET NATIONAL PRIORITIES, TO MONITOR LOCAL COMPLIANCE WITH BROAD FEDERAL GUIDELINES, TO SPONSOR INNOVATIVE DEMONSTRATIONS, AND TO SERVE AS THE FOCAL POINT FOR DISSEMINATING CREATIVE IDEAS.

IN THE AREAS WHICH FALL WITHIN THE JURISDICTION OF MY DEPARTMENT, I AM PLEASED TO REPORT SUBSTANTIAL PROGRESS IN MOVING TOWARDS THE FEDERAL ROLE I HAVE DESCRIBED.



THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, SIGNED INTO LAW BY PRESIDENT FORD IN AUGUST OF 1974, HAS PLACED DESIGN RESPONSIBILITY DIRECTLY ON LOCALLY ELECTED OFFICIALS AND BLOCK GRANTS HAVE HELPED TO TURN LOCAL DESIGNS INTO LOCAL ACHIEVEMENTS. WE HAVE ACHIEVED A DRAMATIC REDUCTION IN FEDERAL RED TAPE. DESPITE INEVITABLE START-UP PROBLEMS, WE CONSIDER THE COMMUNITY DEVELOPMENT BLOCK GRANT TO BE A PROMISING BEGINNING IN THE EFFORT TO RE-CAST THE FEDERAL ROLE IN DEALING WITH LOCAL URBAN PROBLEMS.

WE HAVE ALSO MADE NOTEWORTHY PROGRESS IN 1975 IN THE AREA OF SUPPORTING INNOVATIVE APPROACHES TO URBAN PROBLEMS.

LAST WINTER WE SELECTED 23 CITIES TO PARTICIPATE IN OUR URBAN HOMESTEADING DEMONSTRATION. THESE CITIES ARE USING HUD PROPERTIES AND SUBSIDIZED REHABILITATION LOANS IN COORDINATED NEIGHBORHOOD PRESERVATION PROGRAMS. WE HAVE SUPPORTED THE PENDING LEGISLATIVE EXPANSION OF THE FEDERAL HOMESTEADING PROGRAM. AND, AS PART OF OUR MONITORING OF THIS PROGRAM WE WILL PRODUCE -- BEFORE THE END OF THE YEAR -- A COMPLETE MANUAL ON HOMESTEADING.

HUD RECENTLY INITIATED IN BALTIMORE A PILOT PROGRAM TO USE PUBLIC HOUSING FUNDS TO REHABILITATE SCATTER-SITE CITY ACQUIRED SINGLE-FAMILY HOUSING. THE INFUSION OF FEDERAL FUNDS CAN RETURN THESE ABANDONED PROPERTIES TO ACTIVE USE AT LOWER COSTS THAN NEW CONSTRUCTION. THE DEMONSTRATION IS PROCEEDING SO WELL THAT IN A FEW WEEKS WE WILL SUBSTANTIALLY EXPAND THIS PROGRAM.

HUD IS JOINTLY SPONSORING THE URBAN REINVESTMENT TASK FORCE WITH THE BANK REGULATORY AGENCIES. THE TASK FORCE BRINGS TOGETHER NEIGHBORHOOD RESIDENTS, CITY OFFICIALS AND LOCAL LENDERS COMMITTED TO A COORDINATED REINVESTMENT STRATEGY. THERE ARE ALREADY 33 NEIGHBORHOOD PROJECTS IN OPERATION, 20 MORE IN ACTIVE DEVELOPMENT AND ANOTHER 10 IN PLANNING.

THIS YEAR, WE HAVE INCREASED THREE-FOLD THE INNOVATIVE GRANT FUNDING DEVOTED TO NEIGHBORHOOD PRESERVATION. HUD HAS RECEIVED OVER 300 PROPOSALS AND WINNERS WILL BE ANNOUNCED ON AUGUST 13. AS WITH OUR OTHER DEMONSTRATIONS WE WILL EVALUATE EACH GRANTEE'S PROGRAM TO PROVIDE OTHER COMMUNITIES WITH THE BENEFITS OF THEIR EXPERIENCES.

WE HAVE LEARNED THAT CITIES NEED A LONG-RUN COMMITMENT OF COMMUNITY DEVELOPMENT FUNDS IN ORDER TO UNDERTAKE BROAD PRESERVATION STRATEGIES. ACCORDINGLY, WE WILL SEEK A MULTI-YEAR RATHER THAN ANNUAL AUTHORIZATION FOR THE BLOCK GRANTS.

