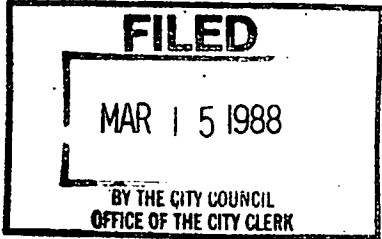


45



## WHAT MUST I DO TO BE SAVED?

1. I MUST BELIEVE THAT I AM A SINNER. "For all have sinned, and come short of the glory of God" (Rom. 3:23). "The wages of sin is death" (Romans 6:23).
2. "BELIEVE ON THE LORD JESUS CHRIST, AND THOU SHALT BE SAVED" (Acts 16:31). That is, I must believe that Jesus died, was buried, and rose again to save sinners like me. He bore "our sins in his own body on the tree" (1 Peter 2:24). I must trust Jesus.
3. I MUST CONFESS MY SINS AND ASK TO BE CLEANSED OF ALL SIN. "If we confess our sins, he is faithful and just to forgive us our sins, and to cleanse us from all unrighteousness" (1 John 1:9).
4. I MUST BELIEVE HE HAS DONE IT. I must take God at His Word and confess Him before men. "If thou shalt confess with thy mouth the Lord Jesus, and shalt believe in thine heart that God hath raised him from the dead, thou shalt be saved. For with the heart man believeth unto righteousness; and with the mouth confession is made unto salvation" (Romans 10:9, 10).
5. I MUST FORSAKE MY SINS. To repent means to forsake or turn away from. He will give us power to do this. "But as many as received him, to them gave he power to become the sons of God" (John 1:12). "For godly sorrow worketh repentance to salvation" (2 Cor. 7:10). "Repent ye therefore, and be converted: that your sins may be blotted out" (Acts 3:19).

-Cyrus Osterhus

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## Urban Renewal Laws

MANY PERSONS in the United States pay no attention to Urban Renewal until they get hurt by it. In the new type of land grab, a public agency takes private property away from persons who own it. This shocking situation, unheard of in the United States until recently, has been made possible by ill-advised laws that have been passed in the United States.

Americans are losing houses, lots, businesses, and means of livelihood because an Urban Renewal project springs up in town, and proceedings are started that end with decent Americans being turned out of their homes—homes that they have worked for, paid for, and have been taxed for.

Persons who are hardest hit and who have the most to lose, generally, are the very last to learn that subsidized Urban Renewal has come to town.

For instance:

A Bunker Hill apartment house owner in Los Angeles stepped outside her front door one morning to sweep the steps. She saw several neighbors clustered under a canvas banner that was swinging above the street. The sign said that the neighborhood was an urban renewal redevelopment project. That was the first notice that the residents had.

The apartment house owner is a widow up in years, and the property is her means of livelihood. Today, she is engaged in legal battle against the public Community Redevelopment Agency, trying to prevent it from taking away her means of self-support.

An aged soldier living in the former city of Sawtelle, now a section of the city of Los Angeles, received a thick letter one day from a department of the city of Los Angeles. The letter listed all the absurd findings that public inspectors had found faulty with the soldier's modest home which was structurally sound.<sup>1</sup>

The soldier, who had fought with General Pershing in the first World War, vowed that he would fight to a finish the unfair urban renewal rehabilitation law which public officials were implementing to force the man out of his home and off his property.

The urban renewal rehabilitation operation in Sawtelle is a pilot experiment being sharpened into use by urban renewal promoters. If the public agency finds that the Sawtelle Plan provides machinery that will work when a public agency wants to seize private property, the

<sup>1</sup> "Bulldozer At Your Door," by Jo Hindman, *American Mercury*, September, 1958. Description of "The Sawtelle Plan" is included in the article.

Plan will be widely used in other neighborhoods throughout the United States.

Last time I called upon the old soldier, his tiny gray-haired wife told me that he was not able to see anyone. He was bedridden. A heart attack had felled him. Oh, yes—the "Sold" sign was posted out front, meaning that the aged couple had sold their valuable property for a song and had given up the fight.

Similar tragedies have occurred or are now in the making in other parts of California: San Diego, Benecia, Calexico, Fresno, San Jose, Santa Cruz, Pasadena, South Pasadena, Sacramento, Oakland and other places.

