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of Michigan has taken to cope with the growing problem.

I ask unanimous consent that a report of the Michigan hearings, published in the Stevens Point, Wis., Daily Journal, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGRESS URGED TO OUTLAW HARD PESTICIDES
LANSING (AP).—Citing evidence that hard pesticides are hazardous to North America's bird population, a University of Wisconsin ecologist Monday urged Congress to outlaw DDT.

Appearing before the Senate Subcommittee on Energy, Natural Resources and the Environment, Joseph J. Hickey said:

"We have lost the brown pelican on the west side of the Gulf of Mexico, and we will lose it on the coast of California. We have lost at least 95 per cent of our nesting peregrine falcons—perhaps the supreme example of avian evolution—in the United States south of Canada. We are going to lose our national bird, the bald eagle, as a nesting species on the shores of the Great Lakes.

"These are pollution effects of DDE (formed by the breakdown of DDT in the environment). Unless the Congress is prepared to outlaw the use of DDT in this country, this process of environmental degradation will continue—and we will turn over to our children an impoverished environment which will require centuries for its restoration," Hickey stated.

While Hickey concentrated his testimony on the effects of DDT on birds, W. F. Carbine, regional director of the U.S. Bureau of Commercial Fisheries at Ann Arbor, told the subcommittee that it is essential to outlaw hard pesticides if commercial and sport fishing is to be maintained in the Great Lakes.

Already, Carbine noted, there are sufficient concentrations of DDT in the Great Lakes to "affect the reproduction of certain species," including the Coho salmon.

Dr. Harold Tanner, who was responsible for the introduction of Coho salmon in the Great Lakes, added that the pesticide problem is "much worse than we're aware of."

A. Gene Gazlay, assistant director of the Michigan Department of Natural Resources, urged the committee to amend the Federal Water Pollution Control Act to include pesticide levels as a means of determining water purity.

Gazlay suggested that the best means of determining the level of pesticides in interstate waters would be to measure residues in fish.

"Limits of contamination are given for fish rather than water because the permissible concentration in the water is not known," Gazlay said, adding that the permissible water level might be as low as one part per trillion.

Following the recommendations of a Lake Michigan Pollution Enforcement Conference, Gazlay suggested that "the concentration of DDT in the fish should not exceed one part per million (ppm), DDD should not exceed 0.5 ppm, Dieldrin should not exceed 0.1 ppm, and all other chlorinated hydrocarbons, singly or combined, should not exceed 0.1 ppm."

"The above values for DDT and DDD are based on evidence that Lake Michigan fish apparently exceed these levels, while fish of the other Great Lakes and inland waters do not," Gazlay said.

Michigan recently denied the registration of DDT in Michigan for all but a few public health uses.

"When research supplies scientific solutions with regard to other pesticides, we will take similar action under our present laws," declared John Calkins of the Michigan Department of Agriculture.

INVALIDATION OF UTAH'S CALL FOR CONSTITUTIONAL CONVENTION

Mr. TYDINGS. Mr. President, an editorial published in the Baltimore Sun comments upon the recent Utah Federal Court decision invalidating Utah's call for a constitutional convention. I agree with the Sun that—

The one-man, one-vote mandate should not be open to successful attack by those who unfairly benefited from the former malapportionment.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONVENTION CALL

Those who have been seeking to petition Congress to call a federal constitutional convention to overturn in part the results of the Supreme Court's one-man, one-vote decision had seemed quite recently to be on the verge of success. Thirty-three states had petitioned for a convention—only one more was needed. Now the tide has apparently turned.

Last week, in a statement to the Senate, Senator Tydings drew attention to two possibly decisive actions. First, a federal district court invalidated Utah's petition for a constitutional convention because it was adopted by a malapportioned legislature. Second, the attorney general of Oklahoma ruled that his state's petition had expired.

