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(Smith/Grossman)
April 27, 1991
10:30 A.M.
Draft One

PRESIDENTIAL REMARKS: HOUSING EVENT
COCHRAN GARDENS, ST. LOUIS, MISSOURI
Friday, May 3, 1991

Secretary Kemp, Bertha Gilkey, head of the National Tenant Union. (acknowlegments) Residents and homeowners of Cochran Gardens. (I speak to you today as a resident of public housing. I tried to get some troublemakers evicted from my block too -- but I'm told it's freedom of the press.)

You know your state used to be called the "Show Me" state. With what I've seen today it's not hard to understand why. You've shown everyone what happens when people are empowered to take control of their community -- they take it from a haven for drug dealers to a harbor for children, from the failures of neglect to the victories of volunteerism, from the despair of dependency to the pride of self-reliance. They take it from project / to neighborhood. I've just seen a new pre-school playground. I can't describe how wonderful it is to see an area once called Little Nam replaced by an environment where children are safe to play, to learn, to grow.

Contrast this success story with the failure of projects like the Pruitt-Igoe. Crime-ridden, It was torn down almost two decades ago. To me, to many of us here, that vacant lot symbolizes the empty promises of public-housing policy.

To more and more Americans it is becoming clear that the solutions of the past are insufficient to the challenges of the

present. The safety-net that should have helped people bounce back only served to trap them in perpetual poverty, dependence, and despair. Some, like Bertha Gilkey, are saying "enough is enough." They are lifting their voices to demand: if the system's not creating a better life, then we must create a better system.

It's time to make good on the promise of opportunity for all our citizens. Because as we enter the next American century, we need everyone on board. That's why this Administration is committed to break the logjam that's choking the progress of the poor -- broadening access to homeownership, jobs, and quality education.

Last November we moved towards those goals with the signing of the National Affordable Housing Act -- the most radical departure in Federal housing policy in two decades. It's core is HOPE, Homeownership and Opportunity for People Everywhere, a revolutionary initiative that strikes out in a dramatically new direction, enabling public housing residents to manage and ultimately own their own homes.

Bertha Gilkey once said, "We don't want to be taken care of, we want to be trained how to take care of ourselves." She has taken that mission across America, lighting the fires in our battle to revolutionize public housing. She knows we can allow no pause in this crusade. When I took office, there were only 13 resident groups training to become resident managers. Today there are 100. With full congressional funding, there could be

40,000 residents in some 400 public housing communities launched towards homeownership by the end of 1992.

But we cannot conquer poverty if our foot soldiers can't afford the ammunition. That's why Congress must move swiftly to pass our Enterprise Zone and Jobs-Creation Act. By attracting new seed capital for small business start-ups, creating new incentives for entrepreneurial risk-taking, and reducing high effective tax rates on those who want work not welfare -- Enterprise Zones can turn poverty into potential, potential into prosperity.

But as we bring back the life to these areas' economies, we must restore the soul to their communities. That's why we need the Community Opportunity Act of 1991. This legislation should empower communities to find ways to make Federal programs more responsive to individual, family, and community needs. It will help provide the means to shift power out of the heavy hand of the state, and into the hands that run the home.

It was once said that "destiny is not a matter of chance, it is a matter of choice; it is not a thing to be waited for, it is a thing to be achieved." The people of Cochran Gardens have made their choice. Now, they're making history. Thank you all very much for being here. God bless Cochran Gardens, and God bless the United States of America.

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CREATING JOBS IN ENTERPRISE ZONES:

Enterprise zones will attack poverty by promoting investment in economically distressed neighborhoods. Enterprise zones will attract new seed capital for small business start-ups, create new incentives for entrepreneurial risk-taking, and reduce high effective tax rates on those moving to work from welfare.

- The Enterprise Zone and Jobs-Creation Act of 1991 will target tax incentives and regulatory relief to some of our nation's most economically depressed areas.

- The Secretary of Housing and Urban Development would designate up to 50 (urban, rural, and Indian) enterprise zones over a four year period. Designation will be based on the level of distress, as well as on the nature and extent of State and local efforts to improve living conditions and to eliminate government burdens to economic activity. Designation will be for a maximum of 24 years.

- The legislation will provide tax incentives to attract seed capital, stimulate employment, and increase the economic return from work for the working poor:

  -- Workers will be eligible for a 5 percent refundable tax credit for the first $10,500 of wages earned in an enterprise zone business. This will put up to $525 more income in the pockets of low-income workers. The credit phases out between $20,000 and $25,000 of total annual wages.

  -- To spur investment, capital gains taxes will be eliminated for gains on investment in tangible property (e.g., buildings and equipment) used in a business located in an enterprise zone for at least two years.

  -- To encourage entrepreneurial risk-taking, individuals will be permitted to expense investments in the capital of corporations engaged in enterprise zone businesses. This essentially provides an immediate write-off for investments in enterprise zone businesses. Corporations must have less than $5 million of total assets. Expensing will be permitted up to $50,000 annually per investor, with a $250,000 lifetime limit.

- The legislation would also give enterprise zone communities priority for free trade area status. Such status would, for example, allow a business in an enterprise zone to import materials duty-free if the materials are used to manufacture products for export to other countries.

THE WHITE HOUSE

Office of the Press Secretary

Embargoed for Release
Until 11:05 a.m. EST
Wednesday, February 27, 1991

February 27, 1991

FACT SHEET

EXPANDING CHOICE AND OPPORTUNITY FOR INDIVIDUALS, FAMILIES, AND COMMUNITIES

In his State of the Union Address, the President said: "The strength of democracy is not in bureaucracy. It is in the people and their communities....We must return to families, communities, counties, cities, states and institutions of every kind the power to chart their own destiny, and the freedom and opportunity provided by strong economic growth."

The Administration is committed to strengthening the power and opportunity of individuals and families, to breaking down barriers to independence and self-reliance wherever they exist, and to providing hope to distressed communities.

This means giving people access to jobs and the ability to make choices that will better their lives and the lives of their families. People with access to housing, jobs, and quality education have a stake in their community, and a greater incentive to lead productive lives. More important, people with economic opportunity have hope for the future -- an important and powerful weapon against poverty and despair.

The Administration seeks to use numerous administrative, regulatory, and budgetary means to expand economic opportunity for low-income individuals. In addition to these continuing efforts, the President today announced that he will seek Congressional action to promote choice and opportunity on several fronts:

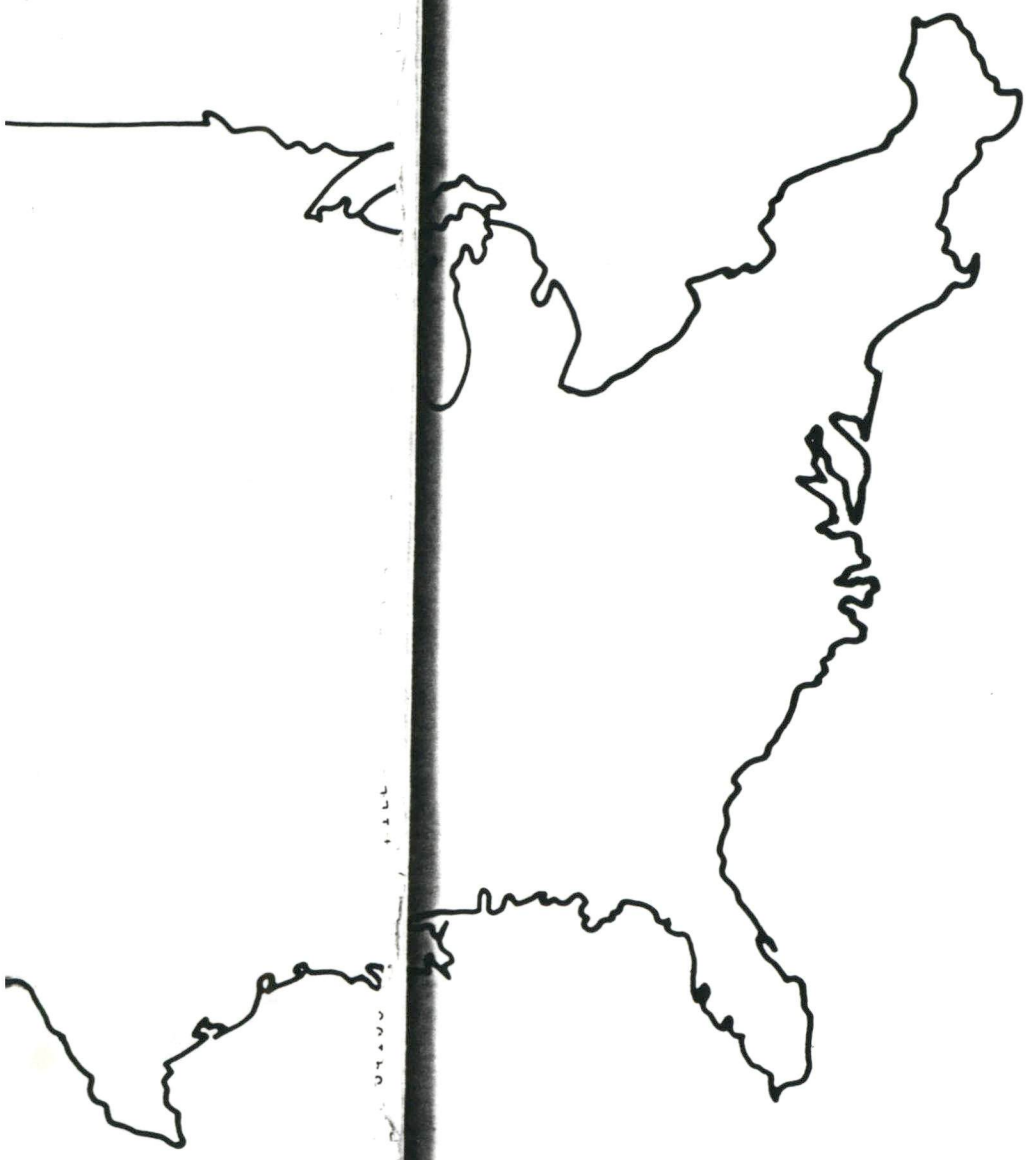
1. educational choice;
2. educational flexibility;
3. homeownership for low-income persons;
4. enterprise zones;
5. anti-discrimination laws;
6. community opportunity areas;
7. the social security earnings test; and
8. anti-crime efforts.

Legislation, where required, will be transmitted to Congress in the next several weeks to implement these proposals.

- more -

AMERICA THE QUOTABLE

Mike Edelhart and
James Tinen





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orer's account of the Mississippi
we are, then, on this so renowned
ose peculiar features I have endeav-
fully. The Mississippi River takes its
lakes in the country of the northern
arrow at the place where Miskous
ent, which flows southward, is slow
he right is a large chain of very high
to the left are beautiful lands; in
the stream is divided by islands. On
ound 10 brasses of water. Its width is
sometimes it is three-quarters of a
netimes it narrows to three arpents.
deer and cattle, bustards, and swans
because they drop their plumage in
from time to time, we came upon
one of which struck our boat with
hat I thought it was a great tree, about
noe to pieces. On another occasion,
water a monster with the head of a
nose like that of a wildcat, with
traight, erect ears."