Similar instances have occurred or are now in the making in other parts of the United States: Phoenix, Arizona; Kalamazoo, Michigan; Detroit, Michigan; New York; Massachusetts; even Alaska, Hawaii, and Puerto Rico have urban renewal projects going, or slated to get started.<sup>2</sup>

In fact, every state in the Union, with the exception of eight, operate urban renewal laws, and California has possibly one of the most vicious sets of urban renewal laws enacted anywhere.

I shall name the main urban renewal laws, outline the steps usually taken by an urban renewal agency, and describe some of the worst cases happening in cities which have fallen into the trap of subsidized urban renewal promoted by tax-paid subsidy.

I shall point out why everybody is the loser under subsidized urban renewal, except possibly the profiteers who walk off with the money.

I shall name influential Americans and organizations throughout the United States that are opposed to the unfairness of subsidized urban renewal.

Lastly, I shall mention a solution which is being used to prevent subsidized urban renewal from gaining a foothold in town or city.

First, let us take note of the manner in which a good label, the words "urban" and "renewal," have been placed upon a situation which reveals itself as foolhardy and unwholesome.

Basically, the renewal of anything that is worn out is commendable providing it is renewed in a sensible manner. But rebuilding a city under subsidized urban renewal at taxpayer expense is not sensible. The action goes against the tried and true laws of economics and common sense. Subsidized urban renewal defies the intent of the laws of this land that safeguard the right of a person to own property free from the fear of seizure.

Urban renewal is traveling under the disguise of slum clearance which it is not, for urban renewal is demolishing buildings and homes that are perfectly sound and in good shape.

<sup>2</sup> Thirteenth Annual Report, Housing and Home Finance Agency, Washington, D.C., pp. 275-281.

## URBAN RENEWAL LAWS

Subsidized urban renewal was put into effect nationally in 1954 by an amendment<sup>3</sup> to the Federal National Housing Act.<sup>4</sup> You may remember the early workings of that particular law—socialistic public housing—and how Americans turned against public housing after the bad effects began to show.

Urban renewal added a new twist to the original housing law, in the form of misleading terminology to the effect that private enterprise would participate in urban renewal.

Actually, true private enterprise—ethical private enterprise—has no connection with subsidized urban renewal that we are facing today—no connection at all. Certain individuals *do* latch on to subsidized urban renewal for big profit, and these profiteers are attempting to pass themselves off as ethical American businessmen. In this way, the profiteers are giving ethical “American business” a bad name. The profiteers are giving ethical American citizens a bad time.

## STATE

However, even though the 1954 urban renewal amendment stood on the Federal statute books, the states were required to say whether or not they wished to take part in Federal urban renewal. If a state wished to participate—which is another way of saying that the cities of the state had their hands out reaching for Federal money—the state passed a law in its own legislature giving permission for urban renewal to enter the state.

California passed such a law. It is called the COMMUNITY REDEVELOPMENT LAW.<sup>5</sup> Through it, the state gives permission to the cities and counties of the state to enact legislation which allows cities to go directly to the Federal government for the money to start a city urban renewal project. After giving permission by law, the state steps aside, and cities are given Lesson No. 1 on how to run to the Federal government for handouts. Other states have similar urban renewal laws; we will cite California merely to illustrate.

## CITY

In order to go to the Federal government for money, each California city must pass a municipal urban renewal law. Usually, the legislation takes shape in a city ordinance which fulfills all the requirements laid down by Federal and state law.

What happens when a city council in California passes the ordinance which creates a local urban renewal agency?

<sup>3</sup> Title III, Housing Act of 1954.

<sup>4</sup> Title I, Housing Act of 1949.

<sup>5</sup> Community Redevelopment Law, Div. XXIV—California Health and Safety Code. (Check your state's urban renewal law.)

The Mayor then appoints five prominent citizens to act as members of the agency.

In time, the agency becomes more powerful than the city council, under practical workings of the law—and this, many city councilmen may realize too late. Once a free-wheeling urban renewal public agency has been created, the city council finds itself almost powerless to restrict the agency in the full use of its sweeping powers.