An appeal can be taken in the Utah case, of course, and court action can be brought in the Oklahoma case. But the two have opened the door for court proceedings against a possible 20 of the state petitions that have been filed for a convention call. Maryland could be among the 20—the Maryland petition for a convention was adopted in 1965 but the Legislature was not brought fully into line with one-man, one-vote until 1967.

For years many state legislatures refused to take steps to end the malapportionment of the voting strength in their respective bodies. The Supreme Court finally took the matter in hand. But before the court's order's were put into effect, some of the malapportioned legislatures adopted petitions for a convention call, at the behest of rural areas which held majority votes but not population majorities.

It is that situation to which the Utah case was directed, and properly so. The one-man, one-vote mandate should not be open to successful attack by those who unfairly benefited from the former malapportionment.

NEIGHBORHOOD DEVELOPMENT PROGRAM

Mr. MONDALE. Mr. President, on September 25, 1969, several Members of the House circulated a letter and discussion paper to their colleagues in which they pointed out the importance of the neighborhood development program. These Members expressed concern over proposed restrictions on this program which the administration is reportedly considering.

I share these concerns, and I have sent a telegram to Secretary Romney urging HUD to do nothing which would restrict the operation of the NDP.

HUD maintains that the basic problem with NDP is that it has generated a demand for funds which far exceeds the money available to the program. Yet, despite the fact that there is an available authorization for urban renewal of \$1.4

billion which could be appropriated for fiscal year 1970, the administration only requested an appropriation of \$1 billion. Since Congress appropriated \$750 million in advance for fiscal year 1970 last year, the administration's request amounts only to \$250 million in new appropriations.

I recognize that it will not be possible to meet all the requests for conventional urban renewal and NDP, even if Congress appropriated the full amount authorized. However, with this type of appropriation, it would be possible to take care of a sizable portion of the total demand.

What the administration should do, then, is to push for full funding of these programs, rather than seeking to curtail NDP as a means of solving the problem. I will, of course, do what I can to convince the Senate of the importance of passing an appropriations bill which contains full funding in fiscal year 1970 for urban renewal and NDP.

In the meantime, it is essential that HUD do nothing to restrict the NDP program by issuing new guidelines.

Mr. President, I ask unanimous consent that my telegram to Secretary Romney and the letter and discussion paper prepared by Members of the House be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

OCTOBER 3, 1969.

HON. GEORGE W. ROMNEY,
Secretary of Housing and Urban Development, Washington, D.C.

DEAR MR. SECRETARY: I am most concerned by reports that guidelines for the neighborhood development program are in the process of being changed by your department.

It is my understanding that the proposed changes would restrict the funding, size, and execution time for NDP, which could impair the operation of NDP as well as the Model Cities program.

I urge you not to implement these changes. If the administration would seek full funding for all urban renewal programs in FY 1970, much of the pressure on NDP would be relieved. I will strongly support such a request for additional funds for these programs.

Sincerely,

WALTER F. MONDALE,
U.S. Senate.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., September 25, 1969.

DEAR COLLEAGUE: As you know, Mr. Lawrence M. Cox, Assistant Secretary for Renewal and Housing Assistance, postponed his appearance at a Department of Housing and Urban Development Congressional briefing, which was to have been held at 9:00 a.m., Thursday, September 25, Room 135, Cannon House Office Building. Assistant Secretary Cox had planned to discuss *Urban Renewal Problems*, such as conventional urban renewal, the Neighborhood Development Program, code enforcement, demolition, interim assistance, and community renewal programs. We are told, however, that Assistant Secretary Cox will appear at a HUD Congressional briefing "sometime in the near future."

Because of the grave concern expressed by many of us, mayors, and citizens of hundreds of cities throughout the Nation, over the status and implementation of some of these programs, we urge two things: (1) that you, or a member of your staff, attend this important meeting when Assistant Secretary Cox is rescheduled to appear; (2) that you make

your views known on the Urban Renewal problem to Secretary George W. Romney and Assistant Secretary Cox, as soon as possible.