Father Marquette
Jesuit Relations
17th century

* * *

pi has served the nation as a highway,
ground; it has been a road to opportu-
ier to religion and the law; an interna-
, and a unifying force. It still remains
ine between "back East" and "out

Perry T. Rathbone
Mississippi Panorama
1950

* * *

ago the Mississippi was a presence, a
could flood cities, tear away bridges,
ly alter individual lives. Living on the
vas like living under a volcano. For
n some places that fact hasn't changed.
, the great forces are now those that
ie outside: the factory that moves in or
that moves away; wars in distant places;
d social dislocations that may hit home
nate not only in the distance but often in
forces that cannot even be conceived."

Peter Schrag
Saturday Review
Dec. 12, 1970

* * *

steamboating was born about 1812; at
0 years it had grown to mighty propor-

tions; and in less than 30 more it was dead! A strangely short life for so majestic a creature."

Mark Twain
Life on the Mississippi
1874

* * *

"When I was a boy [mid-18th century], there was but one permanent ambition among my comrades in our village on the west bank of the Mississippi River. That was, to be a steamboatman. We had transient ambitions of other sorts, but they were only transient. When a circus came and went, it left us all burning to become clowns; the first Negro minstrel show that ever came to our section left us all suffering to try that kind of life; now and then we had a hope that, if we lived and were good, God would permit us to be pirates. These ambitions faded out, each in its turn; but the ambition to be a steamboatman always remained."

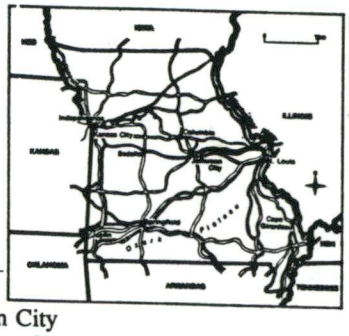
Mark Twain
Life on the Mississippi
1874

* * *

"The Mississippi was left unvisited by whites during a term of years which seems incredible in our energetic days. One may 'sense' the interval to his mind, after a fashion, by dividing it up in this way: after DeSoto [first European explorer] glimpsed the river, a fraction short of a quarter of a century elapsed, and then Shakespeare was born; lived a trifle more than half a century, then died; and when he had been in his grave considerably more than half a century, the *second* white man saw the Mississippi. In our day we don't allow 130 years to elapse between glimpses of a marvel."

Mark Twain
Life on the Mississippi
1874

MISSOURI



Capital: Jefferson City
Became a territory: June 4, 1812
Entered the union (with rank): Aug. 10, 1821 (24)
State motto: *Salus populi suprema lex esto* (The welfare of the people shall be the supreme law)
State flower: Hawthorn
State bird: Bluebird
State song: "Missouri Waltz"
State tree: Dogwood
Nickname: Show Me State
Origin of state name: Named after Missouri Indians, who lived there; the tribal name means "town of the large canoes"

Missouri got its nickname when Congressman Williard D. "Doubting Williard" Vandiver said to an Iowa representative during heated debate: "I'm from Missouri. You'll have to show me."

The Show Me State has actually shown the country a good deal. Mark Twain showed Americans how laughable and wise they were. Harry Truman showed them how a president was supposed to act. At the same time, it is perfectly true that Missourians by and large are a stubborn lot. They don't change easily; they don't cotton to fads. They really do demand to be shown before they accept new ideas.

Missouri's entrance into the Union, in fact, forced the country to face up to hard questions it had been studiously avoiding for some time. When Missouri came aboard in 1820, the clash over slave and free states boiled over, resulting in the slapdash Missouri Compromise—which let Missouri become a slave state but banned slavery elsewhere in the upper Louisiana Purchase area. This allowed the national schizophrenia to devolve onto the state, which felt southern but had a decidely northern economy. An embattled government managed to get the state seceded by 1861, but another administration hauled it back into the Union in 1864. Some of the state's skepticism may grow from its early life as a political pinball.

Missouri is divided into a northwestern prairie and a Mississippi flatland by the rugged, but gorgeous, Ozark Mountains. The Missouri prairies were, in the 1850s, America's launching point for trips westward toward the promised lands of Oregon and California. The banks of the Mississippi became a place of riverboat towns and mercantile depots for the bustling river trade. Today, along the river in St. Louis, the magnificent Jefferson National Expansion Memorial Arch, designed by Eero Saarinen, serves as a soaring symbol of the state's gateway status.

Today Missouri's automotive industry is second only to Michigan's. Kansas City is a major meat processing center. McDonnell-Douglas has important aerospace facilities outside of St. Louis.

THE STATE

"This state [Missouri] is a melange of peoples, occupations and resources. It would be difficult to pinpoint it, except to say that, in general, it is southern."

Pearl S. Buck
America
1971

* * *

"Missouri is the abolitionist North with its belief in equal rights for all men and women. It is the plantation South with its old ideas of a leisure society. It is the industrial East, busy, noisy, mechanical, commercial. It is the grazing West, miles and miles of pasture and prize livestock in every direction."

Irving Dilliard
I'm From Missouri
1952

* * *

"Illinois may have a richer soil and a more prosperous people; Iowa may have a better organized community life; and Kansas, a quicker sense of civic responsibility and political opportunity. But Missouri doesn't want to hear about it. Missourians are satisfied with here, and she is satisfied with herself. Besides, who can say that Arkansas excels her in anything?"

Manley O. Hudson
These United States
1924

* * *

"I come from a state that raises corn and cotton and cockleburs and Democrats, and frothy eloquence neither convinces nor satisfies me. I am from Missouri. You have got to show me."

Williard Vandiver, congressman
Speech in Philadelphia
1899

PEOPLE

[Obituary of Kansas City man who killed himself three months after moving to New York]: "He hated New York. He wanted to come home."

Kansas City Star
1966

WAY OF LIFE

"He [Vice-President Harry Truman] talked about friends I should call on, who were the apple of his eye. 'They're ornery, mean folk!' he chuckled. 'They're against everybody but themselves!' I asked Mr. Truman what they were for. 'Missouri!' "

John Gunther
Inside USA
1947

* * *

"Missouri would lose something if the Civil War were ever entirely settled."

Kansas City Star
Quoted by John Gunther
Inside USA
1947

* * *

"That peppery, independent spirit, not entirely foreign to the ornery mules who helped make Missouri famous, has surfaced again and again in Missouri history, recent decades not excepted."

Neal R. Peirce
The Great Plains States of America
1973

CITIES, TOWNS AND REGIONS

Kansas City

"People in Kansas City are tormented by the fact that they live here.... 'Kansas City' *sounds* so bad. It commends itself to a nasal tone of voice."

Giles Fowler, Kansas City drama critic
Quoted by Richard Rhodes
The Inland Ground
1970

* * *

"Busy, boasting, and Babbitt-ful, Kansas City holds a key position in the American system of interstate commerce.... It has life but it lacks character."

Manley G. Hudson
These United States
1924

* * *

"Kansas City stands at the eastern edge of the wheat belt, at the western edge of the corn belt, and at the northern limit of the white belt. This is not a racial remark. I am talking about the white *belt*, which men in Kansas City have taken to wearing with red pants."

Charles Kuralt
Dateline America
1979

* * *

"Who in Europe, or in America for that matter, knows that Kansas City is one of the loveliest cities on earth?"

Andre Maurois
Journal of his stay in Kansas City
1946

* * *

"There are no more Babbitts in Kansas City than in New York."

Andre Maurois
Journal of his stay in Kansas City
1946

* * *

"Some say that Kansas City is still a lazy city, happier with cookouts on the patio than with intellectual stimulation."

Richard Rhodes
The Inland Ground
1970

* * *

"Kansas City has a certain complex about being the gizzard of America."

Richard Rhodes
The Inland Ground
1970

* * *

[On a 'miracle cure']: "I will admit that these waters have quite a peculiar odor as they have a proportion of Sulphur and other unknown ingredients, but visitors from Kansas City, who are used to a Stock Yard breeze, take this wonderful water home as a Perfume."

Will Rogers
The Illiterate Digest
1924

* * *

"Of course it's not just a cow town. It's not a cow town at all. The stockyards are all but gone, just like Chicago and all the other places with cow town image problems. Kansas City's a grain town."

Kansas City woman at dinner party
Quoted by Tom Stites
New York Times
Nov. 14, 1981

* * *

"The future looks rosy [in Kansas City]. Detroit and Youngstown seem on another planet. There is little chance that the city's [agrarian-centered] economy will be devastated because Americans develop a preference for Japanese bread."

Tom Stites
New York Times
Nov. 14, 1981

* * *

"Since [cowtown days,] various self-appointed coroners have declared Kansas City dead just from its past reputation, then from being in a location remote from the two coasts, where every good and perfect thing must be; to some it seemed for years to be dead of an overdose of civic righteousness and business conservatism."

Tracy Thomas and Walt Bodine
Right Here in River City
1976

* * *

"Kansas City has suffered from being ignored coast to coast—from being immaterial to any discussion of anything. Like a Russian politician who falls from grace and becomes a nonperson, Kansas City has really suffered from being a nonplace."

Tracy Thomas and Walt Bodine
Right Here in River City
1976

* * *

"But more likely, if you leave Kansas City in despair, it will not be because you ran into a wall of repression or a flame of resentment. It will be because you shouted and shouted and there wasn't much coming back to you but an echo. The audience is not sullenly unresponsive. It sits out there and looks pleasant enough. But it doesn't really do anything pro or con. It does the most damnable thing of all to the rabble-rouser; it regards him or her as interesting. Some call it apathy; some call it Midwestern conservatism. But Kansas Citians call it a very healthy kind of live-and-let-live spirit."

Tracy Thomas and Walt Bodine
Right Here in River City
1976

* * *

"The truth is that Kansas City nationally for many years had the pale image of a great-aunt; not much known about her, and no great urgency about finding out. Today the young are more likely to be interested in what Great-Auntie was like, and to be delighted if they find out she was quite a magnificent old party with just a touch of indiscretion in her past—and a certain free and open style in her manner."

Tracy Thomas and Walt Bodine
Right Here in River City
1976

* * *

"Kansas City has been counted out time after time. In its earliest years, it was counted out as a presump-

tuous upstart by the much more promising cities of Independence, St. Joseph, Leavenworth, and Atchison. Later it had to survive outbreaks of cholera and being torn apart by the Civil War—the very rope itself in a life-and-death tug o'war. Later it was written off as a wild, rude cattle town whose idea of culture was a piano in a whorehouse."

Tracy Thomas and Walt Bodine
Right Here in River City
1976

St. Louis

"The abuses which are daily creeping in through the unruly conduct of the slaves at this post of St. Louis, owing to the criminal tolerance in some masters who are so careless of their authority and of public welfare—in which they ought to feel an interest, as members of the same body—oblige us, notwithstanding the orders previously published on this subject, again to prohibit the slaves, under penalty of 50 lashes of the whip, to hold any assembly at night, in the cabins or elsewhere, and they will incur a more severe punishment according to the result of their said assemblies."