In Scene I of subsidized urban renewal, private property is taken from its owners by the public agency. The agency then decides what to do with that property which is no longer on the tax rolls. Property taken by a public agency pays no taxes for the upkeep and running of city government.

The public agency can do three things, or a combination of all three: (1) The agency can keep the land for public use, in which event the property will never again pay taxes for upkeep of the town, (2) The agency can lease the property to redevelopers, (3) or the agency can sell to redevelopers.

The property owner has practically no say in the proceedings at all. If he is equipped with business sense, and wishes to hold his property, to sell at another time or on a better realty market—that makes no difference to the public agency which wants the land.

If the property owner wants a price higher than the agency offers, the owner cannot set his price. The public agency holds the power to set the price both when it buys and when it sells.

Furthermore, the law is so written that the agency can go "over the head" of the private owner and acquire the property by condemnation.

Here are some of the typical activities of a public urban renewal agency:

To declare a neighborhood "blighted," and to mark it as in need of urban renewal, to issue bonds without going to the voters for approval, to incur indebtedness, to decide the type of urban renewal project to be used on the target neighborhood.

There are several varieties of urban renewal: the rehabilitation type, conservation type, and the redevelopment type.

#### REDEVELOPMENT

The redevelopment type of urban renewal perhaps is the swiftest of all methods of taking private property from the property owners.

Many of the steps are made quietly by the agency, without the knowledge of the persons whose property is to be taken. When the plan is all ready, the agency may spring it upon the public through the newspapers, or by posting a sign as I have already described, or by sending a letter through the mail.

Under law, the agency declares a neighborhood "blighted," the city planning department dreams up a plan to redevelop the neighborhood, the plan is sent to Washington where it may be approved.

The city then is eligible for a Federal loan or grant to go ahead with the project. The property owners may learn about it at this late stage.

Public agents then come to property owners to offer them prices for their houses and lots, or business properties. The owner may regard the price as too low, especially if the city has grown and expanded, causing former residential property to become valuable as industrial or commercial sites. The price offered by the agency may be too low because the sum offered could not possibly buy a comparable place to live or do business at today's inflated prices.

Cut-rate prices do not satisfy the owners; sometimes they refuse to sell. Many owners may have invested in the real estate hoping that the city would grow in that direction and cause them to reap a profit for their business foresight, and also as a recompense for paying taxes on the property for practically their entire lifetimes.

Subsidized urban renewal does not allow a property owner to name his own selling price. Under the law, the agency can reserve the license to tell what it will pay when buying the property and later, at what price it will sell, if it does sell.

Generally, urban renewal laws contain a provision that requires the public agency to sell the acquired property at a price lower than what the agency paid for it. The loss in the transaction, of course, is written off at taxpayer expense.

While all this is going on, the taxpaying public is paying rental, salaries, and overhead expenses of the local agency staff. In the meantime, the local agency has pledged to pay one third of the total urban renewal project cost.

The Federal Agency pays two thirds.

That is the notorious Federal urban renewal cost formula:  $\frac{2}{3}$  Federal funds,  $\frac{1}{3}$  local tax funds.

By this time, the local agency may have issued bonds, merely upon the say-so of the five men who head the public local agency.

Tax-allocation bonds are a favorite type of financing in urban renewal. Under the tax-allocation plan, the local agency authorizes the bonds. They are sold. Revenue in the form of taxes from the redeveloped property is pledged to pay off the bonds. In other words, taxes are *allocated* to pay off the bonds. This is the notorious "Sacramento Plan" of urban renewal financing. This is described as a no-cost-to-the-taxpayer plan, and I wager that you can see through it!<sup>6</sup>

Under the tax-allocation bond plan, taxes collected from a newly built redevelopment neighborhood bypass the city treasury and land in a fund which is pledged to retire the bonds. The original bond debt has swollen in the meantime, grown big with accrued interest; therefore the bonds may not get paid off for many, many years.

Meanwhile, taxpayers in other sections of the city are left paying

<sup>6</sup> Mechanics of the Sacramento Plan is contained in California Constitution, Art. XIII, Sec. 19.

to run the city government; they are also paying to furnish services to the redeveloped neighborhood—street upkeep, police protection, garbage and trash pickup, and so forth.

