

to handle. This would mean \$1.5 billion a year. This will not do the whole job; it will at least permit us to continue working at our present pace.

I would urge with equal fervor that every effort be made to reverse the action taken last year in terminating the longstanding contract authority for urban renewal which was made in the face of express statutory provisions continuing that authority. In a program as complex as urban renewal, and involving the long-range cooperation of local and Federal Governments in long-range planning, and coordination with other State and local programs, it is clearly impossible to conduct a reasonable program on a year-to-year basis. The provision of contract authority is equally necessary in all of the other urban programs which become more and more entwined every year. These include low-rent public housing, housing for the elderly, mass transit, open space and public-facility grants.

Returning to the urban renewal program itself, I must again urge, as I did last year, that the time has come for certain basic criteria governing the administration of the program to be reevaluated. The requirement of specific project boundaries and a set time sequence for completion of projects is another impediment in the way of cities desiring to undertake large-scale planning and renewal efforts, incorporating all of the programs and techniques available. An understanding of these problems is indicated in the outlines of the proposed demonstration cities program as it has been thus far presented. However, the freedom to exercise local ingenuity in order to find new solutions to urban problems in a comprehensive manner must be applied in the existing programs as well, particularly in the urban renewal program. This has been one of the major recommendations to emerge from nearly 3 years of study under the Federal grant for our Philadelphia community renewal program.

Specifically, it would be our recommendation that the urban renewal program be amended to permit communities, able to demonstrate a sophisticated grasp of program activities, to treat all of its urban renewal activities as one project, both for purposes of crediting local noncash grants-in-aid and for the free use and movement of its renewal program funds. Ideally, this would mean that cities like Philadelphia would be given an annual appropriation for urban renewal activities, to be used as the city would see fit within the approvable area of the city. The expenditure of these funds would, of course, be subject to program regulations and to postaudit by the Federal agency. Exceptions taken by the Federal agency could always be disallowed and deducted from future appropriations, but it is time, in my opinion and that of many other city leaders with whom I have discussed this matter, for urban renewal to be the truly local program which Congress intended it to be. It is only in this way that it will ever be able to have the flexibility and creativity to meet varied and changing urban needs.

Now let me say a few words about another new effort in Federal-local cooperation to preserve our cities. In 1964 the Congress, for the first time, recognized the necessity of providing aid to the cities in their code enforcement efforts. In 1965 it was found necessary to amend the earlier legislation to provide for more than mere code enforcement assistance if this program was to be meaningful. The program now permits financial support for other improvement efforts, such as tree planting, street improvements, new street lights, and other amenities which are needed to make a community one which meets at least minimum modern living standards. But again, city officials have found themselves frustrated in trying to heal ailing neighborhoods because the program is prohibited from operating in the very areas where it is needed most. The reason given for this is that the program should operate only in areas that can be reclaimed or preserved by these efforts alone. The implication is that more comprehensive measures will have to be taken in areas that are more severely blighted. This is fine, if it possible, but as you and I both know, we have not had the means to do the job and are not likely to in all areas of greatest need in the near future. So, we have a situation in which the cities are effectively being told that if they cannot do all that should be done—then they should do nothing—or at least the Federal Government will not help them. As I have already indicated, it is clear to everyone that urban renewal funds are not available in anywhere near the amount needed to treat all of the decaying areas which are also presently ineligible for inclusion under the Federal code enforcement program. Unless sufficient urban renewal funds are provided to let the cities get the job done, it seems to me that there is no other conclusion the Congress can reach but to permit code enforcement funds to be used in the areas where so many of our neediest citizens live.