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INTERNATIONAL REAL ESTATE FEDERATION CONGRESS SAN FRANCISCO, CALIFORNIA May 24, 1976

THANK YOU FOR INVITING ME TO YOUR 27TH CONGRESS.

PRESIDENT FORD ASKED ME TO EXTEND HIS WARM WELCOME TO YOU, AS YOU CONVENE, HERE, IN THE UNITED STATES FOR THE 13TH TIME IN YOUR HISTORY. AND HE ASKED ME TO AGAIN EXPRESS HIS REGRET FOR BEING UNABLE TO JOIN YOU IN PERSON.

One of the great joys of my office as Secretary of HUD has been the opportunity to meet and know so many American realtors.

Today, that pleasure is multiplied by the 35 nations of the profession represented here in San Francisco.

FRANKLY, I LIKE POSITIVE PEOPLE -- THE MOVERS AND THE DOERS -- WHO GET ON WITH THE WORK OF THE WORLD REGARDLESS OF THE ODDS, IN SPITE OF THE DOOM-SAYERS, AND IN THE FACE OF RETARDING STRICTURES. IT WAS THE REALTORS' UNDAUNTED OPTIMISM, IN THE DEPTH OF THE AMERICAN HOUSING INDUSTRY'S RECENT CRISIS THAT HELPED PROVIDE THE SPARK OF INDUSTRY SPIRIT LEADING TO THE DRAMATIC RECOVERY OF THE PAST 12 MONTHS.

I NEED HARDLY TELL YOU WHAT THAT KIND OF UNQUENCHABLE EXURBERANCE DOES FOR THE MORALE OF AN EMBATTLED SECRETARY OF HOUSING AND URBAN DEVELOPMENT!

BUT, THERE IS ANOTHER QUALITY ABOUT REALTORS, AS A WHOLE, WHICH IS NOT ONLY IMPORTANT TO ME, IN MY JOB, BUT WHICH IS VITAL TO THE FUTURE OF HUMANITY. AND, THAT IS, YOUR INSTINCTIVE ABILITY TO LOOK AHEAD AT THE NEEDS OF THE FUTURE, AND YOUR ENTHUSIASM FOR ADAPTING TO THE DEMANDS OF THE EVER-CHANGING TIMES.

That you find commonality here at this Congress, while successfully pursuing your professions under 35 different sets of national rules -- and myriad local ordinances -- is proof indeed of your versatility, your creativity and sheer endurance.

THE PART YOU ALREADY HAVE PLAYED -- IN THE REBIRTH OF INNER-CITIES STRIKEN BY POVERTY AND REBUILDING WHOLE CITIES DEVASTATED BY WAR -- TESTIFIES TO YOUR CREDENTIALS FOR PROVIDING NEEDED INTERNATIONAL LEADERSHIP AS THE WORLD MOVES INTO THE 21st Century.

You meet in Congress at the exact moment in history when the attention of the world is riveted on the first United Nations Conference on Human Settlements. The qualities which have placed you — as individuals and as a profession — as leaders in a vital international industry, now are sorely needed by people whose very survival is dependent on the decisions our world will make in areas closest to your own areas of special expertise.

Your Leadership is Challenged not only by the future impounderables of finite resources versus infinite growth -- and the concomitants of rich versus poor nations, man-made versus natural environments -- but by the Quite Thinkable proposition that much of what we accept as "standard practice" today will not have credence in the real world of tomorrow.

IN TRUTH, THERE IS EVIDENCE THAT A GREAT DEAL OF OUR CONVENTIONAL THINKING ALREADY IS ROOTED TO "NORMS" THAT NO LONGER EXIST. AND IT IS THAT EVIDENCE -- GROWING WITH EVERY PASSING DAY -- WHICH LED TO ESTABLISHMENT OF THE UNITED NATIONS CONFERENCE IN VANCOUVER STARTING A WEEK FROM TODAY.