We make this suggestion for the following reasons:

1. Urban renewal, which is so vital to improvement of our cities, is in serious financial trouble with application backlogs for all types of renewal far in excess of what can be satisfied by current requested appropriations.

2. The Housing and Urban Development Act of 1968 created the Neighborhood Development Program (NDP) under which cities at their own expense and pursuant to certain guidelines promulgated by HUD, were encouraged to prepare applications for funding. The NDP was designed to accelerate the renewal process. This program now faces the possibility of being scrapped.

3. Because HUD is undertaking a major management review of NDP and regular urban renewal, it is certain that the guidelines formerly set forth by HUD, and which were relied upon by many cities, are in the process of change. This would result in further delay, cost, and confusion to the city applicants, defeating the original promise of the NDP.

4. More than the future of NDP is at stake. If NDP guidelines are changed at this time, the result will be a deleterious effect on other programs, such as Model Cities. HUD's proposed guideline changes would play havoc with many model city programs that have adopted NDP as a major component. Sharp restrictions on the funding, size, and execution time for NDP could upset the balance of federally assisted and innovative local programs on which the success of model cities depends.

We feel that there should be a thorough airing of the entire NDP concept and how it is being handled before any proposed restrictive changes by HUD be put into effect. Thus, we have prepared, for your review, a discussion paper (attached), covering in detail: What is NDP? Why did the 90th Congress find NDP attractive? What has HUD done, and is about to do, and What are the alternatives?

Since every Member of Congress is in some way directly affected by the problems of our cities, we hope you will attend the planned HUD briefing on Urban Renewal Problems, to hear what Assistant Secretary Cox has to say, and make your views known to him and Secretary Romney in the meantime.

Sincerely,

JOHN BRADEMAS,
DANIEL E. BUTTON,
DONALD M. FRASER,
CHARLES W. WHALEN, JR.

MEMORANDUM

To: Members of Congress.

Re: Discussion paper on the neighborhood development program.

I. WHAT IS NDP?

The Neighborhood Development Program (NDP) is a new set of rules for carrying out urban renewal enacted in the Housing and Urban Development Act of 1968. It is a method of placing a premium on action, and, if fully implemented, will cure the phenomenon so prevalent in many communities, where urban renewal activities, due to their slowness, have at times compounded the problems they were supposed to solve.

Unlike the conventional urban renewal program, NDP does not require a lengthy period to develop elaborate plans before renewal activities can begin. Rehabilitation and rebuilding activities in areas of severe dilapidation are permitted and encouraged concurrently with the development of a longer range plan.

Since NDP provides for annual funding (or

biennial as proposed by the House Banking and Currency Committee in the Housing and Urban Development Amendments of 1969), this puts a real premium on localities, using the funds approved for their program each year.

In communities where renewal progress is impaired for any reason, the funding for the next incremental funding cycle can be scaled to what the new level of activity requires. In communities experiencing better than expected success, their next funding increment can be adjusted upward. Hence, the new rule for urban renewal funding from the localities' point of view is "use it or lose it"—do well and be rewarded.

II. WHY DID THE 90TH CONGRESS FIND NDP ATTRACTIVE?

Some of the features of NDP which the 90th Congress found particularly attractive are the following:

1. NDP returns control of the physical development of cities to local residents and elected officials. Under traditional urban renewal, once citizens and their mayors and councils approved a project they turned over control to their local renewal authority and, in effect, surrendered any right to give continuing direction to the project during its lifetime, which might be 10 to 15 years. In contrast, NDP requires an annual (or perhaps two-year) action program which is subject to approval by local elected officials.

2. NDP projects are funded on an annual basis. This point is responsive to our grave concern over the fact that traditional urban renewal funding is based on a grant reservation system under which HUD reserves out of appropriated funds all the federal cost of a 10-15 year project in the year the project begins. This grant reservation system has resulted in the tying up of vast reserves of funds, which now total \$4-\$5 billion. This fact has often been used as a reason for opposing budget requests for annual appropriations.