WE HAVE BECOME ACUTELY AWARE OF THE PROBLEMS POSED FOR OLDER DECLINING CITIES BY THE PLANNED PHASE-OUT OF HOLD-HARMLESS FUNDING IN OUR COMMUNITY DEVELOPMENT PROGRAM. BUT, WE ARE ALSO AWARE THAT HOLD-HARMLESS IS AN IMPRECISE WAY TO TARGET FUNDS ON THOSE CITIES WITH PARTICULARLY PRESSING NEEDS. WE ARE CAREFULLY STUDYING THE ALLOCATION FORMULA TO ASSURE THAT OLDER DECLINING CITIES RECEIVE ASSISTANCE COMMENSURATE TO THEIR NEEDS.

WE ALSO SOUGHT A WAY TO PROVIDE TEMPORARY ASSISTANCE TO CITIES WHICH SUFFERED DISPROPORTIONATELY FROM THE RECESSION BY SUPPORTING CONGRESSMAN GARRY BROWN'S BILL TO PROVIDE OVER \$1 BILLION IN SUPPLEMENTAL BLOCK GRANTS TO AREAS WITH HIGH UNEMPLOYMENT. UNFORTUNATELY, THAT BIPARTISAN MEASURE WAS STRIKEN FROM OUR AUTHORIZATION BILL IN CONFERENCE.

WE FOUND THAT THE MECHANISMS WE USED TO DEAL WITH FHA INSURED BORROWERS AND HUD ACQUIRED PROPERTIES MUST CONSIDER NEIGHBORHOOD IMPACTS. ACCORDINGLY, WE HAVE ADOPTED A NEW MORTGAGE ASSIGNMENT POLICY TO KEEP DESERVING HOMEOWNERS IN THEIR HOMES DURING PERIODS OF TEMPORARY FINANCIAL DISTRESS. AND, I HAVE INSTRUCTED ALL OUR FIELD OFFICES TO OBTAIN LOCAL INPUT IN DEVELOPING A PLAN FOR DISPOSING OF HUD-ACQUIRED PROPERTIES.

REALIZING THAT OUR SITE-SELECTION CRITERIA FOR HUD-ASSISTED REHABILITATION CAN CONSTRAIN NEIGHBORHOOD IMPROVEMENT, WE ARE TAKING A HARD LOOK AT THE COMPETING SOCIAL GOALS THOSE REQUIREMENTS INVOLVE.

AND, BECAUSE PRIVATE DISINVESTMENT IS A CRUCIAL FACTOR IN NEIGHBORHOOD DECLINE, WE SUPPORTED THE RECENTLY ENACTED LEGISLATION TO REQUIRE BANK DISCLOSURE OF THE LOCATION OF THEIR LENDING ACTIVITIES. THE RESULTING INFORMATION SHOULD NOT ONLY PROVIDE NEEDED INSIGHTS ON PRIVATE DISINVESTMENT BUT ALSO AN EARLY WARNING SIGNAL FOR YOU TO USE IN ALLOCATING LOCAL PUBLIC RESOURCES.

WHERE CAN WE GO FROM HERE?

BEFORE ALL ELSE WE MUST MAKE THE REST OF AMERICA UNDERSTAND THAT WE ARE LITERALLY ENGAGED IN A WAR FOR THE SURVIVAL OF OUR URBAN CENTERS. IF WE CANNOT RESURRECT THE GREAT MASSES OF WEALTH, OF HISTORY, AND OF PRODUCTIVE CAPACITY THAT IS DETERIORATING IN OUR CITIES, WE WILL NOT AS A NATION RETAIN THE VITALITY THAT HAS FOR 200 YEARS MADE OURS THE CREATIVE SOCIETY THAT HAS LED THE WORLD.

LAST YEAR IN BOSTON I SAID:

"NO CHALLENGE DURING THE NEXT DECADE IS GREATER THAN THE REVITALIZATION OF URBAN AMERICA."

I ONLY WISH I COULD FIND STRONGER WORDS TO SAY THE SAME THING TO EVERY LOCAL, STATE, AND FEDERAL LEGISLATOR, AND ADMINISTRATOR, AND TO EVERY VOTER.

WE HAVE NO GREATER PROBLEM.

THE PROGRESS WE HAVE MADE SINCE LAST YEAR HAS NOT YET ACHIEVED REAL MEANING IN HUMAN TERMS. BUT WE HAVE MADE PROGRESS, IN OUR JOINT EFFORTS TO FIND A BETTER STRATEGY.

AS LARGE AS HUD IS, THE WINNING STRATEGY MUST HAVE A FAR BROADER FOCUS. TO REDUCE A WELTER OF CONFLICTING AND OVERLAPPING FEDERAL PROGRAMS INTO BUILDING BLOCKS WHICH LOCAL OFFICIALS CAN TURN INTO CREATIVE DESIGNS, PRESIDENT FORD HAS PROPOSED NEW BLOCK GRANT PROGRAMS FOR HEALTH, EDUCATION AND SOCIAL SERVICES. THESE ARE NOT PROPOSALS TO REDUCE FUNDING, RATHER THEY ARE PROPOSALS TO MAKE FUNDING MORE USEFUL.