Don Francisco Cruzat
General Ordinances for St. Louis
1781

* * *

"It [St. Louis] serves Missouri chiefly as a sieve for Eastern money and Eastern manners.... It once had a Fair which made it great, and the laurel has been borne in slumber these 20 years since.... It forms no part of Missouri. Even the postal clerks know it as St. Louis, U.S.A."

Manley O. Hudson
These United States
1924

* * *

"Only from the air can today's traveler fully understand the tremendous power of the site of St. Louis, which Twain saw as 'a great and prosperous and advancing city....' From the west the Missouri snakes in, a mud-laden watercourse that rises 2,533 miles upstream in far-off Montana and brings together the waters of tributaries that drain the northeastern slopes of the Rockies and the northern Great Plains. From the east comes the Illinois River bearing the commerce of Chicago and the industrial cities of the Illinois hinterland, giving access to the Great Lakes and ultimately to the Atlantic Ocean via the St. Lawrence Seaway."

Bern Keating
The Mighty Mississippi
1971

* * *

"The jet fighter, rocket, and spacecraft, not the towboat, have replaced the steamboat as the glamour craft of St. Louis."

Bern Keating
The Mighty Mississippi
1971

* * *

"Towboats bring far more tonnage to St. Louis than the steamboats ever did, pushing up to 40 steel barges lashed together in a five-acre platform, but they tie up at docks so scattered that many of the 2,500,000 people of metropolitan St. Louis scarcely know a river runs by their door."

Bern Keating
The Mighty Mississippi
1971

* * *

"On Saturday evenings the street life is as animated as that of an [sic] European city. In the populous quarters the Irish and Germans throng the sidewalks, marketing and amusing themselves until midnight; and in the fashionable sections the ladies, seated in porches and on the front doorsteps of their mansions, receive the visits of their friends.... At the more aristocratic and elegant of the German beer gardens, such as "Uhrig's" and "Schneider's" the representatives of many prominent American families may be seen on the concert evenings, drinking the amber fluid, and listening to the music of Strauss, of Gungl, or Meyerbeer. Groups of elegantly dressed ladies and gentlemen resort to the gardens in the same manner as do the denizens of Dresden and Berlin, and no longer regard the custom as a dangerous German innovation. The German element in St. Louis is powerful and has for the last 30 years been merging in [sic] the American, giving to it many of the hearty features and graces of European life, which have been emphatically rejected by the native population of the more austere Eastern states."

Edward King
Scribner's Monthly
July, 1874

* * *

"I have found a situation where I intend establishing a settlement which in the future, shall become one of the most beautiful cities in the world."

Pierre Laclede, French fur trapper
Written upon discovery of the site of St. Louis
1763

* * *

"Even the gleaming Arch can be part of a very disturbing experience in St. Louis today. It is possible to ride one of the eerie half-train, half-elevator

capsules that creep up inside the legs of the Archway to the top, where one can peer out through narrow slit windows to the terrain below. To the east, directly below, there is the silt-laden Mississippi, and just beyond it the industrial nothingsville called East St. Louis. To the west, there is the sprinkling of fine new and old civic buildings—but then the vast expanses of uninspired urban terrain."

Neal R. Peirce
The Great Plains States of America
1973

* * *

"Even the most callous observer, standing at ground zero below the Arch [in St. Louis] and looking upward to see its flanks brushed diagonally by the sun and then following with the eye as the clear, cutting lines of the great arms soar upward to a delicate, perfect juncture at an apex so far above, must be awed by what has been wrought."

Neal R. Peirce
The Great Plains States of America
1973

* * *

"St. Louis . . . is still not exactly a swinging town; her German ancestry, plus wealth and maturity, have often led to complacency."

Neal R. Peirce
The Great Plains States of America
1973

* * *

[View from Gateway Arch]: "Pushing one's face against the glass, one could see all that any human being could reasonably bear of St. Louis: mile after mile of biscuit-colored housing projects, torn up streets, blackened Victorian factories and the purplish urban scar tissue of vacant lots and pits in the ground. It was The Waste Land."

Jonathan Raban
Old Glory
1981

* * *

[The base of the Gateway Arch]: "Most of the mud, though, had been coated with some kind of bilious green slime. Its texture was thickly fungoid, its purpose quite inscrutable. A gardener might well have recognized it as the best and latest form of soil nutrient. My own guess was that the city of St. Louis had run out of funds, was unable to plant grass on its artificial hill, and had decided that the only affordable solution was to spray the whole thing with the cheapest and nastiest green paint it could find. The coating might at least deceive a few inattentive passengers in high-altitude jets. At ground level, it gave the impression that the very earth on which St. Louis had been built was grotesquely diseased."

Jonathan Raban
Old Glory
1981

* * *

"Old, genteel St. Louis—T.S. Eliot's city—thought of itself as a slice of cultivated Europe. It seemed mystified as to how it had landed here, stranded on the wrong side of the big American river."

Jonathan Raban
Old Glory
1981

* * *

"It [the Gateway Arch] recalls most specifically a woman's legs and pelvis."

Richard Rhodes
The Inland Ground
1970

* * *

"It is good business that causes bad government in St. Louis."

A district attorney, speaking in 1902
Quoted by William Shannon
American Heritage
June, 1969

* * *

"Go to St. Louis and you will find the habit of civic pride in them; they still boast. The visitor is told of the wealth of the residents, of the financial strength of the banks, and of the growing importance of the industries, yet he sees poorly paved, refuse-burdened streets, and dusty or mud-covered alleys; he passes a ramshackle firetrap crowded with the sick, and learns that it is the City Hospital; he enters the "Four Courts" and his nostrils are greeted by the odor of formaldehyde used as a disinfectant, and insect powder spread to destory vermin; he calls at the new City Hall, and find half the entrance boarded with pine planks to cover up the unfinished interior. Finally, he turns a tap in the hotel, to see liquid mud flow into wash-basin or bathtub."

Lincoln Steffens and Claude H. Wetmore
McClure's Magazine
October, 1902

* * *

"The corruption of St. Louis came from the top. . . . Taking but slight and always selfish interest in the public councils, the big men misused politics. The riffraff, catching the smell of corruption, rushed into the Municipal Assembly, drove out the remaining respectable men, and sold the city—its streets, its

wharves, its markets, and all that it had—to the now greedy businessmen and bribers."

Lincoln Steffens and Claude H. Wetmore
McClure's Magazine
October, 1902

* * *

[A grand jury's report on St. Louis's Municipal Assembly]: "Our investigation, covering more or less fully a period of 10 years, shows that, with few exceptions, no ordinance has been passed wherein valuable privileges or franchises are granted until those interested have paid the legislators the money demanded for action in the particular case."

Quoted by Lincoln Steffens and Claude H. Wetmore
McClure's Magazine
October, 1902

* * *

"St. Louis is a great and prosperous and advancing city; but the river-edge of it seems dead past resurrection."

Mark Twain
Life on the Mississippi
1874

* * *

[On returning to St. Louis after absence]: "The city seemed but little changed. It was greatly changed, but it did not seem so; because in St. Louis, as in London and Pittsburgh, you can't persuade a new thing to look new; the coal smoke turns it into an antiquity the moment you take your hand off it."

Mark Twain
Life on the Mississippi
1874

* * *

[Huck Finn, Mark Twain's fictional character]: "The fifth night we passed St. Louis, and it was like the whole world lit up. In St. Petersburg they used to say there was 20,000 or 30,000 people in St. Louis, but I never believed it till I saw that wonderful spread of lights at two o'clock that still night. There wasn't a sound there; everybody was asleep."

Mark Twain
Huckleberry Finn
1885

* * *

"The appearance of St. Louis was not calculated to make a favorable impression upon the first visit, with its long dirty and quicksand beach, numbers of long, empty keelboats tied to stakes driven in the sand, squads of idle boatmen passing to and fro, here and there numbers pitching quoits; others running foot races, rough and tumble fights; and shooting at a target was one of their occupations while in port."

James Healey White
Early Days in St. Louis
1819

Other Cities, Towns and Regions

Hannibal:

"In 1884, Twain described Huck Finn as 'the pariah of the village.' Poor Huck. He had made horribly good. A hundred years later, he was Hannibal's darling."

Jonathan Raban
Old Glory
1981

Independence:

"Independence, Missouri, the 'jumping-off place' to the Wild West. Now it is a suburb of Kansas City; then, it was the last outpost of civilization."

Cecil Dryden
Give All To Oregon
1968

* * *

"The town could not then have been more Midwestern as my adolescence meant the word, rural and shaded and slow, withdrawn behind closed windows and cautious minds."

Richard Rhodes
The Inland Ground
1970

The Ozarks:

"Under the Ozarks, domed by Iron Mountain,
The old gods of the rain lie wrapped in pools."

Hart Crane
The Bridge
1930

Springfield:

"The Paris and Gomorrah of the Ozarks."

H.L. Mencken
Heathen Days
1943

* * *

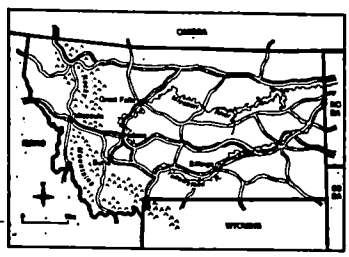
"One seems to reach the bottom [in race relations] at Springfield, Missouri, which is a county seat with a college, an academy, a high school, and a zoological

garden. There the exemplary method reaches the nadir. Last April three unfortunate Negroes were burned to death, apparently because they were Negroes, and as a general corrective of impertinence. They seem to have been innocent of any particular offense. It was a sort of racial sacrament."

H.G. Wells
"The Future in America"
1906

* * *

MONTANA



Capital: Helena
Became a territory: May 26, 1864
Entered the union (with rank): Nov. 8, 1889
State motto: *Oro y plata* (Gold and silver)
State flower: Bitterroot
State bird: Western meadowlark
State song: "Montana"
State tree: Ponderosa pine
Nicknames: Land of the Big Sky, Treasure State
Origin of state name: Chosen from a Latin dictionary by J.M. Ashley

The sky really does seem bigger in Montana, as Edna Ferber once claimed in her novels. The state's plain is so vast it seems to reveal the curve of the earth, with the sky sweeping round the horizons in all directions. Montana affords a greater sense of space, of the sheer vastness of the land's expanse than any other state. In a belt running along the far western edge of the state the spines of the Rocky Mountains reinforce the sense of omnipresent nature.

In this enormous natural expanse the principal activities are, fittingly, tied to the land. Ranching and dry land farming spread across the plains, with barley, wheat and sugar beets the major crops. Butte sits on the so-called richest hill in the world, a copper lode that once supplied half the U.S. production; mining remains an important activity in Montana.

Once some of the most infamous encounters of America's Indian wars raged across Montana. In 1876 the harassed and infuriated Cheyenne and Sioux managed to trap George C. Custer and his troops at Little Big Horn. The death of Custer and some 200 soldiers at this last stand represented the final important triumph by the Indians against the U.S. Army.

Montana was, and remains, the genuine American West in all aspects of its life and work.

THE STATE

"Montana has a spell on me. It is grandeur and warmth. If Montana had a seacoast, or if I could live away from the sea, I would instantly move there and petition for admission. Of all the states it is my favorite and my love."

