COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE
HARRISBURG

STATEMENT OF GOVERNOR GEORGE M. LEADER OF PENNSYLVANIA
RAINS SUBCOMMITTEE ON HOUSING OF THE
COMMITTEE ON BANKING AND CURRENCY,
HOUSE OF REPRESENTATIVES
WASHINGTON, D. C., JANUARY 8, 1958

I am George M. Leader, Governor of the Commonwealth of Pennsylvania. The invitation to appear before you was most welcome, because Pennsylvania has a very great concern with the problems which this Committee is so patiently and exhaustively reviewing. You are rendering a service to the Country by your efforts to improve and make more effective the Federal programs for housing and urban renewal, and we in highly urbanized Pennsylvania are grateful to you.

First, I want to emphasize my concern over the steady stream of suggestions made in recent months that urban renewal and housing be turned over to the states.

You will notice that I did not say "turned back" which is the phrase we hear so often. You cannot give something back to a person who never had it, and in cold truth, the states of this Union have never shared a sense of responsibility for aggressive support of slum clearance, urban renewal, and the provision of housing for people of low or middle income.

In this area, we have had a City-Federal relationship in slum clearance, urban renewal, and public housing. We have had a home buyer, mortgage broker, investor, and Federal credit guarantee relationship in the financing of private housing. And, despite weaknesses that must appear as experience tests so extensive a program, these relationships have worked well and are showing great accomplishment.

It could only do great mischief to interrupt them, or to lower the extent of the Federal Government's contribution to them.
I would hope therefore that this Committee will not be led astray from our proper national determination to wipe out slums and to provide all Americans with a decent housing standard by any proposals to shift major financial and leadership responsibility in these fields from the Federal Government.

I say this as a Governor of a state which, as we see it, has a better than average record of interest and helpfulness in meeting housing and urban renewal problems.

We enacted our enabling legislation for public low rent housing in 1937.

We enacted our urban redevelopment enabling law in 1945.

In 1949, our State made a well-intentioned but ineffective effort to expand the supply of rental housing for middle income families by providing a capital contribution as initial subsidy to housing projects. The $10,000,000 provided, while a large amount by our standards, was much too small to have real impact, and the experiment has not been repeated.

At the same time, however, we embarked on a modest program to assist our communities in meeting the nonfederal share required in Title I projects. To date, the Legislature of Pennsylvania has appropriated $12,300,000 for such assistance to its communities, and State funds have been apportioned to 43 redevelopment projects.

During the period last year when the Federal program had exhausted its permitted authorizations, and therefore would not grant survey and planning advances, we advanced State funds to maintain a flow of action in our communities.

I have urged our Legislature to adopt as a matter of established policy a system of State assistance to urban renewal which would assure our communities that their ability to match Federal aid would in effect be doubled—that State funds would be available as a one-sixth part of net project costs.
We have 41 redevelopment authorities in Pennsylvania, more than any other state. We have more active projects than any other state. Our two great cities, Pittsburgh and Philadelphia, have had marked success with the redevelopment process, and have carried out some major projects entirely with their own resources.

We have established a Bureau of Community Development in our State Department of Commerce expressly to help our communities with their planning and renewal problems. Our State has completely exhausted its quota of urban planning funds as provided under Section 701 of the Housing Act of 1954.

As Governor, therefore, I am by no means ashamed of what our State has done.

But again, as Governor, I must reiterate to the Committee that what we have done as a State and what our communities have done on their own behalf cannot in any substantial way compensate for a Federal withdrawal or cutback in this work.

Furthermore, as a citizen of the United States as well as an official of Pennsylvania, I must stress to you that slums and urban decay are national problems, which must be dealt with effectively for the benefit of our whole society. The continued existence of a slum environment—the wasting and deterioration of any American city—is a detriment to each of us. We cannot wait for 48 different solutions to be painfully reached over a generation of time.

The problem is present and it is pressing.

It will not be answered by textbook exercises in governmental organization.

Consequently, I urge the Committee most strongly to maintain and strengthen the existing Federal programs with the existing ratio of Federal to local contribution.
Specifically, as to urban renewal, I would suggest that we no longer regard the program as experimental. It is gathering momentum; it is being accepted in more and more communities; it should be regarded as a national enterprise fully equivalent in importance to the highway program. We should not repeat the cat-and-mouse performance of piecemeal authorizations, with all the doubts they raise as to the program's continuance.

I would respectfully suggest that the Congress adopt what might be called an ever-normal urban renewal program, to remain in execution until our gigantic task of urban reconstruction is accomplished. By that, I mean an authorization in the current session of Congress for a 10-year program, allocated at the rate of the 1958 authorization of $350,000,000. We would then have laid before us, guaranteed for the future, a program of slum clearance and urban renewal which, with nonfederal contributions, would dedicate $5,250,000,000 to the cause of slum clearance, blight removal, and urban reconstruction in the next ten years.

