

The national chamber does not believe that H.R. 12341 would result in a valid demonstration of city problem solving because:

1. The bill is based on highly questionable assumptions.
2. The bill calls for heavy Federal controls on local actions, and includes provision for Federal designation of a local coordinator—a sort of commissar or czar who would possess vaguely defined powers.
3. The bill contained a blanket requirement for use of "all available Federal aids"—aids which, in the light of local circumstances, may or may not be appropriate or desirable or merit priority.
4. The bill is designed to treat symptoms, rather than causes of city problems.
5. The bill is overwhelmingly concerned with money, and fails to recognize the key factor of people, ideas, and leadership for city progress.
6. The bill, failing to provide city selection criteria which admit of direct and objective measurements, would permit selection by the administration of a small number of cities which would receive large amounts of funds at the expense of the overwhelming majority of the Nation's communities.

Let me detail these reasons for our disapproval of this bill.

QUESTIONABLE ASSUMPTIONS

This bill is based on highly questionable assumptions. First, the bill—page 2, beginning on line 7—states:

The Congress further finds and declares that cities, both large and small, do not have adequate resources to deal effectively with the critical problems facing them * * *.

The problem is not that the resources to do the job are absent from the cities, but that these resources are not always mobilized effectively.

Certainly there are resources in the cities. Cities are the centers of the income and wealth which have brought the United States the highest standard of living in the world and made it the best housed of the nations. And, in fact, the subsidies envisioned in H.R. 12341 would be paid from taxes which come, in the main, from city areas.

But the roundabout route of funds—from city to Federal Government, and, after deduction of a Federal handling charge and imposition of Federal controls, back to the city—is not necessary. Instead, cities can, through effective organization and action, get far more direct access to the funds necessary for local progress.

Documentation of the fact that it is possible for cities to mobilize their own resources for local improvements is provided by the examples, from 66 different communities over a wide range of population sizes, in the national chamber publication, "Some Community Development Success Stories," which we have provided to members of this committee.

Second, the bill—page 2, lines 9 and following—state:

* * * additional Federal assistance is essential to enable cities to plan, develop, and conduct programs to improve their physical environment, increase their supply of adequate housing for low- and moderate-income people, and provide educational and social services vital to health and welfare.

This statement on the essentiality of additional assistance is controverted by the many examples of cities which, on their own, and