The plan just described is sometimes called "The Hatfield Amendment" because the identical language of the legal section in the Community Redevelopment Law, was copied and voted into the California State Constitution (Art. XIII, Sec. 19) and a legislator named Hatfield was instrumental.

California will not come out from under the menace of urban renewal until that state constitutional amendment is repealed, and along with it, the California Community Redevelopment Law which permits a city to create a public agency to take away land and private property from California citizens. (CRL: Div. XXIV—California Health and Safety Code)

The overriding policy of urban renewal law is at fault. The fault applies to Federal statute and to the laws of several states. I'll let you be the judge— Here is a composite of typical sections of community redevelopment law:

"Necessity of redevelopment." All that an agency needs to do is to declare redevelopment necessary and, in the language of the law, to "find and declare" that blight exists in an area. Thus, a weather-worn exterior of one or two houses in a neighborhood—under the sweeping interpretation of the law—can be an excuse for an entire neighborhood to be declared blighted. In fact, presentable homes in just that manner are being swept into urban renewal projects. And that is why urban renewal reveals that it is not slum clearance, as some persons would lead others to believe.

California Community Redevelopment Law states the "impracticability" of private assembly of scattered parcels of land, and declares that the "practical" remedy is by public acquisition, clearance, and planned redevelopment.

This part of the law operates as an outright free service to profiteers who use the public urban renewal agency to do the legwork and to stand the expense which goes into a deal to acquire land for store, factory, housing, or apartment house sites.

One of the greatest arguments to blast urban renewal was the ruling of the Florida State Supreme Court which has decided that urban renewal is unconstitutional in the act of taking private property from one citizen to turn over to another citizen.<sup>7</sup> California and other states would go far in protecting the rights of citizens if a similar State Supreme Court decision were written and upheld in each state.<sup>8</sup>

<sup>7</sup> Adams v. Housing Authority of City of Daytona Beach, Supreme Court of Florida en Banc, 60 So. Reporter 2nd Series, 663, August 12, 1952. Rehearing denied October 21, 1952.

<sup>8</sup> Grubstein v. Urban Renewal Agency of City of Tampa (Case

Force-bargaining works against a healthy situation. It sets the stage for corrupt business dealings. In a certain city, a group composed of prominent citizens holds a parcel of property within a redevelopment project. They can sell to the agency with the reassurance that they can buy back their own former property at a price lower than they sold it—after the land had been improved at taxpayer expense.

#### ZONING

City zoning laws do not stand a chance against urban renewal "planning laws" in event of conflict. Ordinances which establish a local urban agency sometimes carry provisions which plainly state that the urban renewal *plan* supersedes all city zoning laws.

When zoning laws are used correctly, they protect the property owner in his use and investment in the land he owns. Urban renewal "planning laws," on the other hand, often override and nullify previously established protective zoning laws, and can actually cancel out pages and pages of local zoning laws.<sup>9</sup>

Easy-going Americans are apt to dismiss potentially dangerous situations, such as subsidized urban renewal, with a shrug and a remark such as, "It's been that way for some time." This remark is sometimes uttered in connection with eminent domain.

Traditionally, the police power of eminent domain in the United States has been used sparingly and reluctantly, parcel by parcel, in cases where action had to be taken against certain property to safeguard the health or safety of the neighborhood in general.

The eminent domain of urban renewal is quite different. Eminent domain as invoked in urban renewal situations is police power unleashed on a wholesale scale. In other words, entire neighborhoods can be declared "blighted" by an urban renewal agency if one or two houses are found with some infringement of a code; or, if the property isn't bringing in as much taxes as a city official would like.

If a public agency runs into opposition from owners of well-kept property who do not wish to sell, the private property nevertheless can be condemned under the police power of urban renewal eminent domain.

Is that justice—or license? Is that law, or abuse of law?

Each city urban renewal ordinance contains phraseology legally necessary to describe conditions which cause a neighborhood to be declared

<sup>9</sup>29,949) Supreme Court of Florida (1959) in a hair-splitting opinion found a way to circumvent the Daytona decision.

For vigorous dissent to the legal travesty of "The Tampa Case" (vote 4-3) see opinions of Justices Thomas, Drew and O'Connell—text of Case #29,949.