BUT BEYOND CONSOLIDATING AND SIMPLIFYING OUR PROGRAMS, WE IN THE FEDERAL GOVERNMENT MUST ACHIEVE A NEW LEVEL OF SENSITIVITY TO THE NEED FOR COORDINATION AMONG FEDERAL AGENCIES.

IN A MAJOR INITIATIVE TO SORT OUT THE PROBLEMS FACED BY COMMUNITIES IN DEALING WITH FEDERAL PROGRAMS, THE PRESIDENT YESTERDAY CREATED A CABINET LEVEL COMMITTEE ON URBAN DEVELOPMENT AND NEIGHBORHOOD REVITALIZATION.

AS HEAD OF THAT COMMITTEE, I INTEND TO DEVOTE A MAJOR PORTION OF MY TIME AND ENERGY TO THE CHALLENGE THAT IT ENTAILS. THE COMMITTEE'S AGENDA WILL BE MY PERSONAL AGENDA.

WE WILL CONDUCT A COMPREHENSIVE REVIEW OF ALL MAJOR FEDERAL PROGRAMS WHICH HAVE AN IMPACT ON THE CITIES AND THEIR NEIGHBORHOODS. WE WILL SEEK THE PERSPECTIVES OF LOCAL OFFICIALS AND NEIGHBORHOOD GROUPS ON THE FEDERAL PROGRAMS WHICH AFFECT THEM. BECAUSE NO CITY CAN SOLVE ITS PROBLEMS WITHOUT ADEQUATE RESOURCES, WE WILL ANALYZE THE PATTERNS OF PUBLIC AND PRIVATE DISINVESTMENT IN URBAN AREAS.

WE WILL ADDRESS A NUMBER OF VERY HARD QUESTIONS:

HOW CAN WE ENCOURAGE MIDDLE INCOME FAMILIES AND COMMERCIAL ESTABLISHMENTS TO MOVE BACK INTO OUR CENTER CITIES?

HOW CAN WE ENCOURAGE THE COMMUNITIES IN A METROPOLITAN AREA TO ASSUME SOME OF THE BURDENS OF REVITALIZING THE CENTER CITIES?

AND, ON THE VERY PRACTICAL LEVEL, HOW CAN WE BEST TAILOR OUR BLOCK GRANT AND OTHER PROGRAMS TO LOCAL FISCAL AND PLANNING CYCLES?

THE MEMBERS OF THE COMMITTEE, WHICH INCLUDE THE CABINET OFFICERS AND OFFICE DIRECTORS WITH MAJOR RESPONSIBILITY FOR PROGRAMS AFFECTING THE CITIES, WILL, IN A COORDINATED FASHION, AFFECT CHANGES IN THEIR PROGRAMS TO MAKE IT EASIER FOR LOCAL OFFICIALS TO PLAN AND IMPLEMENT THEM.

WE WILL PROVIDE RECOMMENDATIONS TO THE CONGRESS FOR CHANGES IN FEDERAL POLICIES AND PROGRAMS IN ORDER TO PLACE MAXIMUM DECISION-MAKING RESPONSIBILITY AT THE LOCAL LEVEL, REMOVE LEGAL AND ADMINISTRATIVE OBSTACLES TO EXERCISE OF THIS RESPONSIBILITY, AND PROVIDE SUFFICIENT RESOURCES THROUGH COORDINATED TAX AND GRANT PROGRAMS TO MAKE THAT RESPONSIBILITY MEANINGFUL.

I SAID EARLIER THAT WE ARE LITERALLY ENGAGED IN A WAR FOR THE PRESERVATION OF THE RESOURCES OF OUR CITIES. IT WILL BE A COSTLY WAR. HOW MUCH IT WILL COST AND WHO WILL PAY ARE QUESTIONS WE MUST ADDRESS WHEN THE CORRECTIVE STRATEGY IS BROADLY ACCEPTED AND THE LOCALLY CREATED DESIGNS FOR VICTORY ARE IN PLACE.

WE DO KNOW THAT IT IS A WAR THAT MONEY ALONE WILL NOT WIN AND A WAR THAT WILL SURELY BE LOST UNLESS IT IS SKILLFULLY DIRECTED AND SUPPORTED ON THE LOCAL LEVEL.



WE COULD NOT WIN THE WAR OF THE SOUTH VIETNAMESE VILLAGES WITH BILLIONS OF DOLLARS OF AID, AND WE LOST THE FIRST ROUND OF OUR FIGHT TO SAVE OUR CITIES EVEN THOUGH WE SPENT BILLIONS OF DOLLARS ON PUBLIC HOUSING.

