

to have substantial cooperation in the total area to make the total area eligible.

Mr. BARRETT. Thank you.

Mr. Widnall?

Mr. WIDNALL. Thank you, Mr. Chairman.

Mr. Secretary, I was a bit startled by your answer to Mr. St Germain with respect to the use of urban renewal. It seems to me that, more and more, those who are administering urban renewal are looking to this as though it was officially intended for clearance for commercial purposes, and therefore, we have got to propose new methods to do the job for the low-income and middle-income group. It has been apparent as the legislation has come up in the last few years that the emphasis has been increasingly on commercial redevelopment, enough in the last year to bring it up to 35 percent of the total urban renewal funds available.

Now, in connection with this, I like the idea as expressed of requiring the project to produce "a substantial increase in the low- and moderate-income housing." While this applies to the demonstration program, the demonstration program will probably have to depend on urban renewal for its major impetus, and there is nothing in the urban renewal law to encourage cities to leave their present emphasis on commercial redevelopment or high-income apartments. The increased tax returns of this kind of urban renewal might well outweigh the attraction of the extra Federal share provided in this bill. I intend to offer an amendment to the urban renewal laws which would require that a residential project must provide a substantial increase in low- and moderate-income housing. That will deflect all funds in the right direction, not just those associated with demonstration projects, and I think it encourages demonstration projects under this area. I would like your reaction to that.

Secretary WEAVER. I think I would be opposed to that, for the simple reason that I don't think you could conceive of a well-rounded renewal program which does not concern itself with the economic base of the city. There is a legitimate place, I think, in urban renewal, for downtown urban renewal projects. There is a legitimate place in urban renewal for some projects that will house higher income people. There is also the need for a balanced program. And this is what we have been moving toward in the last 5 years.

I might call your attention, sir, to the fact, that at the present time most of the residential construction, the vast majority of it, in urban renewal sites which is now planned—in other words, where we have got a site, and where we have cleared it, and where we have got a redeveloper, is now going for moderate- and low-income families. The reverse was true in 1961. But I think when we get a requirement that every residential area, regardless of the location, regardless of the needs of that particular city, has to be for a low- and moderate-income family, I think we are making this program too inflexible, and I think we are putting too much Federal control over something where there should be some local determinations. I agree that the image of the program has to be more and more toward rehousing the people who are in these areas. That is exactly what this demonstration program will do. But I do not think we should say categorically that you can never build for higher income people regardless of the circumstances in that particular city.