<sup>9</sup> Recent zoning scandals indicate that the concept of zoning needs an overhauling. If zoning law is to be interpreted as merely a permit system slapped on private property by legislative action and to be juggled thereafter according to officialdom's caprice, then property owners might be better off without zoning laws.



"blighted." For example—the allegation that the property is not yielding enough in taxes actually has been written into a recently passed city urban renewal ordinance.<sup>10</sup>

This brings to the surface one of the hidden purposes of urban renewal—to dress up the property so it can be assessed higher and taxed higher. This is why city officials sometimes are misled into giving the stamp of approval to subsidized urban renewal; it looks like a good way to get more money to run the city.

The idea of rebuilding a worn-out section of any city isn't bad at all, if done correctly by private money. Urban renewal redevelopment, however, is being financed by the public's money.

Remember the formula: two thirds Federal funds, one third local financing—that's 100 per cent tax money.

Citizens who pay the Federal income tax help pay the two thirds; citizens whose city governments have created urban renewal agencies pay the two thirds along with their city's one third; citizens of states which have barred urban renewal from entering their boundaries—and there are approximately eight such states—are in the position of paying for urban renewal in other parts of the country without getting any returns. Recheck of urban renewal records, as of July 31, 1959,<sup>11</sup> indicates no urban renewal activity in Florida, Idaho, Montana, Nebraska, Oklahoma, South Dakota, Utah, and Wyoming.

Yet, citizens of those eight states are better off than citizens whose states have fallen into the urban renewal trap.

Basically, urban renewal is artificial busy work—reminiscent of the New Deal "make work" projects, except that subsidized urban renewal is artificial "busy work" for the benefit of a self-seeking few.

Buildings and rental units constructed under urban renewal are glutting realty markets that might have been all right if urban renewal had not created a surplus in the realty business.

Listen to this newspaper report: "LOTS OF APARTMENTS VACANT—15% of units empty" (*Detroit Free Press*, August 21, 1959).

Detroit brokers who specialize in apartment building management report that the owners of older buildings are in trouble. One broker was bitter about competition from the FHA program. There are scores of apartment house owners in Detroit who are in bad trouble, and the

<sup>10</sup> Ordinance #1296, Tentative Plan, Monterey Hills, section of South Pasadena, California (1958). See Note 9, Chapter VI.

<sup>11</sup> As of 1962, it is virtually impossible for citizens to obtain periodic Federal releases that formerly were obtainable upon request. The mailing list for *Urban Renewal Project Directory* (which gives detailed financial information) was discontinued circa 1959-60; the publication is now available only to departments and officials of the Federal government. Another restricted periodical, *Urban Renewal Project Characteristics* (describes proposed use of the land by acreage) has not been issued to citizens since 1958. Needless to say, suppression of information concerning urban renewal activities makes easier execution of the scheme in defiance of public opinion.

FHA continues to insure mortgages for new apartment units which will make these older buildings even harder to rent."

Now, *that* pertains to the rental business in Detroit where private realtors are up against public agencies which are using taxpayer money to create a surplus of rentals.

Here is another headline:

"SHOE IS ON THE OTHER FOOT (*Detroit Times*, July 26, 1959). The public is doing to Frank W. Lindemann what he has been doing to the public for the last 14 years . . . and he doesn't like it. As the chief condemnation attorney for the county road commission, Lindemann has condemned millions of dollars worth of privately owned property . . . Now, the City of Detroit . . . (is) . . . attempting to condemn property Lindemann owns. The proposed condemnation of his property—for redevelopment with new apartment buildings—is unnecessary, he feels . . . he purchased the property more than 20 years ago as a real estate investment. And now, when he foresees the prospect of its increasing value in the next few years . . . the city wants to take it away from him.

"What makes him particularly angry is that the city has had its eye on the general area as a redevelopment project since 1941. (He said) 'Since that time, we couldn't have mortgaged or sold that property if we wanted to . . . Once it is publicized as a redevelopment area, lending institutions won't give you a loan on it nor will the public buy it. NOBODY WANTS TO BUY A LAW SUIT.'"

There are many, many cases to illustrate the various troubles that breed under discriminatory urban renewal law. Hardship cases. Heart-break cases. Loss of life savings, loss of property, loss of means of making a livelihood.