John Steinbeck
Travels with Charley
1962

* * *

"Montana is a great splash of grandeur."

John Steinbeck
Travels with Charley
1962

* * *

"...this 'entity,' this 'thing,' this 'place' called Montana has been cyclically beaten, battered, and bruised. It has often been misgoverned, exploited, lied to, and lied about. It has suffered as 'an outpost of feudal journalism'—the only state in the nation without an essentially free press. It has been visited by awesome drought, withering poverty, and genuine suppression of civil rights, riots, and lynchings. (It has been notable for legislative incompetence of lowest order, corporate arrogance of the highest order, corruptions, and cynicism.) Now (in the 1970's), in the midst of the most affluent period in the history of America, we have shared in that affluence only marginally, and there is abundant evidence that even that share will diminish."

K. Ross Toole
Twentieth-Century Montana
1972

THE LANDSCAPE

"In some respects, Montana, among all the states remains the closest to basic nature."

Pearl S. Buck
America
1971

* * *

The Administration is committed to strengthening the strong employment discrimination laws that now exist. These improvements will remove consideration of factors such as sex, race, religion, or national origin from employment decisions. This can be done without encouraging the use of quotas or preferential treatment, without departing from the fundamental principles of fairness that apply throughout our legal system, and without creating a litigation bonanza that brings more benefits to lawyers than to victims.

- A major objective of the Administration is to ensure that Federal law provides strong new remedies for harassment based on sex, race, color, religion, or national origin.

- The Administration will propose to codify a cause of action for "disparate impact," involving employment practices that unintentionally exclude disproportionate numbers of certain groups from some jobs. The burden of proof will be shifted to the employer on the issue of "business necessity."

- The time has come for Congress to bring itself under the same anti-discrimination requirements it prescribes for others.

- Other improvements, including changes in certain provisions affecting statutes of limitations and encouragement for the use of alternative dispute resolution mechanisms, will also enhance the administration of our comprehensive civil rights laws.

REDUCING FEDERAL BUREAUCRACY AND ESTABLISHING OPPORTUNITY AREAS:

Programs providing social, welfare, health, education, and nutritional services are often delivered in fragmented ways. Allowing services to be integrated will better serve the recipients of these programs and promote self-sufficiency and opportunity.

- The Community Opportunity Act of 1991 will enable local communities to develop "community opportunity systems" and allow them to restructure Federal programs to provide services and benefits in the way the community deems best to meet the needs of the individuals and families served.

- The legislation would allow a Federal administrator designated by the President to recommend a budget-neutral waiver of most Federal statutory and regulatory requirements for any Federally funded program to be included in the community's opportunity delivery system. The Federal administrator will make recommendations regarding the waiver requests to the relevant Federal agency heads.

- Communities will be able to develop community opportunity systems in which:

  -- services and benefits can be integrated, combined, and restructured at the community level;

  -- the system is neighborhood- or community-based, with a specified target group of beneficiaries;

  -- the individuals and families served can participate in the design of the system; and

  -- the delivery system offers individuals and families in the target group of beneficiaries the maximum choice and control over the range, source, and objectives of the services and benefits to be provided.

- Each community opportunity system will have clear and measurable goals and will be evaluated with regard to both the short- and long-term outcomes.

EXPANDING JOB OPPORTUNITIES FOR OLDER AMERICANS BY LIBERALIZING THE SOCIAL SECURITY EARNINGS TEST:

If social security recipients aged 65 to 69 wish to supplement their benefits with earnings, they may earn only up to $9,720 this year before their social security benefits are reduced. Beyond $9,720, each three dollars of earnings reduces their social security benefits by one dollar.

For retirees with sources of income other than earnings, such as private pensions and investment income, this limitation on allowable earnings may have little effect on their lives. Presently, the earnings test falls most heavily on elderly persons who do not have significant savings or income from pension plans, and can seriously constrain their choices of employment.

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The Encyclopedia of the Midwest

by Allan Carpenter

Editorial Assistant
Carl Provorse

Contributor
Randy Lyon

Facts On File
New York • Oxford

Allied Health Professions, Social Services, and Business Administration. Undergraduate majors include meteorology, geophysics, anthropology, communicative disorders, and geography. A church-related institution, the university requires all students to take a total of nine hours of theology during their undergraduate tenure. Enrollment: 10,712. Faculty: 2,237.

SAINT LOUIS, MISSOURI

Name: From Louis IX of France who was canonized in 1297, patron saint of Louis XV of France.

Nickname: Gateway City

Area: 61.4 square miles

Elevation: 616 feet

Population:

1984: 429,296
Rank: 29th
Percent change (1980-1984): minus 5.2%
Density (city): 7,427 per sq. mi.
Metropolitan Population: 2,398,000
Percent change (1980-1984): .88%

Racial and Ethnic Makeup (1980):

White: 53.6%
Black: 45.6%
Hispanic origin: 5,380 persons
Indian: 679 persons
Asian: 2,214 persons
Other: 1,034 persons

Age:

18 and under: 26.1%
65 and over: 17.6%

TV Stations: 6

Radio Stations: 35

Hospitals: 65

Sports Teams:

Cardinals (baseball)
Cardinals (football)
Blues (hockey)

Further Information: St. Louis Convention and Visitors Bureau, 500 N. Broadway, St. Louis, MO 63101

SAINT LOUIS, Missouri. Independent city, not in any county, on the MISSISSIPPI RIVER 20 miles downstream from its confluence with the MISSOURI RIVER. One of the great economic centers of the Mississippi basin, St. Louis is the heart of a metropolitan area of 2.3 million Missouri and Illinois residents. It developed as the principal point of departure for Western settlers, and its role as gateway to the West is now commemorated by the 630-foot-high stainless steel Gateway Arch that towers over the downtown riverfront in JEFFERSON NATIONAL EXPANSION MEMORIAL.

The city's origins are French, and they can be traced to a grant in 1764 of exclusive trading rights with the local Indians issued to the New Orleans merchant Pierre LACLEDE (1724?-1778). Laclede immediately traveled upriver to take possession of his grant, and on February 14, 1764, he landed on the present site of the city with a party of 30 men that included his stepson Auguste CHOUTEAU (1749-1829). It was Laclede who named the new settlement after the patron saint of Louis XV of France.

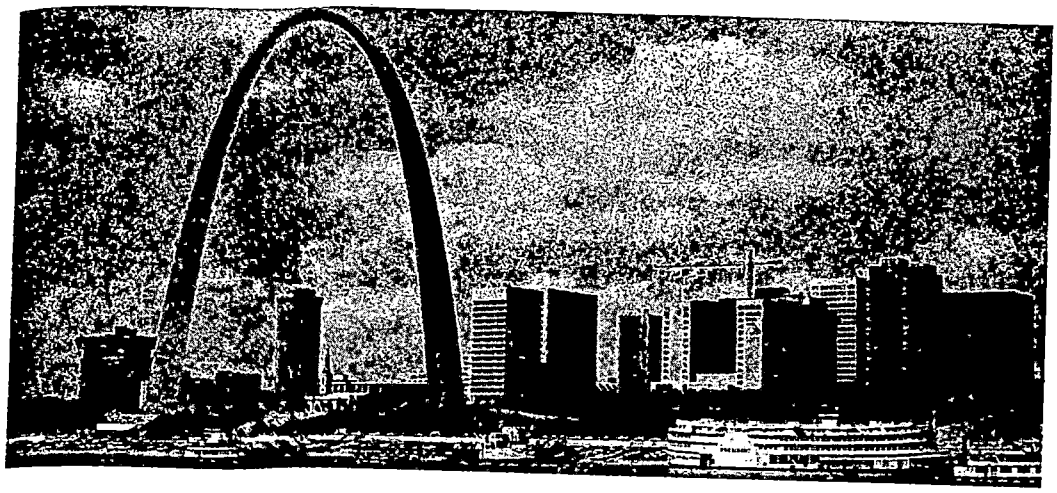
The early history of the settlement is one of shifting colonial allegiances. By the time Laclede arrived, the French had already ceded lands on the east bank of the Mississippi to the British. This brought a migration of French settlers from that region to St. Louis on the river's west bank.

In 1770 the Spanish took control of St. Louis under the terms of the earlier Treaty of Fountainebleu (1762) and made the settlement the governmental center of the Upper Louisiana territory. St. Louis was thus a Spanish possession during the American Revolution and so remained virtually untouched by the war.

St. Louis came under French possession again in 1800 by the terms of the San Ildefonso Treaty, but the French were by that time already negotiating the LOUISIANA PURCHASE with the U.S. The U.S. took formal possession of the Louisiana Territory on March 9, 1804, with St. Louis again serving as the seat of government for the entire territory.

Incorporated in 1808, St. Louis was also the capital of the Missouri Territory (1812-21) until Missouri became a state.

U.S. possession of the area brought a great influx of pioneers from eastern states to St. Louis, which jumped in population from 1,000 in 1800 to 5,600 in 1821. Until that time fur trading was the basis of the economy, but the first river steamboat reached St. Louis in 1817, and, from that point on, its economy was based on shipping and transportation. Steamboat traffic operated on both the Mississippi and Missouri rivers, bringing settlers to the begin-



Gateway Arch frames St. Louis, Missouri.

ning of the OREGON and SANTA FE trails there.

Another leap in transportation came in 1851, when the Pacific Railroad Company began construction both east and west from St. Louis. The route east to the Atlantic coast was completed in 1863, opening the city to German and Irish immigrants, who by 1870 represented more than one-third of the total population.

The growth of the city was unaffected by the CIVIL WAR, which had a devastating impact on other parts of Missouri.

By the end of the 19th century St. Louis' economic prosperity brought about a cultural renaissance. Its primary intellectual body was the St. Louis Philosophical Society, which was founded in 1866 by William T. Harris and Henry C. Brockmeyer and published *The Journal of Specultive Philosophy* (1867-93). In 1878 Joseph PULITZER (1847-1911) began publicaton of the St. Louis *Post-Dispatch*.

Another indication of the city's cultural atmosphere was the flourishing there of the poets T. S. Eliot, Sara TRASDALE (1884-1933) and Eugene FIELD (1850-1895). By the 20th century, St. Louis was prominent enough to host the LOUISIANA PURCHASE EXHIBITION of 1904, a centennial celebration that was at the time the largest world's fair in history.

Following WORLD WAR II, however, the city underwent a period of urban decline, exacerbated by the flight of its population to the suburbs. The city's population in 1950 was 856,796, but by 1980 it had fallen 47% to 453,085. By 1984 KANSAS CITY had surpassed St. Louis in population. For a time, the St. Louis metropolitan area expanded by this shift, growing 11% in the 1960s, but a further exurban migration brought about a 2.7% decline in metropolitan population during the 1970s. To counteract the effects of this population shift, the city began a series of bond issues for physical improvements in 1955 and an effort to attract federal funding that has produced significant interstate highway projects.

The city nevertheless remains the principal industrial hub of the Mississippi basin. It is second only to DETROIT in automobile manufacture, is the headquarters of aerospace industries, the home of the world's largest beer brewer, Anheuser-Busch, and the location of numerous food processing plants and textile manufacturers of national importance. It is also the largest inland freight port in the U.S., and the second largest rail center in the country.

