

Mr. Jones 6651

HEARINGS BEFORE THE SUBCOMMITTEE ON EXECUTIVE REORGANIZATION
OF THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Afternoon Session: December 7, 1966

BRUCE P. HAYDEN, Vice President, Mortgage and Real Estate Department,
Connecticut General Life Insurance Company

Mr. Hayden defined the conditions under which life insurance corporations and other businesses could increase their participation in the urban redevelopment process. The extension of Government financial assistance programs to profit ventures as well as nonprofit organizations and the effective exercise of the planning and coordinating function on the part of Government were described as necessary to the achievement of greater business involvement in the rebuilding of the cities. The main points raised in his testimony and during the questioning period were the following:

1. The Weakness of Nonprofit Ventures

Mr. Hayden testified that development efforts undertaken by nonprofit concerns usually result in failure due to a lack of knowledge and experience. The tendency to limit Government financial support to nonprofit organizations is thus undesirable.

2. The Gathering of Housing Costs

Mr. Hayden stressed the importance of reviewing the divergence between housing construction costs and general price levels which forces builders to tolerate low quality work. The continuation of reliance upon easier financing arrangements will prevent a solution of the costs problem.

3. The Organization of the Attack upon Urban Problems

Mr. Hayden stated that an agency should be created with the responsibility for making a total systems approach to the problems of urban housing. Such an agency could be organized along the lines of either NASA or COMSAT.

JAMES W. ROUSE, President, The Rouse Company

Mr. Rouse described the steps taken to plan and finance the Columbia project which involves the development of an entire new city within the next 12 years in an area midway between Washington and Baltimore. The experience of the Rouse Corporation and the Connecticut General Life Insurance Company with regard to Columbia can be applied to the reconstruction of the central cities according to Mr. Rouse. The main points raised in his testimony and during the questioning period were the following:

1. The Need for Concentration of Financial Resources upon a Single City

Mr. Rouse suggested that all urban renewal and demonstration city funds should be utilized to accomplish the total and successful renewal of a single large American city. The country needs to be convinced that urban problems are capable of solution.

2. The Place of Profit Considerations in Urban Redevelopment.

Mr. Rouse declared that the construction of new cities and the reconstruction of old ones so that the real needs of their people are satisfied will be a profitable enterprise. Once the market success of well-planned development projects is established, the solution of the nation's urban problems will be possible.