CITIES, WHOSE TAX BASES HAVE DANGEROUSLY ERODED, WHOSE SCHOOLS ARE PRIMARILY MADE UP OF THE DISADVANTAGED, AND WHOSE INDUSTRY IS LEAVING, ARE IN A DOWNWARD SPIRAL. TO REVERSE THAT SPIRAL REQUIRES NEW INCENTIVES TO ATTRACT BUSINESSES AND TO ATTRACT A HETEROGENOUS MIX OF PEOPLE.

SUSPENSION OF PROPERTY TAXES, PRIVATE INVESTMENT INCENTIVES, FEDERAL REVENUE SHARING, AND FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANTS -- WHICH BET ON LOCAL INITIATIVE ARE ALL WEAPONS THAT WELL DIRECTED CITIES ARE USING.

TOO MANY AMERICANS HAVE ABANDONED THE CITIES TO THEIR PROBLEMS. RATHER THAN ATTACK DETERIORATING NEIGHBORHOODS, INCREASING CRIME, SEGREGATED EDUCATION, AND JOBLESS MINORITIES WITH OUR VOTES, OUR TAX DOLLARS, AND WITH ALL THE CREATIVITY AND ENERGY THAT WE COULD MUSTER, WE HAVE TOO OFTEN OVER THE YEARS CURSED THE INEPTITUDE OF OUR CITIES' LEADERS FROM THE SANCTITY OF OUR SUBURBS.

A circular stamp in the bottom right corner of the page. The text "GERALD R. FORD" is visible around the perimeter of the stamp, which is partially cut off on the right side.

AS INDIVIDUALS WE MUST TAKE OURSELVES BACK TO THE FIGHT TO REHABILITATE THE STRUCTURES, THE GOVERNMENT, AND THE SCHOOLS OF THE CITIES.

AS GOVERNMENT OFFICIALS WE MUST ACKNOWLEDGE THAT IT TOOK OUR CITIES A LONG TIME TO REACH THEIR PRESENT STATE OF AFFAIRS, AND IT WILL TAKE A LONG TIME AND GREAT INGENUITY TO TURN THE TREND -- BUT TURN IT CAN. OUR ADVERSITY CARRIES WITH IT THE OPPORTUNITY TO RESTORE OUR URBAN CENTERS TO THEIR KEY ECONOMIC, HISTORIC AND CULTURAL PLACE.

IT IS POPULAR TODAY TO BE CYNICAL ABOUT THE CAPACITY OF WASHINGTON TO UNDERSTAND OUR PROBLEMS OR TO DO ANYTHING ABOUT THEM. BUT AS REALISTS WE MUST KNOW THAT THE CLEANSING PROCESS OF THE PAST TWO YEARS HAS TOUCHED ALL PARTS OF OUR SOCIETY.

THE MEASURE OF OUR SOCIETY IS THAT WE STILL HAVE CLEAR CAPACITY AND WILL TO DEAL WITH CRISES AS THEY COME INTO VIEW.

I SEE THIS COUNTRY ENTERING ITS THIRD CENTURY WITH THE STRONGEST ECONOMY AND THE STRONGEST DEMOCRACY THIS WORLD HAS EVER KNOWN. WITH THE OLDEST CONTINUING GOVERNMENT IN THE FREE WORLD, WE MORE THAN ANY OTHER NATION RETAIN THE WILL AND THE CAPACITY TO CORRECT PAST MISTAKES.



I AM VERY PROUD, AS A MEMBER OF HIS ADMINISTRATION, OF THE ROLE PRESIDENT FORD HAS PLAYED IN RESTORING AMERICA'S FAITH IN ITS OWN INSTITUTIONS; IN TURNING THE ECONOMY IN THE RIGHT DIRECTION.

YOU MAYORS, BETTER THAN ANYONE ELSE, KNOW THAT WE STILL HAVE A LONG WAY TO GO.

WE ARE IN A WAR THAT ONLY CAN BE WON WITH ACTION, NOT RHETORIC; WITH SOLID PROGRAMS, NOT EASY PROMISES; AND WITH THE DEDICATION OF ALL AMERICANS, NOT JUST A FEW.

AS A NATION, WHICH HAS LED THE ENTIRE FREE WORLD OUT OF ITS ECONOMIC RECESSION, WE DO HAVE THE LEADERSHIP -- BOTH IN WASHINGTON AND IN LOCAL GOVERNMENT -- TO DEAL EFFECTIVELY WITH THE CRISES OF OUR CITIES.

IN FACT, I THINK IT IS IN PLACE -- PRESENT COMPANY INCLUDED.