St. Louis is the home of WASHINGTON UNIVERSITY, a branch of the University of MISSOURI, and ST. LOUIS UNIVERSITY.

Its principal cultural facilities include the St. Louis Art Museum, the Museum of Science and Natural History, the ST. LOUIS SYMPHONY and St. Louis Opera Theatre. Among the most recent signs of progress, St. Louis has transformed its enormous railroad station into a hotel-shopping center complex which has been praised as one of the finest of its type. There is also a vast modern downtown mall connected to two major department stores, and much additional modernization has helped to maintain civic interest.

The JEFFERSON NATIONAL EXPANSION MEMORIAL with Eero Saarinen's soaring GATEWAY ARCH is the focal point of the huge riverfront area, the west end of Eads Bridge, Laclede's Landing, several dining, dancing and excursion boats, the

Old Courthouse, the Old Cathedral, St. Louis Sports Hall of Fame, the National Bowling Hall of Fame and Museum, St. Louis Cathedral and many other points of interest. Vast Busch Stadium is located near the riverfront.

SAINT MARY'S COLLEGE. Roseland, Indiana, Roman Catholic institution of higher learning for girls. St. Mary's was founded in 1855 as a result of a request from Father Edward SORIN, president and founder of NOTRE DAME. Sister Angela (Eliza Maria Gillespie) led twenty-five nuns from the Bertrand Mission in Bertrand, Michigan, to the present site to form an academy. During the 1985-1986 academic year, St. Mary's enrolled 1,770 students and had 172 faculty members.

SAINT MARYS RIVER (Michigan). International boundary waterway between Lake SUPERIOR and Lake HURON which flows past SAULT STE. MARIE. Because it provides the only water route between Lake Superior, with its wealthy region of minerals and crops, and the lower GREAT LAKES and then through the ST. LAWRENCE SEAWAY to the sea, the St. Marys is considered one of the world's most strategic waterways. Technically, it should be called a strait rather than a river. It has been made navigable between the lakes by the SOO CANAL.

SAINT MARY'S RIVER (Ohio-Indiana). The source of the St. Marys is found near the Ohio town of the same name. It flows north then northwest, crossing the Ohio-Indiana border near Decatur, Indiana. It turns almost directly north to FORT WAYNE, where it joins the ST. JOSEPH to form the MAUMEE, which then flows almost directly eastward, then northeast, to empty into Lake ERIE at TOLEDO.

SAINT OLAF COLLEGE. Privately supported liberal arts college established in NORTHFIELD, Minnesota, in 1874 and affiliated with the Evangelical Lutheran Church in America. Located on a three-hundred-acre campus with thirty buildings. Approximately sixty percent of the students participate in the overseas programs available through the college. Saint Olaf offers preparation for the Minnesota teaching certificate. Tutoring programs for all students are available. Foreign language and religion classes are required. It is particularly well-known for its music program. During the 1985-1986 academic year Saint Olaf enrolled 3,029 students and had 318 faculty members.

SAINT PAUL, MINNESOTA

Name: For the Christian Apostle Paul "the apostle of nations."

Nickname: Along with Minneapolis, the two are known as the "Twin cities."

Area: 55.4 square miles

Elevation: 687 feet

Population:

1984: 265,903
Rank: 57
Percent change (1980-1984): minus 1.6%
Density (city): 4,800 per sq. mi.
Metropolitan Population: 2,114,256
Percent change (1980-1984): 1%

Racial and Ethnic Makeup (1980):

White: 90%
Black: 5%
Hispanic origin: 7,864 persons
Indian: 2,538 persons
Asian: 5,345 persons
Other: 3,514 persons

Age:

18 and under: 24.1%
65 and over: 15%

TV Stations: 5

Radio Stations: 36

Hospitals: 14

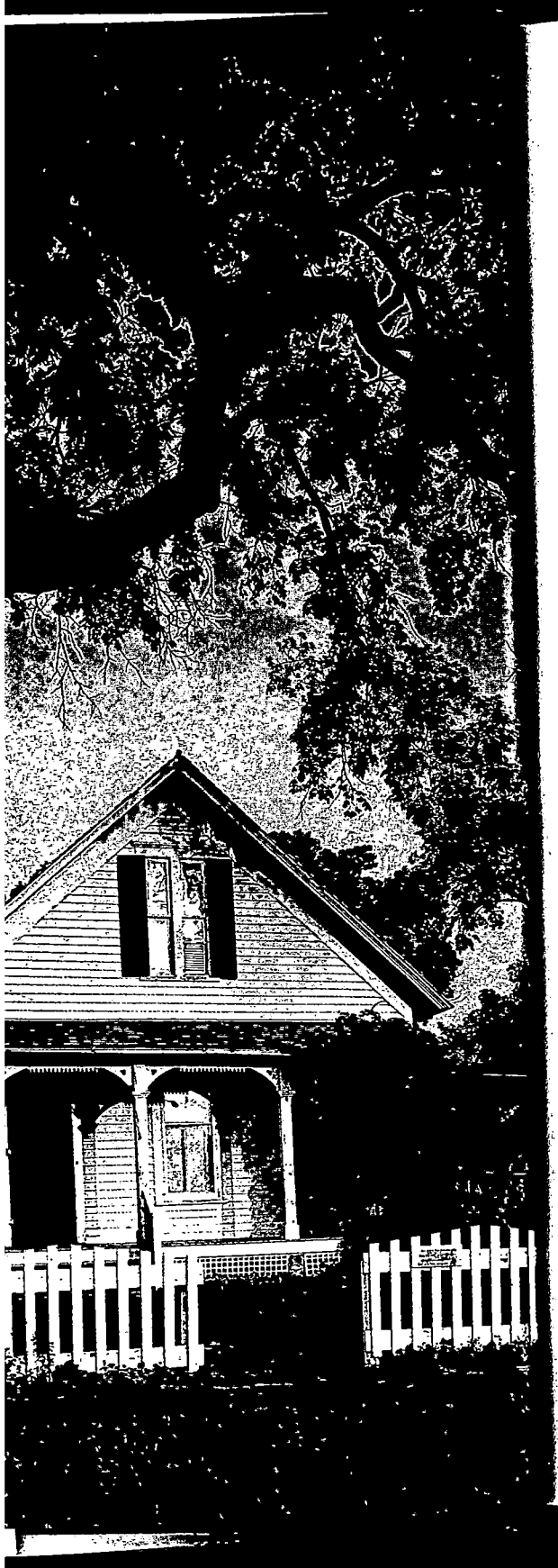
Sports Teams:

Minnesota Twins (baseball)
Minnesota Vikings (football)
Minnesota North Stars (hockey)

Further Information: Chamber of Commerce, 701 North Central Tower, 445 Minnesota Street, Saint Paul, MN 55101

SAINT PAUL, Minnesota. City, capital of Minnesota and seat of Ramsey County, lies on the bluffs of the MISSISSIPPI RIVER, contiguous with MINNEAPOLIS, with which it is generally linked as the Twin Cities. St. Paul lies at a great bend of the river, at the head of navigation, point of debarkation for river traffic and a rail center. The city covers 52.4 square miles in area.

Neighboring communities on the south are South St. Paul and West St. Paul. To the north



THE SMITHSONIAN GUIDE TO HISTORIC AMERICA

THE PLAINS STATES

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SAINT LOUIS

In the summer of 1763, Jean Jacques Blaise d'Abbadie, commander of the province of Louisiana, arrived in New Orleans and proceeded to grant a number of commercial monopolies in the hopes of shoring up the economy of Louisiana, which had been severely damaged during the struggle of France and Spain against England in the Seven Years' War. To Gilbert Antoine Maxent and his partner, Pierre Laclède, he granted exclusive trading privileges with the tribes along the Missouri River and west of the Mississippi. It was this trade arrangement that stimulated the growth of Saint Louis. Two months later Pierre Laclède left New Orleans to reconnoiter this newly acquired trading domain and to select a site for a future outpost. Traveling with the group was Laclède's young lieutenant, 13-year-old Auguste Chouteau, eldest son of Madame Marie Thérèse Bourgeois Chouteau, who was estranged from her husband and had taken up with Laclède. Marie Thérèse later became the matriarch of the French village, and her offspring would reign as Saint Louis's first dynasty.

In December, while on this reconnaissance, Laclède selected a spot for his trading post on the side of a high hill on the west bank of the Mississippi, about twenty miles below the river's confluence with the Missouri. The crest of the hill above the site offered commanding views of the Mississippi Valley, but more important, it was relatively safe from flooding. In February 1764 Auguste Chouteau returned with thirty woodsmen, who began clearing the bluff for the outpost. The village was laid out in a linear grid along the river, and resembled the plan of New Orleans and other French colonial garrison-towns. In the spring Laclède named the site Saint Louis after Louis IX, thirteenth-century Crusader king of France and patron saint of Louis XV, reigning monarch in 1764. A large commons was established to provide grazing land and timber for building and fuel; it extended seven miles southward to the River des Pères. Within a few years, five common fields had been set aside for cultivation of food.

Many of Saint Louis's earliest settlers were French families living on the east bank of the Mississippi who simply ferried across the

OPPOSITE: *An allegorical representation of Saint Louis as a lovely young woman—one of the stained-glass windows created by Conrad Schmidt for Union Station.*



river in 1764 when news arrived that France had ceded to England its lands east of the Mississippi in the treaty at the end of the Seven Years' War. Unbeknownst to them, Louis XV had already given France's vast Louisiana holdings to Spain. But Spanish administrators did not take charge in Saint Louis until 1770, and even after they did, Saint Louis remained a French colonial village in culture and spirit until the Louisiana Purchase by the United States. Thereafter it was engulfed by an invasion of westward-bound American pioneers and entrepreneurs. Only pen-and-ink drawings by Clarence Hoblitzelle, commissioned in the late nineteenth century by Pierre Chouteau, Jr., give clues to the original French architecture of the city. A prominent feature of the village was a mill pond, owned by Auguste Chouteau, which stretched two miles west of present-day 9th and Poplar streets.