3. An integral part of the NDP approach is the option given localities of converting unspent funds from traditional urban renewal projects and applying them to the cost of new NDP projects. This enables communities, in effect, to finance the first few years of new projects out of their existing grant reservation for an older project. This is done in lieu of submitting an application for a new conventional project which would have to take its place at the end of a \$2 billion backlog of applications. The conversion process should also begin to reduce the large unspent reserve which is of such great concern to us.

III. WHAT HAS HUD DONE, AND IS ABOUT TO DO

To date approximately 300 communities have indicated their desire to start a new NDP project and/or transfer existing projects over to the new NDP system. Only 35 communities receiving NDP approvals during FY 1969.

Since April there has been a virtual halt in approvals. In addition, in an effort not to further compound the demand for scarce funds, HUD regional offices have been instructed not to accept additional NDP applications beyond those known to be in preparation.

The Bureau of the Budget has reportedly told HUD that it may spend a maximum of \$150 million for new NDPs and \$175 million for the 35 cities already in the program from its total FY 1970 urban renewal appropriation.

HUD has been conducting a major management review of NDP and regular urban renewal in an attempt to find a way to meet the demands of all current and proposed projects with the limited funds available. Examples of elements proposed for inclusion in HUD's management plan are the following:

For new NDP cities—

1. Limit NDP funds in this fiscal year to no more than \$1 million per city.

2. Restrict the size of an NDP area to no more than 20 acres.

3. Permit no more conversions of conventional renewal projects to NDP.

4. Require that execution of a project be completed within two years, except for unusual circumstances.

5. Require that 80% of the funds for a project be committed in its first year.

6. Limit expenditures for public works to not more than 20% of the federal share of project, plus an additional amount equal to the portion of the local share which is paid in cash. In a project which is made up of $\frac{2}{3}$ federal and $\frac{1}{3}$ local shares, the public works spending could range from a low of 13% (20% of the federal $\frac{2}{3}$ share) to a high of 46% (13% plus the entire local $\frac{1}{3}$ share in cash).

7. Restrict action within an NDP project to activities which might be completed within one year, such as code enforcement and rehabilitation.

8. Treat any proposal which spends more than \$1 million, involves more than 20 acres, and/or requires more than two years in execution as an application for a conventional renewal project, thus placing it in the pipeline of some \$2 billion in unfunded requests.

For the 35 existing NDP cities—

1. Limit existing NDP projects to less than half of their first-year expenditures, regardless of need.

The ultimate outline of HUD's plan is not known. However, unless substantially more funds are secured for urban renewal, it is likely that many of the provisions listed above will be included.

Many of the approximately 300 pending NDP applications propose to treat project areas of several hundred acres and to spend several million dollars during the first action year. If HUD enforces its proposed management plan, it would take these localities many years to do what they now count on doing this year.

IV. WHAT ARE THE ALTERNATIVES?

It is clear that renewal programs, including NDP, will be short of funds in FY 1970. HUD did not request adequate funding for them. HUD did not adequately explain or vigorously defend what it did request prior to action on the House Floor. Consequently, the House voted \$100 million to go with \$750 million of advance appropriation carried over from last year for a total of \$850 million for all urban renewal programs (old-style renewal, code enforcement, CRP planning, etc. plus NDP.)

If subsequent action does not increase the appropriation for all renewal activities, HUD reportedly plans to allocate less than \$300 million (of the \$850 million) for NDP for FY 1970. This represents only about $\frac{1}{4}$ of the NDP demand for FY 1970.

Cutting back new NDP funds to $\frac{1}{4}$ of demand is serious, but to do it by implementing the HUD management plan described in III above is far more so. In fact, such provisions of that management plan as a 20-acre-per-project limit and an embargo on conversion of grant reservations would remove the very features of NDP which most appealed to the 90th Congress. If HUD implements this management plan the program would no longer be NDP, and HUD should cease calling it such. What would be left might properly be called "first aid" or "emergency relief", but not NDP.