SINCE YOU WILL HAVE STRONG ORGANIZATIONAL REPRESENTATION AT THE HABITAT FORUM IN TANDEM WITH THE CONFERENCE -- AND MANY OF YOU WILL BE THERE, PERSONALLY -- I'D LIKE TO DEVOTE MY REMARKS, HERE, TO SOME OF THE BASICS OF HUMAN SETTLEMENTS IN THE LATE 20TH CENTURY; THE UNITED STATES POSITIONS TO BE TAKEN ON THESE ISSUES; AND YOUR ROLE, AS INTERNATIONAL MEMBERS OF THE REAL ESTATE INDUSTRY IN THE ULTIMATE RESOLUTION OF HUMAN SETTLEMENTS PROBLEMS.

FOR THE FIRST TIME -- ALTHOUGH WE SHOULD BE ABASHED BY
THE VERY FACT THAT IT IS A "FIRST" -- THE WORLD WILL BE
CONSIDERING THE NOT-VERY-UNIQUE IDEA THAT EVERYTHING IN, AND
ON, THIS LIVING PLANET IS INTERRELATED WITH EVERYTHING ELSE.

ALTHOUGH THE CONCEPT IS OLDER THAN PLATO, THE EXTENT OF THE PERIL INVOLVED IN TREATING THE ELEMENTS OF LIFE AS ENTITIES WAS NOT PERCEIVED BY MOST PEOPLES UNTIL VERY RECENTLY — WHEN THE ON-RUSH OF THE MAN-MADE ENVIRONMENT, INCLUDING HIS MULTIPLYING PROGENY, STARTED ON ITS INEVITABLE COLLISION COURSE WITH THE NATURAL ENVIRONMENT.

YET, EVEN TODAY, WHEN THE RECOGNITION OF THIS TRUTH HAS GONE FAR BEYOND THE THINK TANKS AND INTO THE PUBLIC DOMAIN --- MUCH OF WHAT IS DONE IN THE HUMAN SETTLEMENTS OF THE WORLD IS BASED ON THE FRAGMENTED SECTORAL VIEWS OF MAN AND NATURE THAT WERE POPULAR IN THE PAST -- HOUSING AS RELATED TO SHELTER; FOOD AS RELATED TO AGRICULTURE; WATER AS RELATED TO WATER SOURCES; EDUCATIONAL FACILITIES AS RELATED TO NUMBERS OF STUDENTS; EMPLOYMENT AS RELATED TO AVAILABLE MANPOWER; TRANSPORTATION AS RELATED TO TRAFFIC. AND THE INTERRELATION OF ELEMENTS -- EITHER IN CONCERT OR CONTEST -- IS BASED, FOR THE MOST PART, ON OBVIOUS CONNECTIONS, SO NATURAL AS NOT TO BE IGNORED.

A CONTRIBUTING FACTOR TO SECTORAL THINKING OF THE PAST, OF COURSE, WAS DUE IN SOME MEASURE TO THE IMBALANCE OF POPULATION THROUGHOUT THE WORLD, AND THE RELATIVE PAUCITY, UNTIL RECENT YEARS, OF GLOBAL COMMUNICATION.

Today, we must think not only of the interrelation of all life-sustaining elements as they relate to the people of a region or a country of the world -- but elements and all people as they relate to the whole planet Earth.

Thus, I would like to comment on some of the major issues I see emerging from the current draft of the documents prepared for the Conference on Human Settlements.

ONE RECOMMENDATION FROM THE CURRENT DRAFT READS THAT:

"ALL COUNTRIES SHOULD ESTABLISH A NATIONAL POLICY ON THE

DISTRIBUTION OF POPULATION AND ECONOMIC ACTIVITIES OVER THE

NATIONAL TERRITORY."

WE AT HUD ADDRESSED THIS SUBJECT IN CONGRESSIONAL TESTIMONY LAST FALL. WE EMPHASIZED THE FOLLOWING THEMES:

FIRST, OUR MOST IMPORTANT CONCERN IN NATIONAL GROWTH POLICY IS TO SECURE A HEALTHY AND GRADUALLY EXPANDING NATIONAL ECONOMY. A HEALTHY ECONOMY, PROVIDING AMPLE EMPLOYMENT OPPORTUNITIES AND GROWING REAL INCOME, IS THE SOURCE OF MATERIAL WELL-BEING WHICH OUR PEOPLE DRAW UPON TO REALIZE THEIR ASPIRATIONS AND ACHIEVE THE QUALITY OF LIFE AS THEY DEFINE IT.