During the colonial period, Saint Louis grew from a population of forty in 1764 to about a thousand. It became the center of a west-

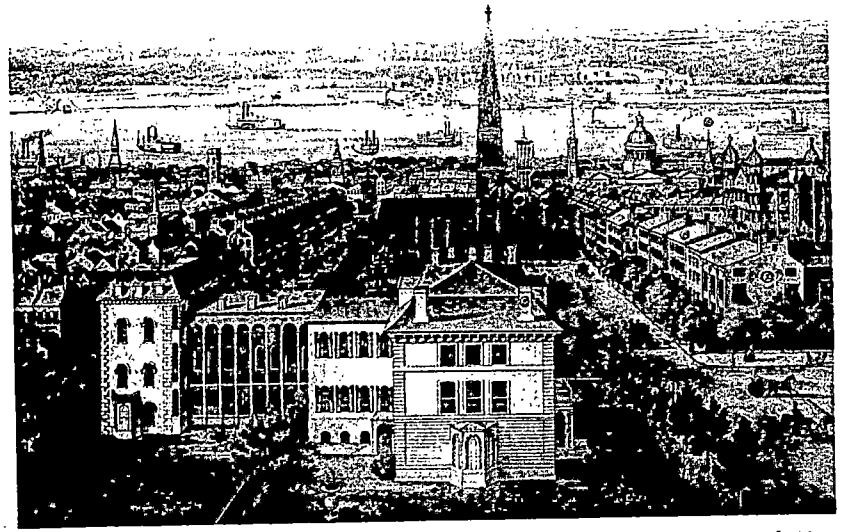


Barge traffic on the Mississippi River, passing the Gateway Arch.

ern fur-trade network controlled by a few men, among them Laclède (until his death in 1778), Auguste Chouteau, his half-brother Pierre Chouteau, and their rival, the trader Manuel Lisa. These wealthy merchants brought refined taste to the wilderness village, and they and their wives established a reputation for charm and style. Visiting Saint Louis in 1804, William Henry Harrison compared it favorably to Philadelphia and New York. Harrison was not an acute observer, but the circle about the Chouteaus was cosmopolitan and hospitable. With the Louisiana Purchase in 1803, Saint Louis was well positioned to become a hub of exploration, commerce, and military operations. In the following year, Meriwether Lewis and William Clark embarked on their expedition from nearby Saint Charles. In 1805 and 1806, Zebulon Pike departed Saint Louis on two important exploratory missions, one to find the source of the Mississippi, the other to penetrate the Rocky Mountains.

Thomas Jefferson named Lewis governor of the Louisiana Territory in 1807. During his short-lived tenure, Lewis demonstrated scant ability as an administrator; he died, apparently at his own hand, in 1809. Lewis's co-captain and friend, William Clark, was named territorial governor of Missouri in 1813, a position he held until statehood in 1821. He and his wife, Julia, were major figures in Saint Louis's social, business, and political realms. Clark was one of the investors, along with the Chouteaus, Manuel Lisa, and Sylvestre Labadie, in the Missouri Fur Company, which was organized in 1809. In 1817 the steamboat *Zebulon Pike* docked at Saint Louis, bringing a new era in commerce to the town. When Henry Shaw, founder of the Missouri Botanical Garden, arrived via steamboat in 1819, Saint Louis's riverfront was still a parklike expanse, but the levee eventually became crowded with the commercial buildings, warehouses, and foundries that characterized the area until the 1930s and 1940s. Then much of the riverfront was returned to greensward, and it was used as a parking lot until the Jefferson National Expansion Memorial was constructed.

Saint Louis took its place as the gateway to the West after the War of 1812, when the mass westward emigration began. Its location on the Mississippi (on a high bluff untouched by the river's periodic floods) just twenty miles from the mouth of the Missouri made it the ideal site for a center of trade, transportation, manufacturing, and finance. Shops and factories in Saint Louis provided fur



Firmly in the control of Federal forces, Saint Louis passed through the Civil War unscathed, as evidenced by this view of the city from Lucas Place made in 1865. The artist who made the lithograph took some liberties with the facts—the large convent in the foreground was not on Lucas Place.

traders, explorers, and emigrants with virtually everything they needed, from wagons to cooking stoves. In return, the goods of the West, such as furs, hides, lumber, meat, and grain, were sold in Saint Louis or at least shipped through it. From the 1820s through the 1860s, Saint Louis entrepreneurs virtually controlled the economy of the West from the Mississippi to the Rockies.

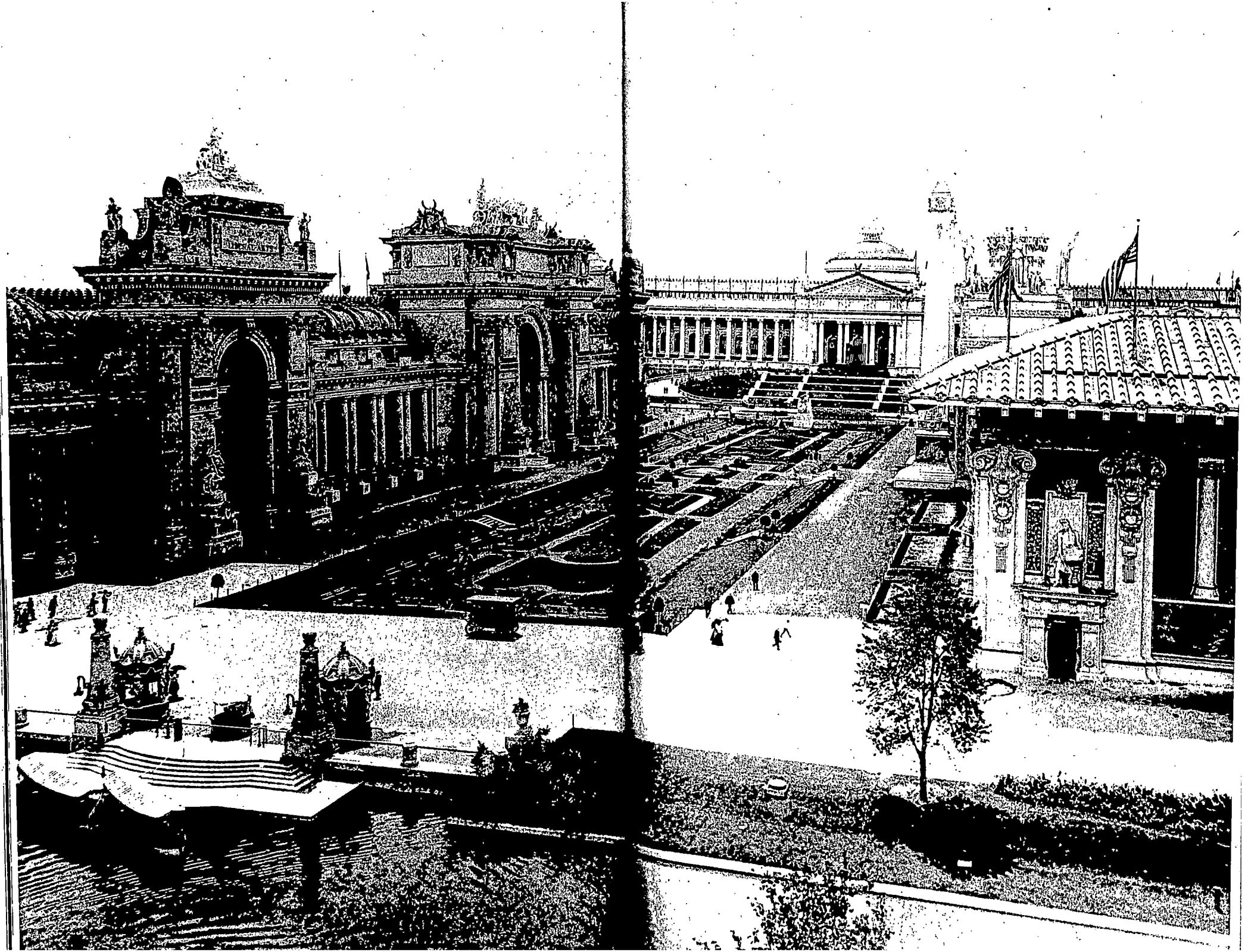
Until 1830 French was still the prevailing language in Saint Louis, but in the ensuing decades English speakers flooded in—the population of the city mushroomed from about 5,900 in 1830 to 16,700 in 1840, and then to 78,000 in 1850. English became the common language, while the old French colonial architectural style, with high-pitched roofs and galleries, was abandoned in favor of London- and Philadelphia-derived rowhouses and Greek Revival mansions, even by the old French-American families. The building that best embodies the confidence of the era—and the expense to which boosters would go to express that optimism—is the Old

Courthouse, a serenely poised Greek Revival edifice in the heart of downtown. Across the street once stood the equally venerable Planters Hotel, which rivaled the Saint Charles in New Orleans and Astor House in New York. In the 1830s, 5,000 Germans immigrated to Saint Louis; by the 1840s, 6,000 on average were arriving each year. To these immigrant ranks were added large numbers of Irish. By 1850 Saint Louis's foreign-born settlers, edging out American-born residents, constituted 52 percent of the population. Until Prohibition, the city's breweries were the most visible commercial indication of its strong Germanic traditions.

Saint Louis suffered during the national economic downturns in 1819, 1837, 1857, and 1873, but its blackest year was 1849, when a cholera epidemic spread through the city, killing 8,000 people. Then, on May 17, a fire spread from the docked steamboat *White Cloud* and destroyed much of the commercial center of the city. After the fire, many new buildings in Saint Louis were faced with cast-iron fronts, and the city's foundries became major suppliers of architectural ironwork. Having surpassed Cincinnati in steamboat tonnage by 1850, Saint Louis emerged as the leading city along the Ohio-Mississippi axis.

Saint Louis's large German-American population played an important role early in the Civil War. Staunch Unionists, the Germans formed military units named the Home Guard, which were called into Federal service by the local commander, Captain Nathaniel Lyon, when the secessionist state militia threatened to seize the U.S. arsenal in Saint Louis. The militia had been called out by Governor Claiborne Fox Jackson, who had been frustrated in his effort to bring Missouri into the Confederacy (although the legislature was pro-South, delegates to a special state convention voted to remain in the Union). Disguised as a woman, Captain Lyon entered the camp of the militia and found the men drilling with weapons and artillery smuggled into the city from Baton Rouge. On May 10, 1861, Lyon deployed six regiments of the Home Guard and regular soldiers—as many as 7,000 men—around the camp and forced the militia (about 700 men) to surrender peacefully. As they marched their prisoners through Saint Louis, the victors were jeered and stoned by a mob whose sentiments were not only pro-South but anti-German. A shot fired from the crowd

OVERLEAF: *A portion of the 1904 Saint Louis Exposition, held on the centennial of the Louisiana Purchase. At left is the Palace of Liberal Arts.*



provoked a fusillade from the soldiers. Some twenty-eight civilians and two soldiers died in the melee, followed by a night of rioting in which several German-Americans were murdered. On the day after the "Saint Louis Massacre," the Home Guard and soldiers firmly restored order (with another six deaths). Many secessionists fled the city. In 1862 and 1864, Confederate campaigns made Saint Louis an objective, but neither got close to the city.

Although it did not physically damage Saint Louis appreciably, the Civil War cut the city off from its traditional southern markets. The development of Chicago as a railroad center drew trade from Saint Louis. Yet by the late nineteenth century, Saint Louis was the nation's second-largest grain market, the largest inland cotton market, a major meat-packing center, and a leading manufacturer of shoes and beer. The city's chemical industry developed, especially after 1899, when John Queeny opened Monsanto and began manufacturing saccharin, formerly a German monopoly. In 1899, when Saint Louis was chosen as the site for the Louisiana Purchase Exposition, the city was given an opportunity for a civic rejoinder to its rival, Chicago (Chicago had been selected to host the World's Columbian Exposition in 1893). The exposition's planners spared no effort. When the World's Fair opened in 1904 in Forest Park, it surpassed in size not only the Chicago exposition but also those that had been held in the intervening years in Atlanta, Nashville, Omaha, Buffalo, and Charleston. Participating states and countries erected almost 1,600 buildings, and 19 million people visited the fair. "Meet me in Saint Louie, Louie" became a national refrain. (Some historians credit a food vendor at the Saint Louis World's Fair with the invention of the ice-cream cone, but ices in edible containers date back to the 1790s.)