Property owners who are losing homes in redevelopment areas, go out to try to buy another place to live. Often, they find they cannot afford to buy anything as good as the property which urban renewal is taking. You be the judge.

Is urban renewal the wrong fork in the road to take?

A district court of appeals in Washington, D.C., was considering an urban renewal case in which the owner of a department store was objecting to the demolition of his perfectly sound building, condemned just because the Redevelopment Land Agency sat in session and declared that the neighborhood was in "need" of redeveloping.

The language of that particular court decision is compelling and arresting, and it proves that high justices of the land are not satisfied with subsidized urban renewal. (*Berman v. Parker*, U.S. District Court of Appeals, decided November 22, 1954.) The opinion of the court reads: (The situation)

. . . "is an urban area which does not breed disease or crime. Its

fault is that it fails to meet what are called modern standards. . . . Suppose its owners and occupants like it that way? Suppose they are old-fashioned, prefer single-family dwellings, like small flower gardens, believe that a plot of ground is the place to rear children, prefer fresh to conditioned air, sun to fluorescent light? In many circles, all such views are considered 'backward and stagnant.' Are those who hold them therefore 'blighted'? Can they not, nevertheless, own property?

"Or suppose these people own these homes and can afford none more modern? The poor are entitled to own what they can afford. The slow, the old, the small in ambition, the devotee of the outmoded have no less right to property than have the quick, the young, the aggressive, and the modernistic or futuristic. Is the modern apartment house a better breeder of men than is the detached or row house? Are such questions as these to be decided by the Government? And if the decision be adverse to the erstwhile owners and occupants, is their entire right to own the property thereby destroyed?"

An unthinking person may answer in the affirmative by saying that business will be improved, or that the city will be improved. The falseness of such reasoning is easy to see: No real progress is made when one segment of the American population has to suffer in order that another segment can reap commercial gain. Both are entitled to fair gain.

Let us look at it from a purely business angle. Does business in general actually gain from the pump priming of subsidized urban renewal?

By just glancing at the newspapers, it is plain to see who is walking off with the gains.

A certain firm of redevelopers which is national and international in scope, every year sends its lobbyists to Washington, D.C., when Congress is considering whether or not to vote money to continue urban renewal another year or two. The big land redeveloper never fails to ask for continuance of the urban renewal program. It means big profits.

This same firm, and other firms of its type, are always found present wherever government money—tax money from taxpayers—is ready for an urban renewal project. In Denver, in Washington, in New York—in Southern California.

So influential are certain of these half-dozen building empires that in California's capital, the Sacramento Redevelopment Agency granted a *nine month delay* to one of them—the "New York real estate investment firm of Webb & Knapp" which wished extra privilege of time in submitting land purchase offers and architectural plans for three blocks earmarked for multi-million dollar commercial development in the State capital.<sup>12</sup>

<sup>12</sup> *Sacramento Bee*, May 5, 1959, p. C-1.

It is a matter of public record that Congress discovered that speculators were reaping "windfall" profits by seeking loopholes in the older housing laws (See p. 12—Slum Clearance and Urban Renewal, Report No. 1, Committee on Banking & Currency—1956)—"608 program."

#### URBAN RENEWAL REBUILDING

Now, under present urban renewal law, FHA can issue a commitment to insure a builder's loan for 90 per cent of the estimated replacement costs—meaning the cost of putting up a project in urban renewal's second stage on property sites leased or sold by the public agency.

It is possible for profiteers to run that financing up to 100 per cent by figuring in the remaining 10 per cent as their investment in equity—equity being such intangibles as "knowledge," or "services," or "professional time," and so forth. (*Ibid.*, p. 13.)

Under a true private enterprise redevelopment, a builder would put up 100 per cent of his own capital, or borrowed capital insured by his own private credit rating.

Occasionally, even a local firm will use subsidized urban renewal as a quick way to get valuable property below market price. This is the sort of operation that is "news behind the news,"—the little-known activities of influential and prominent persons who have wriggled themselves into the ringside seat, so to speak. By word of mouth or privileged information, they know beforehand what is going to happen to a neighborhood and are therefore able to place their chips on the number that is certain to win.

