

I am down from New York and I was not aware that we were going to testify today, but I did have this before me and I am vice chairman of the NBL, and I did have this and he asked me to come along, and I do have these pictures of the structures from the original to the time they have been completed, so you can see what can be done.

Now, my board chairman feels that this, and of course according to Mr. Weaver, New York alone, he says, is going to need 8 million dwelling units. In New York City alone, he says, 58,000 buildings are in need of rehabilitation at a cost of over \$5 to \$7 million in the next decade.

To project these figures for the whole nation, Mr. Weaver says, raises the prospect of dealing with numbers so astronomical that only a computer could comprehensively handle them, and again we get back to the problem of, where do we get the money to do this sort of operation, because the cost is important.

Well, here Mr. Rosenstiel feels at the present time, and I will read a brief excerpt from his notes:

At the present moment, slums are a cancerous condition in American life in the midst of an affluent society. Certainly, the slums will be abolished. The question is whether the people who now subsist in them will have an opportunity to enjoy life in our affluent society before they die. The speed with which we are approaching this problem today is that of a snail's pace.

There has been a very prevalent difficulty in obtaining the necessary funds for slum clearance. At the present time, this difficulty has been aggravated to an even greater degree.

On the one hand, we have the continued drain on the American financial scene, although we cannot relate financing to the loss of life or limb or the heartbreaks of families. Moneys going to Vietnam add to the burden of obtaining moneys for slum clearance, with speed and dispatch. The moneys used in the race in space add tremendously to the expenditures for defense in a world in flux during the era of change in the balance of power among nations and upheaval. All of this is costly and hardens the arteries of what should be the human heart. Too many people become too callous too fast.

The laws of human nature, the hypocrisy of the law itself, in many, many instances, and of the lawmaker, too, in many, accentuates the abnormal creation of so-called criminal elements.

Moneys reaching into this area of endeavor, human nature being what it is, escapes taxation in many instances. And the publicity attendant thereto paints us as a lawless country the world over. The disproportionate amount of money that undoubtedly have escaped taxation not only here but in many places in the world, is evidenced by the fact that there are so many tax havens. By the time the Federal Government catches up with its evasion, and sometimes this is impossible to do because the evasion is so hidden, the untax-paid moneys have grown by leaps and bounds in faraway places.

Again, this is Mr. Rosenstiel, quoting:

It is my opinion that the so-called bad money, as well as what we refer to as good money, can be tapped for slum clearance. What is wrong with forming a slum clearance district, and taxing the same way you do a school district, the road district, the levee district, et cetera. Or you could do it on a slightly modified basis and something like the Mackinaw Bridge Authority.

Let's take a city called X. Let's say, they estimate they can do a slum clearance job for \$200 million. Let us say, through legal processes this district is formed and can issue tax-free bonds. And suppose it wanted to issue \$200 million in tax-free bearer bonds.

The land would be appraised, the cost of the buildings in reconstruction, and all of the things necessary to make the district part of the American community with decent living conditions, and with speed. All of this would probably be worth many more hundreds of millions more than the bonds could call for. These would be bearer bonds, presumably paying a high interest rate of 5 percent (or