Succeeding Congresses would be asked to add an additional year's authorizations as the current year's allotment was committed. The program would always be 10 years ahead of us, giving the cities and their citizens the assurance that their own capital budgets, their own city planning, their own community organizations could proceed with the knowledge that the Federal Government was willing to be their irrevocable partner in this mammoth work.

Five billion dollars is a huge sum.

To a mere Governor, it is overwhelming, equivalent to our State's budget for about five years.

But I may say to the Committee, that the assessed valuations of the real properties which Pittsburgh and Philadelphia are working to preserve are also roughly in the neighborhood of five billion dollars. In one fiscal year, 1956, the three Pennsylvania offices of the Internal Revenue Service collected $5,462,000,000 in Federal tax payments.
So we are not dealing with astronomy.

We are talking in what are really minimum terms in relation to our total need and our total resources.

I would suggest that we apply the same principle of continuity to the planning assistance extended under Section 701. In Pennsylvania, we are no longer eligible to participate in this very modest program because we have bumped our heads against the 10 per cent limitation on funds expendable in any one state. We would urge the Congress to make additional appropriations so that the eligibility of our communities is restored. In our State, we have used $577,500 of Federal funds in this category, more than matched equally by State and local funds. The combined expenditure has financed 103 urban planning studios in 87 communities with less than 25,000 population, and has assisted the work of eight regional planning agencies serving metropolitan areas.

The urban problems we are creating as our population "explodes" in the areas suburban to our central cities are as serious as those which we are attacking through urban renewal.

The planning assistance program is the best guarantee we have that some forethought can be applied to minimize or to prevent our problems of metropolitan growth; and this too is a national problem, in which all of us have a real interest.

I would also suggest to the Committee a widening of the scope of urban renewal from its present narrow housing base. Our humanitarian objective, which must come first, is to rescue American families from a slum environment. But we can best serve our humanitarian objectives if our cities are solvent, if they are functional in terms of today's technology, and if they provide sufficient economic opportunity for their citizens to advance themselves with each general rise in the American standard of living.
Urban renewal's housing purposes can be best served, I submit, in coordination with a community's rightful city planning objectives. I hope, therefore, that the Committee will increase the percentage of Title I funds that can be expended for the redevelopment of industrial and commercial areas.

We know that we cannot tear down even substandard dwellings without adding to the total housing supply so that the families can be relocated with some improvement in their housing and environment.

All experience shows that we must have a public housing program to accommodate the families of such low income that they cannot possibly find safe and sanitary housing in the private market.

I would suggest to the Committee that a public housing program sufficient to meet the relocation needs of redevelopment and other major public improvements be kept in being. Liberal credit terms should be provided to make available off-site housing for families above the public housing income levels.

I pretend to no specialized knowledge of the housing field, and the intricate systems of finance which are employed in it. Nor does my direct experience as Governor give me any expert familiarity with the public housing program.

But it would seem to me as a citizen that we should re-evaluate the public housing program without regard for the ideologies and myths that its advocates and opponents have nurtured through the years. Obviously, the American economy and the American way of life have undergone tremendous changes since the public housing program was first conceived and written into law. There has been very little change in the program to reflect these changes, and surprisingly few suggestions as to improvements in the program from either the Federal officials charged with its direction or the local agencies charged with its operation. We seem to be in a narrowing rut.
I believe that the public housing program should be reviewed by some distinguished and disinterested citizens who are committed to its objectives but not necessarily to all of its existing mechanics and procedures.

It is relatively easy to avoid the issue by keeping the program just barely alive, without zeal, without urgency, without dedication.

We should be ready to do more, and without concern for any slogan except a burning desire to tear down the last slum home in America within our lifetime and a determination that every American family have the opportunity to live in a decent home.

Perhaps this Committee can, with its colleagues in the Senate, call into existence such a study commission as I have suggested. I would not want public housing studied to death by its old enemies; I would want it restored to vigor and initiative by its analytical friends.

It seems obvious that the Nation will not be called to a total mobilization of its resources to meet an imminent threat of Soviet military and scientific superiority. In the event we were, there would be no option but to put all our civilian preoccupations aside, and dedicate our whole economy, as we did during World War II, to the task of survival.

If we are not so directed, I would then urge most strongly upon the Committee that it protect the Federal housing and urban renewal programs from any stealthy opponents who, unable in the past to defeat them openly, will now take the opportunity to say that we cannot afford them and man our defenses too.

To my mind, it is vastly important that we compete with the Soviet not in arms alone, not in science alone, but in the shape of our society.

We have three battlegrounds.

In one, we are immeasurably superior. Our system provides liberty, spiritual expression, freedom of speech, thought, and action.
In the second, we are in danger. That is the relative strength of our arms and our technology as it affects our arms.

In the third, we have a long lead which we dare not lose. That is the standard of living we provide for our people, our ability to supply the material elements of well-being which mankind everywhere—since few of us are saints—esteems as the measure of comfort and achievement.

The open flaw, the enormous visible failure, in our American living standards has been our failure to eliminate our slums. Successful, continuous, dynamic action to remove this national disgrace will be one of the victories we can win to hold the minds, the hearts, the hopes of men and women in our own society and across the globe.

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