These same persons, or corporate officials, can even throw weight to cause research reports to be written up on a neighborhood and cause it to be selected by public officials as a redevelopment project. Such dealings are matters of record and are known to be facts by many persons in addition to myself.

You be the judge.

Is this sort of collusion and collaboration unfair to the property owner whose property is at stake?

But why are so many prominent people to be found involved in urban renewal? Perhaps the following newspaper story will throw some light on the answer.<sup>13</sup>

The article reads:

"American cities will decay unless their central downtown business districts 'thrive and grow and prosper,'" (so said) Mayor H. Roe Bartle of Kansas City, Missouri, addressing the 48th annual meeting of the National Retail Merchants Association. 'Any plan that will bring people to the downtown core will aid the whole city,' he said and 'credited Kansas City's merchant-sponsored downtown development committee with pushing a long range program of urban

<sup>13</sup> *San Diego Union*, Jan. 14, 1959 (Wire Service).

renewal aimed at revitalizing the city's business core.' Earlier, the retailers were told that the Federal government must take the lead in rehabilitating downtown business areas."

In other words, businessmen are being panicked into backing Federal urban renewal to do the job of rebuilding for them.

Actually, many a taxpayer has remarked that it seems foolhardy to send 100 cents to Washington in taxes in order to get 50 or 60 cents back. It looks now as though even those few cents may not come back.

Cities have had to halt urban renewal projects when Federal money has run out. This can leave unsightly spaces lying idle in the center of town—taken off the tax rolls and paying no taxes, of course—land that formerly paid taxes into the city treasury. Way things look, more and more city officials may be caught in that dilemma—no money to rebuild the section of town that they have helped knock down. So you can see—city treasuries are losers along with property owners and other citizens under urban renewal when subsidized by taxpayer money.

Part of the trouble is: American business has had to hand over too much in taxes and that has dried up venture capital and made it difficult for business to expand on its own power. But trying to get some of the money back in the shape of subsidy doesn't cure—it has brought great and present trouble. We—as a nation—are said to be at the bottom of the barrel—no more money. Urban renewal's mad building spree has helped American economy outrun the money supply.

Does business really profit under such circumstances?

The Chamber of Commerce of the United States does not think so.

Some local chambers of commerce do not think so.

A financial writer in New York did not think so. (*Wall Street Journal*, September 10, 1959): He warned:

"This country has spent money like the proverbial drunken sailor. We have poured out billions to make life more pleasant for farmers . . . to give ourselves a luxury of houses . . . and any sort of 'welfare' that came happily to mind.

"And we have done all this with a blatant disregard of the deficit the billions accrued in our accounts. (We spent our heads off.) Many politicians led us on by dangling before us all the wonderful things we could buy with these billions. Worse, many learned economists reassured us that all those deficits were of no consequence; the supply of money was endless . . . Well, now . . . the bottom is not far away . . . the barrel is running dry not only for the Treasury of the United States but for everybody."

We've got to pay the price—*cut back*. As part of that giddy spending, urban renewal not only needs cutting back, urban renewal needs to be *cut off*.

Intelligent taxpayers knew this long ago. So did levelheaded lawmakers in Congress. Therefore, during the Eighty-fifth Congress of

1957-58, the Committee on Finance of the United States Senate seriously investigated the financial condition of the United States.

The top brains of the nation went before the Senators, hundreds of thousands of words were written and spoken before the committee which was headed by Senator Harry F. Byrd (Committee on Finance, Analysis, Part 7, Aug. 18, 1959).

An analysis of those hearings has been made public, saying in effect, that the result of mad spending—and that takes in Federal spending, state spending, city spending, all spending—including urban renewal—the spending has driven our country to its knees facing possible bankruptcy.

Please hear these words well; they appear on page 2,239 of that Senate report which criticizes the madhouse spending, including urban renewal:

“When we try to give help without costs . . . special privileges for special groups, we are not creating something out of nothing. Rather, we are being political Robin Hoods in reverse, creating inflation which robs the poor for the purpose of rewarding political supporters. . . . Once we intervene for one group, we are soon called upon to equalize this inequity by another intervention. Thus, we are always giving, but seldom counting the cost.”