SECOND, THE PRIVATE SECTOR HAS BY FAR THE GREATEST IMPACT ON THE DISTRIBUTION OF POPULATION AND EMPLOYMENT IN THE UNITED STATES. WE BELIEVE THAT, IN GENERAL, THE PRIVATE DECISIONS OF THE PEOPLE OPERATING THROUGH OPEN MARKETS ALLOCATE GOODS, RESOURCES, AND THE PEOPLE THEMSELVES MORE EFFICIENTLY AND WITH MORE SATISFACTION FOR ALL THAN DOES ANY ALTERNATIVE METHOD.

THIRD, LOCAL AND STATE GOVERNMENTS SHOULD TAKE THE LEAD IN PUBLIC EFFORTS TO PLAN FOR GROWTH AND DEVELOPMENT OF HUMAN SETTLEMENTS.

Local governments are best equipped to plan for land use and physical development and to provide community facilities and services which affect the distribution of people and Jobs according to local community goals. These Governments have the power to zone, to issue permits, to tax and to invest. They also have the growing capability to exercise such powers in order to manage community growth.

THE STATES ARE PARTICULARLY WELL SUITED TO MANAGING GROWTH BECAUSE OF THEIR SPECIAL PLACE IN OUR FEDERAL SYSTEM. STATES COMBINE METROPOLITAN PERSPECTIVES. THEY ALSO CAN TAX, REGULATE AND INVEST IN WAYS THAT WILL INDUCE NEW INDUSTRIES TO DEVELOP IN PARTICULAR AREAS AND TO INFLUENCE WHERE LAND DEVELOPMENT AND ECONOMIC GROWTH MAY TAKE PLACE WITHIN A STATE. OUR STATES HAVE TAKEN MANY INNOVATIVE STEPS TO FASHION GROWTH AND SETTLEMENT POLICIES.

AND, FOURTH, THE FEDERAL GOVERNMENT SHOULD ENCOURAGE STATE AND LOCAL SETTLEMENT POLICY EFFORTS.

Another recommendation from the current draft of the Habitat Conference documents reads that: "Experience shows that the renewal or rehabilitation of existing human settlements often leads to the displacement of low income populations from their chief sources of income and can actually result in the destruction of the economic and cultural fabric of entire neighborhoods."

WE ARE CONCERNED THAT THIS LANGUAGE MAY ENCOURAGE SOME COUNTRIES TO GIVE UP ON SAVING THEIR CITIES AND TO WASTE PRECIOUS RESOURCES ON BUILDING SPRAWLING SUBURBS.

IN THE FACE OF SHRINKING RESOURCES, OUR FIRST NEED
IS TO PRESERVE WHAT WE NOW HAVE IN PLACE, AND TO RECLAIM
AND RECYCLE THAT WHICH IS NOT IRRETRIEVABLY LOST.

WE HAVE LEARNED FROM THE MISTAKES OF URBAN RENEWAL.

IN CITIES ALL ACROSS OUR COUNTRY, AS ONE OF OUR FILMS

SUBMITTED TO THE CONFERENCE WILL DEMONSTRATE, WE ARE

LEARNING HOW TO PRESERVE AND RESTORE THE VITALITY, CHARM,

AND SPIRIT OF URBAN NEIGHBORHOODS.

THE NUMBERS TELL US WE HAVE NO OTHER CHOICE.

IN 1900, 4 OUR OF EVERY 5 PEOPLE IN THE WORLD LIVED IN RURAL AREAS. BY THE END OF THIS CENTURY, TWO-THIRDS TO FOUR-FIFTHS WILL LIVE IN URBAN ENVIRONMENTS. ONLY 100 YEARS AGO THERE WERE TWO CITIES WITH POPULATIONS EXCEEDING ONE MILLION. TODAY THERE ARE MORE THAN 190 OF THEM. IN THE NEXT THREE DECADES THE WORLD POPULATION WILL DOUBLE -- ADDING 3.5 BILLION PEOPLE, OR THE EQUIVALENT OF 3,500 CITIES OF A MILLION PERSONS.