Saint Louis claims a diverse roster of literary and musical personalities. In 1859 Samuel Clemens received his river pilot's certificate from the Saint Louis inspectors and embarked on the career on the Mississippi that later inspired his writings under the pen name Mark Twain. In 1865 the Hungarian immigrant Joseph Pulitzer arrived in Saint Louis, where he embarked on his journalism career and business enterprises. He purchased and eventually consolidated the *Saint Louis Post Dispatch* and the German-language *Westliche Post* newspapers in 1878, forming the *Saint Louis Post-Dispatch*, the first of the properties in the Pulitzer publishing empire. In 1903 Pulitzer announced that he would bequeath an endowment to award prizes for journalism and other publishing endeavors. The Pulitzer Prizes commenced in 1917. Although he later became a naturalized citizen of England, the eminent poet T. S. Eliot was born in Saint Louis in 1888. The poet Eugene Field was also born in Saint Louis in 1850 and spent much of his writing career here. Scott Joplin, the king of ragtime, made his home in Saint Louis in the early 1900s.

JEFFERSON NATIONAL EXPANSION MEMORIAL

This gracious green esplanade overlooking the Mississippi River commemorates the key role played by Saint Louis in the nation's westward expansion. The riverfront vista is dominated by the **Gateway Arch,** one of America's most familiar landmarks. In 1948 the Finnish-born architect Eero Saarinen won the memorial competition with his design for a stainless-steel arch. The 630-foot-high structure was completed in 1965. Space-capsule-sized elevators rise to porthole windows at the peak of the arch, providing splendid views of Saint Louis and the Mississippi River. Beneath the arch is the **Museum of Westward Expansion.** Through the use of maps, paintings, documentary photographs, and Indian and pioneer artifacts, the museum broadly surveys a hundred years of American history: the western exploration of Lewis and Clark in 1804, the Civil War, the spread of the railroads, the conquest of the Indians, and Wilbur and Orville Wright's first airplane flight in 1903. An adjacent auditorium offers a documentary film on the construction of the Gateway Arch.

On a knoll, facing east toward the river and the Gateway Arch, is the **Old Courthouse** (1839–1862). With its cruciform floor plan, columned porticos, and massive dome, the stately Greek Revival building is a typical nineteenth-century temple of justice. The initial design was by Henry Singleton, but progress was excruciatingly slow, and several architects had a hand in the project. It was not completed until 1862, when William Rumbold's Renaissance dome was erected atop the building, despite a prolonged controversy in which some engineers offered the opinion that the cast-iron dome would collapse the structure. The Old Courthouse was the scene of the first Dred Scott trials in 1847 and 1850, which led to the Supreme Court decision in 1857 that blacks were not "persons" or citizens and therefore had no right to sue in federal court. The rul-

ing helped precipitate the Civil War. Exhibits in the Old Courthouse explain the early history of Saint Louis and of western expansion.

LOCATION: 11 North 4th Street. HOURS: *Gateway Arch and Museum of Westward Expansion:* June through August: 8–10 Daily; September through May: 9–6 Daily. *Old Courthouse:* 8–4:30 Daily. FEE: Yes. TELEPHONE: 314–425–4465.

Basilica of Saint Louis, the King (The Old Cathedral)

The Basilica of Saint Louis is the oldest cathedral west of the Mississippi and the only structure in the area that was not razed to make way for the Jefferson Memorial. On this site the first mass in Saint Louis was said in 1764. A series of churches have stood here, beginning with a log chapel constructed in 1770. The present cathedral, a handsome Greek Revival structure, was begun in 1831, at the urging of Bishop Joseph Rosati, who noted that the previous unfinished church was a "hay barn." The church was designed by the Saint Louis architects George Morton and Joseph Laveille. When completed in 1834, it was the most expensive structure in the city. Its rubble limestone walls are faced with cut sandstone. Especially impressive are the large arched and Venetian windows paned with clear glass, which pass beautiful light into the sanctuary. A museum on the east side of the cathedral contains the original church bell (1772), eighteenth- and nineteenth-century religious art, and memorabilia associated with the history of the church.

LOCATION: Jefferson Expansion Memorial, 209 Walnut. HOURS: *Museum:* 10–6 Monday–Friday, 10–7 Saturday–Sunday. FEE: For museum. TELEPHONE: 314–231–3250.

Docked on the Mississippi just below the Jefferson Expansion Memorial, is the **USS *Inaugural*** (400 Leonor K. Sullivan Boulevard, 314–771–9911), a World War II minesweeper. All of its fixtures are intact. Commissioned in October 1944, the *Inaugural* saw action in the invasion of Okinawa, defending the fleet from air attacks. It also may have sunk a Japanese submarine.

EADS BRIDGE

Just north of the Jefferson National Expansion Memorial, the Eads Bridge was the first bridge to cross the Mississippi at Saint Louis—

50,000 people came out for its dedication in 1874—and it ranks with the Brooklyn Bridge as one of America's most celebrated achievements in engineering. Building the span required a feat of persuasion as well. The bridge's designer and promoter was Captain James B. Eads, who first convinced Saint Louis of the need for a railroad bridge and then met the criticisms of colleagues who felt his design for the massive three-span steel and wrought-iron cantilever bridge was preposterous. Eads orchestrated the construction of the structure between 1868 and 1874. When completed, it was unequaled in span in America. Eads made early use of steel in the design and employed pneumatic caissons in the construction of the masonry abutments and piers. Eads was particularly well equipped to determine the proper placement and depth of the piers, the deepest of which is 123 feet below water level, for his former career was as a salvager, retrieving cargo from sunken ships in the Mississippi. He understood the hazards of the river's silty, shifting floor. Though the bridge has withstood the test of time as a marvel of engineering, it was an immediate economic failure. Rail traffic deteriorated, and without tolls, the Illinois and Saint Louis Bridge Company went bankrupt. Today the bridge carries only vehicular traffic.

LACLEDE'S LANDING

North of Eads Bridge, Laclède's Landing is a precinct of renovated nineteenth-century warehouses that line the only surviving grid from Auguste Chouteau's original 1760s survey for the French village he helped to found. American-style buildings began to replace the French colonial structures along the riverfront by the 1820s. After the Civil War, as Saint Louis became a major trade center, more and more warehouses, factories, foundries, and businesses elbowed their way onto the waterfront, which by 1880 extended from Biddle Street on the north to Chouteau Avenue on the south. Laclède's Landing preserves the last stand of these nineteenth-century wharves, warehouses, and commercial buildings.

A few remaining commercial signs, such as those for Bronson Hide Company, Christian Peper Tobacco, and Switzer Licorice Company, hint at the diversity of commerce in this district. The structures themselves range from the simple brick antebellum buildings at **801–805 North 2d Street** to the richly ornamented edifices of the **Bronson Hide Company Warehouse** (806–808 North 1st Street).

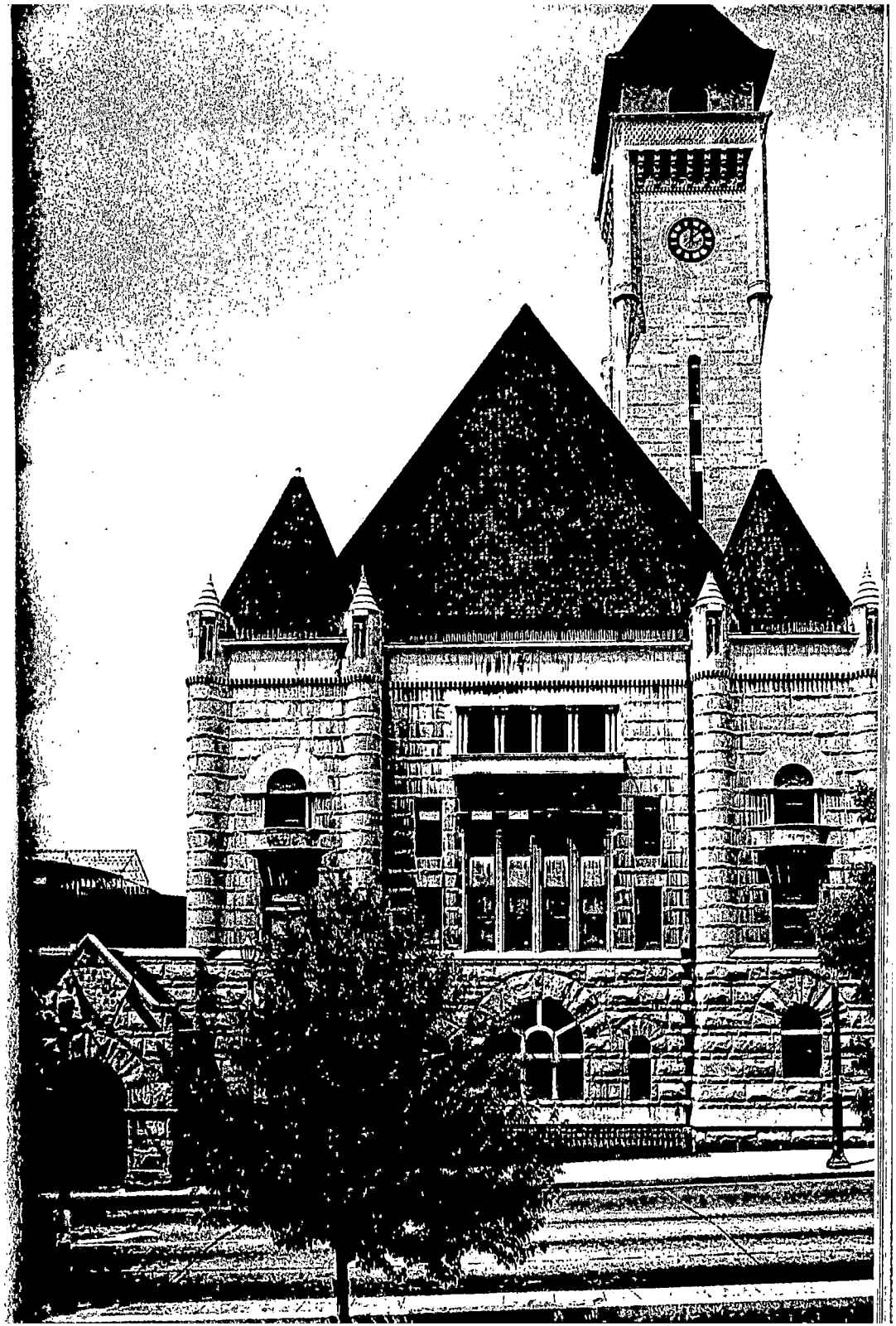
Laclède's Landing is noted for the number of its buildings with cast-iron ornamentation. Close to the iron mines of southeastern Missouri, Saint Louis emerged as a major center for the production of architectural ironwork in the nineteenth century. The facade of the **Raeder Building** (721–727 North 1st Street) is the finest cast-iron facade in Saint Louis.