A number of steps could be taken to bring funding and demand more into balance without altering the concepts of NDP:

1. Obviously a larger FY 1970 appropriation would help. The Senate is being urged to increase the House figure of \$100 million to \$837.5 million, which, when added to the

\$750 million advance appropriation, would give a total of \$1,587.5 billion.

2. HUD could administratively increase the percentage of the total urban renewal appropriation which it allocates to NDP.

3. HUD could permit cities to convert grant reservations from traditional renewal projects to NDP projects. (The 35 cities already in the program have used \$2 of such conversions for every \$1 from FY 1969 appropriations.)

4. Utilizing all the above to increase funds, HUD could then approve as many pending NDP applications as funds would allow and hold the remainder for nine months till FY 1971. (This would be painful for those who had to wait, but at least they would be getting into the program they applied for; and they would lose part of that nine months anyway in revising their application if the HUD management plan is imposed on them.)

If after maximum feasible utilization of the above it was still necessary to change regulations applicable to NDP, three things should be made clear: (1) such changes were temporary; (2) in FY 1971 HUD would be returning to the program as passed by the 90th Congress; (3) HUD would request and fully justify a \$2 billion level for urban renewal, of which at least \$700 million would be for NDP.

NOTE

H.R. 13827, as reported by the Housing Subcommittee would point HUD toward some of the alternatives discussed here. It provides for:

1. \$2 billion in added authorization for urban renewal available July 1, 1970.

2. A definite minimum percentage of total urban renewal funds earmarked for NDP.

3. Local project funding periods for two years rather than one.

We feel these provisions of H.R. 13827 particularly deserve your support.

PRIVATE ENTERPRISE AND HOUSING REHABILITATION

Mr. JAVITS. Mr. President, an article published recently in the Harvard Business Review discusses with great insight the challenge to private enterprise of rehabilitation in our urban centers. Eli Goldston, the author of this article on the Boston urban rehabilitation project and president of Eastern Gas and Fuel Associates, explains in great detail how the company he heads took a leading role in an outstanding example of rehabilitating decaying inner-city apartment structures.

As Mr. Goldston indicates, there is an important role for a private company willing to serve in the public interest in its community. Housing rehabilitation, in particular, offers a unique opportunity for business know-how and investment. It is crucial, of course, that any corporation which enters this field be particularly sensitive to the community in which it is operating and must view the effort as a "joint venture" with the residents. Within that context there is almost unlimited opportunity for jobs and entrepreneurship for minority persons who live in the area. For the investing corporation there is the chance for developing new markets for their products—as Boston Gas did—and for substantial tax benefits.

It is important that Mr. Goldston should emphasize the role of the real estate "tax shelter" as an incentive to this sort of private investment in inner-city rehabilitation. At present, the Committee on Finance is considering the

House-passed tax reform bill, which would make substantial changes in those provisions of the Internal Revenue Code. As I testified to that committee, I believe it essential that we should not eliminate present tax incentives for housing without the enactment of alternative incentives for increasing the supply of housing for low- and moderate-income persons. At this time the housing industry is in a period of serious recession, and we are farther from our national housing goal than we were when the 1968 Housing Act was passed.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Harvard Business Review, September-October, 1969]

BURP AND MAKE MONEY

(By Eli Goldston)

(NOTE.—BURP may not be the most dignified of acronyms, but it holds its figurative head up high as easily the outstanding example in this country of rehabilitating decaying inner-city apartment structures. Eastern Gas and Fuel Associates, which took the leading private role in the Boston Urban Rehabilitation Program, has been besieged with requests for information on how it can be done. This article gives the answers.)

(Mr. Goldston is President of Eastern Gas and Fuel Associates. While practicing law in Cleveland, he became associated with Midland Enterprises Inc., and he was President of that river barging company when it was acquired by Eastern in 1961. Mr. Goldston was named President of the parent company (which is also engaged in ocean shipping, coal mining, and gas distribution) in 1962 and Chief Executive Officer in 1963. He has served on the boards of many companies, social agencies, and cultural enterprises.)