But, of course, that's a figure of speech. Because, those additional 3.5 billion people will not make all those new cities. They will be crowded into the areas of human settlement which, for the most part, already exist.

According to "The Home of Man" -- a study compiled for Habitat by Barbara Ward, urban settlements are growing twice as fast as population. The big cities of 500,000 and more are growing twice as fast as settlements as a whole. And the megalopoles of over two million can grow twice as fast again.

IT IS ESTIMATED THAT MORE BUILDINGS WILL BE REQUIRED OVER THE NEXT THIRTY YEARS THAN WERE PUT UP IN THE WHOLE OF HUMAN EXISTENCE TO THE PRESENT TIME.

THE PHENOMENON CANNOT HELP BUT CHANGE THE REALTOR'S WHOLE ECONOMIC PICTURE. INCREASINGLY, AS THE OUTER LIMITS OF DEVELOPMENT OPPORTUNITY ARE EXHAUSTED, THE REALTOR WILL FIND HIS CHOICEST PARCELS OF LAND AND HOUSING SALES OPPORTUNITIES IN URBAN NEIGHBORHOODS WHICH, EVEN NOW, ARE IN SERIOUS DECLINE.

If for no higher motive than self-preservation, the real estate industry must take vigorous leadership in finding solutions to the grave and evident problems of our cities right now. For the steady decline of our urban centers in these early years of what Barbara Ward calls the "20th Century's great urban deluge", leaves little doubt that we have not begun to master the techniques, the planning, and the kind of thinking it will take to see the world through the flood tide of population and urbanization in the next decade alone -- a period in which an estimated 85 additional cities will join the million population class.

OBVIOUSLY, THERE IS OPPORTUNITY, AS WELL AS PROBLEM,

IN THE IMMEDIATE AFTERMATH OF SUCH UNPRECEDENTED GROWTH -
BUT OPPORTUNITY THAT WILL TURN TO ASHES UNLESS GOVERNMENT

AND THE PRIVATE SECTOR SHARE THE OBLIGATIONS OF THAT OPPORTUNITY.

THE INESCAPABLE BURDEN OF THE REALTOR IN THE ACCELERATING URBANIZATION OF THE YEARS AHEAD IS THE PRESERVATION OF ALL THE LIFE FORCES AND ELEMENTS THAT SUPPORT THE REALTORS' OWN COMMERCE.

ONE RECOMMENDATION FROM THE CURRENT DRAFT READS THAT:

"PLANNING AT ALL SCALES MUST BE A CONTINUOUS PROCESS REQUIRING
MONITORING, EVALUATION AND REVIEW AS WELL AS FEEDBACK FROM
THE PEOPLE AFFECTED."

THE STATEMENT OF THIS ORGANIZATION TO THE UNITED NATIONS CONFERENCE THAT GOVERNMENTS SHOULD USE THE EXPERTISE OF REAL ESTATE PROFESSIONALS CONFIRMS THE VALIDITY OF THAT POSITION.

INDEED, GOVERNMENTS MUST HAVE ACCESS TO THE COUNSEL OF PROFESSIONALS IN EVERY FIELD OF HUMAN ENDEAVOR. AND THE UNITED STATES WILL EMPHASIZE, AT VANCOUVER, THE NEED FOR GOVERNMENTS TO RECOGNIZE AND UTILIZE THE VAST RESERVOIR OF TALENT IN THE PRIVATE SECTOR.

WHERE, BETTER, COULD GOVERNMENT TURN THAN TO REALTORS FOR VITAL "EARLY WARNING" TO RAPIDLY CHANGING CHALLENGES, TRENDS AND OPPORTUNITIES?

CERTAINLY, I CAN TESTIFY, FROM MY OWN EXPERIENCE THAT

A QUALIFIED SOURCE OF RELIABLE INFORMATION ON THE HOUSING

SITUATION IN ANY NEIGHBORHOOD AT A GIVEN TIME IS THE REALTOR

WHO COVERS THE TERRITORY.

