

I am just afraid that no matter how much money we throw at the problem, we are still not going to accomplish anything unless we see what have been the real problems in the past and why it hasn't been more effective than it has been. This is the purpose of my questioning, Mr. Mayor.

Mr. LOCHER. I think your fears in many ways are well taken. None of us have been satisfied with the results. It is such a complex problem. This matter of relocations is a very vexing one. I frankly am not sure I know—unless perhaps this very bill might give us some insight. I agree with you. We have not done or achieved the things we would have liked to. I had a suggestion that I submitted that might be one of the solutions. I will take 2 minutes just to tell you what it is.

We give industry a tax writeoff to fight pollution, air and water. We are about to give them a Federal writeoff, and I think that will probably pass, an investment tax credit if they put in new machinery new building. But the homeowner in an area that is not already slum and blighted—if he is to invest in what is his greatest asset, his home, that is not an income-producing property, let's assume, and he invests a sizable amount of money, he gets no tax writeoff whatsoever.

Might this not be the inducement that will break this logjam that Mr. Widnall and the rest of us who are so concerned about—might it not break it if we give some inducement to the homeowner to invest in the property, that if he does not invest in then becomes a slum and blighted area? I am just throwing that out.

I know that if you ask Internal Revenue or the Budget Bureau, they will say—it will reduce our income by 6 or 8 or 10 billion—I don't know what it would be. But that is the traditional answer you will always get from those agencies whose job it is to collect money.

I am just throwing that out as a suggestion. I think it is a good one, perhaps, at least to consider.

Mr. WIDNALL. I think that is a very constructive suggestion, and it is worth considering. And one of the tragedies of our problem, not just in the big cities today, is the fact that the person who does his best to maintain his place, even at great cost to himself, and great sacrifice, is penalized immediately by increased taxes for doing it, while the man who allows his property to deteriorate, gets blessed with lower taxes.

We end up by having to get into new programs in order to bail out a blighted situation, where if we had encouraged the improvement of property more, I think that we would save a lot of these problems.

Thank you.

Mr. BARRETT. Thank you, Mayor Locher. You have done a splendid job here this morning. We thank you and your staff for coming.

Mr. LOCHER. Thank you for your attention.

Mr. BARRETT. All time has expired.

Our next witness is Mr. Seymour D. Reich, president, Federation of Section 213's, Inc.

Mr. Reich, would you come forward, please?

Would Congressman Halpern come up and introduce his friend?

I just want to point out to you, Mr. Reich, we want you to feel at home and comfortable here. That is the premise we work on. And certainly you have a splendid Congressman coming from your area.