The delegation comes in—typically consisting of a financial expert, an administrator, and an engineering-operating man—asking us the standard business questions of men in their specialties. They represent a company whose corporate conscience is being nagged about social involvement, and they have heard that we have some expertise to share in the field of large-scale, low-income urban housing rehabilitation.

We have made this date with them; we have assembled in a conference room; and now the questions begin:

The financial man wants to know how we arrived at the value of the equity, what the problems are in getting interim financing, what the interest rate is likely to be, whether any difficulties with bonding or insurance are expected, what a pro forma P&L statement looks like, and how the spillover tax shelter works.

The administrator asks us to take him through the intricacies of the National Housing Act, to differentiate between Sections 221(d)(3) and 236, to show him the forms necessary for initial endorsement, to tell him what happens at the time of commitment, to describe the advantages of a limited partnership over a general partnership, and to offer an opinion on whether it is better to work directly or through a specially organized subsidiary.

The engineering-operating man is naturally concerned with the actual work on the structures, invariably probing for information on new techniques or materials in housing rehabilitation which he has heard can achieve dramatic economies of time and money. He asks about mass production approaches, prefabrication, the durability of materials, and the quality of workmanship.

These are important questions, and we

answer them as well as we can, digging into our memories and files for information. When we have done our best with their questions, we ask some of our own:

What has been the ethnic succession pattern in the neighborhood you're talking about?

Can you tell us anything of family sizes, their economic levels, and the scope of the possible program with relation to the total community?

Is your mayor on speaking terms with not only the municipal renewal agency but also the regional FHA and HUD officials?

Is the city flexible and progressive with respect to its building code?

Are you acquainted with some local community (which usually means black) contractors, real estate operators, lawyers, and construction workers?

What are the attitudes and effectiveness of the neighborhood institutions, particularly any weekly newspapers?

This is when their education in the realities of urban housing rehabilitation begins to begin. It continues as we put on a side show of the successes and mistakes of our project, the Boston Urban Rehabilitation Program (BURP).

Often they fail to grasp our point until later, perhaps at lunch, when the head of an all-black development team, invited to meet the visitors, instructs them on the benefits of double declining balance depreciation, and the black real estate manager describes his method of keeping tenants advised about the progress of the work.

Our most important message for visitors is that an understanding of the sociopolitical factors—particularly recognition of the ghetto's "do-it-ourselves" requirement—must come first, and the financial and legal questions come last.

Front-line experience in urban housing rehabilitation is clearly a sought-after commodity today. Since the announcement nearly two years ago of the participation by Eastern Gas and Fuel Associates and its subsidiary, Boston Gas Company, in BURP, nearly every day has brought a call or a letter asking for information, seeking an opportunity to come, hear, and see, or pleading for someone to fill a speaking engagement.

These inquirers want to learn about this first involvement of a major business organization in a joint housing venture with a number of small real estate developers and the federal government, where the motivations of both private profit and social good seem to have merged successfully.

We say our participation in BURP demonstrates that it is possible to do well by doing good. We have done "well" by combining the tax benefits afforded to the parent by real estate investment with increased gas sales made by the subsidiary. We have done "good" by helping significantly in the effort to rehouse a major segment of Boston's black community.

OPPORTUNITY KNOCKING

These days, almost every publicly held U.S. company feels some unease concerning its role in the problem areas of our society. Thoughtful businessmen increasingly are examining corporate actions that may have contributed to the problems, and at the same time they are searching for ways for the corporation to serve—preferably highly visible ways.

More recently there has developed an equally vague awareness that in the problems lie opportunities. More and more businessmen accept the notion that no one really benefits from squalor and poverty. They believe that the deprived segments of our society present untapped markets—if only these segments could be helped to join the buying throng!

And if this questioning had not been self-generating, it would have been stimulated by the shared and expressed convictions of both major political parties that business must