WE ARE PRAGMATIC ENOUGH -- AND NOT WITHOUT SOME SAD EXPERIENCE -- TO KNOW THAT GOVERNMENT, ALONE, NO MATTER HOW WELL-INTENTIONED, CANNOT RESOLVE ALL THE PROBLEMS OF ALL THE PEOPLE. WE HAVE A HEALTHY REGARD FOR THE DISTINCT POSSIBILITY THAT GOVERNMENT, PER SE, IS NOT NECESSARILY INFALLIBLE.

Thus, the United States will urge modification of the proposal that: "Change in the use of Land from agriculture to urban, should be subject to public control and regulation. Such control may be exercised through . . . (among other things) expropriation and pre-emption."

THE CURRENT DRAFT OF THE CONFERENCE RECOMMENDATION DOES NOT SAY ANYTHING ABOUT COMPENSATION WHEN LAND IS EXPROPRIATED. WE WILL SUGGEST THIS BE CHANGED. WE BELIEVE THAT THE DEGREE OF GOVERNMENTAL INTERVENTION IN ANY GIVEN COUNTRY MUST BE IN ACCORDANCE WITH THAT COUNTRY'S CONSTITUTIONAL AND SOCIAL PRACTICES.

WE WANT TO CHANGE THE WORDS "EXPROPRIATION AND PRE-EMPTION" TO ACQUISITION OF TITLE BY GOVERNMENT WITH APPROPRIATE COMPENSATION." WE ARE MINDFUL OF THE COMMAND IN OUR CONSTITUTION THAT THERE SHALL BE NO TAKING OF PRIVATE PROPERTY FOR PUBLIC USE WITHOUT JUST COMPENSATION.

WHAT WE HAVE BEEN ADDRESSING ARE ONLY THE DRAFT RECOMMENDATIONS. THERE WILL BE CHANGES IN VANCOUVER. EVEN AFTER FINAL APPROVAL AT HABITAT, THESE RECOMMENDATIONS WILL NOT BE BINDING ON ANY NATION. WE ARE TRYING TO WRITE THESE RECOMMENDATIONS IN SUCH A WAY THAT THEY WILL BE USEFUL TO ALL THE WORLD'S NATIONS. WE MUST ALSO RESPECT VERY DIFFERENT NATIONAL CONDITIONS, CULTURES AND LAWS.

PUTTING ITEMS OF DEBATE ASIDE, ALL OF US IN THE PUBLIC SECTOR AND THE PRIVATE SECTOR CAN AGREE WITH THE DRAFT CONFERENCE RECOMMENDATION THAT: "COMPREHENSIVE INFORMATION ON LAND CHARACTERISTICS, TENURE, USE AND LEGISLATION SHOULD BE COLLECTED AND CONSTANTLY UPDATED."

Such a Position presumes a worldwide, working partnership in VITAL COMMUNICATIONS BETWEEN, AND AMONG, ALL PEOPLES.

OUR MEETING HERE, THIS MORNING, IS AN EXPRESSION OF OUR MUTUAL REGARD FOR THAT PARTNERSHIP -- OUR DESIRE TO BE MUTUALLY INVOLVED, MUTUALLY SUPPORTIVE, AND OPEN TO EACH OTHER'S COUNSEL.

I AM IMPRESSED BY YOUR OWN VIEW OF YOUR ROLE IN THE SOLUTION OF HUMAN SETTLEMENTS PROBLEMS WHICH THIS CONGRESS WILL PRESENT TO THE HABITAT CONFERENCE NEXT MEEK.

For, as I read it -- Preamble to Pledge -- I could only concur with your own positive outlook on the future -- problems notwithstanding.

NOT ONLY DO YOU HAVE A FIRM GRASP AND DEEP UNDERSTANDING OF THE COMPLEXITIES OF HUMAN SETTLEMENTS IN THE FUTURE OF THE HUMAN RACE, YOU HAVE THE COURAGE AND THE ENTHUSIASM TO TAKE THEM ON -- AND WIN.

I WELCOME OUR FOREIGN VISITORS TO OUR COUNTRY. IT IS A GREAT JOY TO KNOW YOU. I WISH ALL OF YOU WELL IN YOUR WEEK-LONG CONFERENCE.

THANK YOU.