The Senate report went on to observe:

“The ordinary people have been quietly going about their individual and personal programs, putting their own economic houses in order. These people have been . . . stretching out the life of their cars and other durables. By these policies and by exercising caution, prudence, and self-reliance in their buying of consumer goods, they are using the safest and most powerful kind of inflation control in the world. PERHAPS WE MIGHT CALL THEIR ACTIONS THE ONLY TRUE AND EFFECTIVE METHOD.”

So said the Senate about thrifty, sensible Americans.

Now:—*the very people who can save the United States from inflation are being used as expendable targets by subsidized urban renewal.*

Spendthrift forces which are instrumental in driving our nation deeper into inflation are condemning humble homes and businesses of hard-working Americans, upon the alibi of unfounded charges of “blight.” Spendthrift forces are causing the destruction of modest family dwellings in order to seize the land on which they are built.

The silly luxury of “keeping up with the Joneses” has been exalted to promote the foolish purpose. Sensible saving for future investment has been made to appear stupid and outmoded. Thrift has been made to appear a crime to be punished.

In Washington, a Senator believes that the Federal Housing and Home Finance Agency should be abolished, and has publicly said so. (Homer Capchart, *Indianapolis Star*, August 4, 1959.)

More and more John Q. Citizens are piling opposition against urban renewal; civic-minded organizations are coming out in the open against the fallacy of urban renewal—nationwide organizations, such as the D.A.R. Also a businessman's group in San Diego which petitioned the city council to reject a proposed new building code that was instituted under the urban renewal program.<sup>14</sup> Also a downtown merchants group<sup>15</sup> in Bessemer, Alabama, which contended that it would be unfair to use their tax money to subsidize businesses that would be in competition with them. They said they feared a relocation of the business district of Bessemer.

The American Legion also raises a powerful voice against subsidized urban renewal.<sup>16</sup>

And listen to Congressman Harold R. Collier of Illinois talking to other Congressmen (*Congressional Record* of May 21, 1959). He said:

"It just seems to me we have embarked on a binge to create surpluses of every nature and description, from the farm to the cities and most everywhere in between, and with each ambitious program we create greater fiscal deficits in the Federal Treasury. Now, if one of these days we dedicate our legislative activities to creating a little surplus in the Federal Treasury and applied it against the astronomical national debt, I am sure that many good folks in this country would enjoy a feeling of gratitude and security and, particularly, the folks on pensions and fixed incomes whom we stroke gently on one side of the face while firmly bashing them on the other."

What about those folks who are driven off their property by an urban renewal program?

I wish that legislators would leave their desks momentarily. I wish they would come and sit in modest American living rooms grown strangely quiet because the home has been condemned and marked for destruction under urban renewal. Condemned because some lawmaker who never saw the house, passed a law saying that it had to be wiped off the face of the earth.

I wish well-meaning do-gooders would leave their committees for a little while, to stand on a pile of splintered wood that had been a

<sup>14</sup> Hillcrest Business Association, San Diego, California. For text of the association's resolution opposing urban renewal housing code, see *Star-News*, a legal newspaper, 3922 Fourth Avenue, San Diego 3, California, January 15, 1959.

<sup>15</sup> The Bessemer Improvement Assn., Inc., reported in *Birmingham News* by Jack Deaver, *News* special writer.

<sup>16</sup> Resolution 59-100: Opposing the Seizing of Private Property by Public Agencies Under the Color of Eminent Domain for Resale to Private Persons, June 25, 1959, The American Legion, Department of California, 117 Veterans Memorial Building, San Francisco 2, California.

home in the morning—by nightfall, a heap of firewood due to public agency meddling.

I wish those with hands full of power would look twice at their handiwork.

Even though the situation is dark, citizens are safe from the demolition of urban renewal as long as their city council keeps urban renewal shut out.

The city council of any town can be the mightiest force against destructive urban renewal today. Because a city council can say "no" to urban renewal.

To sum it up—members of city councils throughout America at the present time can be heroes....

There are thousands of hamlets, villages, towns, big and little cities in America. Many of them are guarded tonight by elected men of honesty and great courage.

We sing the praises of America, and from childhood we recite American proverbs and mottoes. Persons whose ears have grown dull from the destructive thunder of urban renewal should listen once again to a motto and a song...

"Be it ever so humble, there's no place like home." I hope you can keep yours—always.

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