DOWNTOWN

With its wide boulevards and well-placed pocket parks, downtown Saint Louis invites pedestrians. The central business district stretches west from the Mississippi River to Jefferson Avenue and is bounded on the south by Interstate 40/64 and on the north by O'Fallon Street. As with every large American city, Saint Louis has lost its share of architectural landmarks, a recently mourned forfeiture being the opulent interior of the Ambassador Theatre of 1926. The future of some buildings is in doubt, for example, Eames & Young's Gothic Revival Wright Building of 1918. But many fine structures remain. One of the most important buildings in American architecture is the **Wainwright Building** (101 North 7th Street), a steel-frame proto-skyscraper designed in 1890–1891 by the eminent Chicago team of Dankmar Adler and Louis Sullivan. The cinnabar-red sandstone facade, embellished with brick and terra-cotta botanical and abstract motifs, is notable as an early example of Sullivan's classical discipline and poetic ornament. His architectural ideals were set forth in such writings as the *Tall Office Building Artistically Considered.* Two blocks to the north, Adler and Sullivan's **Union Trust Building** (705 Olive Street) was the tallest building in Saint Louis when it was completed in 1892. It too was adorned with Sullivan's terra-cotta designs. Sadly, much of the ornamentation on the lower levels has been removed.

Union Station

Saint Louis's magnificent Union Station is a memorial to the heyday of the railroad and a tribute to late-twentieth-century preservationist zeal. After two decades of arbitration, the terminal and twelve-acre train shed have been converted into a commercial complex. The many-turreted castle, built in the Richardsonian Romanesque style,



OPPOSITE: *Turreted, arched, and capped with pyramids, Saint Louis's Union Station is a bold statement of the power and prosperity of the railroads in the 1890s.*



was the largest railroad terminal in the world when it opened in 1894. Theodore C. Link is the architect of record, but the design was probably largely the work of Harvey Ellis, an itinerant draftsman who was also responsible for the magnificent entryway to Washington Place, which anticipated the ornament of Louis Sullivan's Wainwright Building. The waiting room, or Grand Hall, is a barrel-vaulted lobby profusely decorated with mosaics, marble, stenciling, gold leaf, and stained-glass windows by Conrad Schmidt. The train shed, engineered by George Pegram, sheltered thirty-one tracks and the loading platforms, an area that handled 300 trains and 100,000 people a day in the 1940s.

LOCATION: Market Street between 18th and 20th streets. HOURS: 10–9 Monday–Thursday, 10–10 Friday–Saturday, 11–7 Sunday. FEE: For tours. TELEPHONE: 314–421–6655.

On Market Street across from Union Station in **Aloe Plaza** is **Meeting of the Waters,** a fountain of mythical figures and aquatic creatures, all spouting water. Designed by the Swedish-born sculptor Carl Milles, the ensemble represents allegorically the marriage of the Mississippi and Missouri rivers, which meet twenty miles north of Saint Louis. The unclad bronze figures caused a sensation when the fountain was installed in 1940, but it has since become a cherished city landmark. The **Soldiers' Memorial Military Museum** (1315 Chestnut Street, 314–622–4550) has two floors of exhibits of uniforms, weaponry, photographs, and military memorabilia. The collection ranges from the Spanish-American War to the Vietnam War.

Campbell House

The Campbell House is the lone survivor of Lucas Place, where Saint Louis's affluent merchants and professionals lived from 1850 to 1880. The Irish-born Robert Campbell came to Saint Louis in 1824 and embarked on a lucrative career as a fur trader. His firm, the Rocky Mountain Fur Company, became a rival of the Chouteau-Astor interests, and Campbell established the trading post that became Fort Laramie in present-day Wyoming. He returned to settle in Saint Louis in 1836. In 1854 he purchased this handsome three-

OPPOSITE: *A parlor in the Campbell House reflects the Victorian taste for strong colors and for filling a room with a variety of decorative objects.*

story Greek Revival townhouse, which had been built in 1851. He lived here with his wife, Virginia Jane Kyle, and their three sons until his death in 1879. The Campbells' reclusive bachelor sons, two of whom lived in the house until the 1930s, preserved a virtual museum of nineteenth-century upper-class domestic life. The house contains its original Victorian furnishings, much of them bearing hand-carved Rococo Revival motifs.

LOCATION: 1508 Locust Street. HOURS: March through December: 10–4 Tuesday–Saturday, 12–5 Sunday. FEE: Yes. TELEPHONE: 314–421–0325.

Within a few blocks of the Campbell house are three churches whose congregations figured prominently in the religious fabric of nineteenth-century Saint Louis. **Centenary United Methodist** (16th and Pine streets) is a limestone Gothic Revival structure of 1869. It was built to serve the oldest (1839) Methodist congregation in the city. **Saint John the Apostle and Evangelist Catholic Church** (16th and Chestnut streets) is a twin-towered Romanesque Revival sanctuary built from 1859 to 1860 to serve a parish founded in 1848. **Christ Church Episcopal Cathedral** (1210 Locust Street) is a handsome Gothic Revival structure dedicated in 1867, noted for its carved stone altar and reredos. Established in 1819, it is the oldest Episcopal congregation west of the Mississippi.

The **Central Public Library** (1301 Olive Street) is an imposing Renaissance Revival granite structure (1912) designed by Cass Gilbert of Saint Paul and New York, who a few years previously had been a principal designer at the Saint Louis World's Fair; the very ornate interior is splendid. **City Hall** (Market Street at Tucker Boulevard) is a gargantuan Renaissance Revival civic castle modeled after Paris's city hall and constructed between 1891 and 1904.

Crouching on an entire city block, the **Old Post Office and Customs House** (815 Olive Streets) is a fortress of granite designed in 1872 by Alfred B. Mullett, supervising architect for the U.S. Treasury Department. The building, though long in coming (it was finally completed in 1884, after much legal wrangling and the expenditure of $6 million), is one of the best interpretations of the Second Empire style in the country.

During the late nineteenth and early twentieth centuries, the heart of Saint Louis's wholesale, light manufacturing, and garment

districts lay along Washington Avenue and the parallel Lucas Avenue, Saint Charles Street, and Locust Street. These thoroughfares, between 9th and 18th streets, remain a virtual museum of the turn-of-the-century mercantile designs of Saint Louis's leading architects. One of the most prominent firms, that of William S. Eames and Thomas Young, designed the **Lammert Building** (911 Washington Avenue) in 1898 for the oldest dry-goods company in Saint Louis. The venerable Renaissance Revival structure is named for the furniture company that occupied the building from 1924 to 1981; one of the current occupants is the Saint Louis chapter of the **American Institute of Architects** (Suite 225, 314–621–3484), which has periodic exhibits pertaining to Saint Louis's architectural history.

The **Scott Joplin House State Historic Site** (2658 Delmar Boulevard, 314–533–1003), scheduled to open in 1990, celebrates the king of ragtime, who lived in Saint Louis in the early 1900s, during which time he wrote some of his best-known works, including "The Entertainer." The child of a former slave and a free black woman, Scott Joplin was born in 1868 in Texarkana, on the Texas-Arkansas border. As a teenager, he joined with other itinerant ragtime musicians, performing in New Orleans, Nashville, Louisville, Saint Louis, and Chicago. In 1902 he lived in this modest Victorian flat with his wife, Belle Hayden, whom he had married in Sedalia, Missouri, after the success of his composition "Maple Leaf Rag."

NORTH SAINT LOUIS

The area stretching north along the Mississippi began to be settled in the 1840s. The first wave of newcomers were Germans, then Irish and Poles. In the 1910s and 1920s, the prospect of finding work brought an influx of rural people, black and white, mainly from the South and generally poor, to both North and South Saint Louis. With World War II, which created even more employment, the rural-to-urban inrush became greater.

The town of **North Saint Louis** (vicinity of North Florissant Avenue and Palm Street) was founded by Kentuckians in 1816, but by the 1850s it had become overwhelmingly German. In 1844 a group of Germans founded Bremen, which grew rapidly into a bustling manufacturing town; it was incorporated into Saint Louis in 1855. **Hyde Park** (Salisbury and North 20th streets) stands in the heart of old Bremen, and many of the handsome middle-class

townhouses surrounding the park were built between 1850 and 1900. The rich ethnic complexion of North Saint Louis is borne out by the wealth of its ecclesiastical architecture. The red-brick Gothic Revival **Bethlehem Lutheran Church** (2153 Salisbury Street) was dedicated in 1893 (and rebuilt in 1894 after a fire) to serve Bremen's German-speaking congregation. Now the **Historical Christ Baptist Church** (3114 Lismore Street), the former Saint Augustine's Roman Catholic Church is a Gothic Revival structure built in 1896 by its German immigrant congregation. The **Saints Cyril and Methodius Polish National Catholic Church** (2005 North 11th Street) was built in 1857 for a Presbyterian congregation—it is one of the oldest surviving churches in Saint Louis—but in 1908 it became home to one of the Polish congregations that had split from the Roman Catholic church. **Saint Liborius Catholic Church** (1835 North 18th Street) is a red-brick Gothic Revival sanctuary and rectory built from 1888 to 1889 for its German parishioners,



The Busch mausoleum, in the Gothic Revival style, in Bellefontaine Cemetery.

who founded this parish in 1855. **Saint Stanislaus Kostka Church** (1413 North 20th Street) is a Romanesque Revival church (1891) that served the first Polish parish in Saint Louis, founded in 1880. The **Holy Cross Catholic Church** (8121–8129 Church Road) is a red-brick Gothic Revival church (1909) serving a parish founded in the 1860s by German and Irish immigrants.

The largely Protestant **Bellefontaine Cemetery** (4947 West Florissant Avenue) and its adjacent Catholic counterpart, **Calvary Cemetery** (5239 West Florissant Avenue), have commodious, park-like aspects. Many famous Saint Louisans are buried here, including Auguste Chouteau, Manuel Lisa, William Clark, the Confederate general Sterling Price, the Union general William Tecumseh Sherman, Senator Thomas Hart Benton, and the bridge engineer James B. Eads. The **Wainwright Tomb** (Prospect Avenue, in the southeast corner of Bellefontaine Cemetery) was designed in 1891 by Louis Sullivan and is one of his finest works. The Saint



Louis Sullivan designed this mausoleum for Charlotte Dickson Wainwright in 1891.

Louis promoter Ellis Wainwright commissioned the tomb for his young wife, Charlotte Dickson Wainwright. He was interred here thirty-three years later.

The **Bissell Mansion,** now a restaurant (4426 Randall Place, 314–533–9830), is a red-brick Greek Revival home built in 1830 on the 1,500-acre plantation of Captain Lewis Bissell; it may be the oldest extant brick house in Saint Louis. Much of the interior woodwork is intact. Captain Bissell, born in Connecticut, served in the War of 1812, commanded Fort Clark in Illinois, and explored the Missouri River with the Yellowstone Expedition of 1818–1819. Shortly thereafter he began acquiring 1,500 acres of land for real estate development in Saint Louis. He died in this house in 1868.

As early as 1911, a number of white Saint Louisans began drawing up covenants to restrict the sale of domestic property to blacks, who were moving into the city in increasing numbers. A house on Labadie Street became the center of controversy in 1945 when a black man, J. D. Shelley, was refused the title to it because the former owners had signed a covenant with a race clause in 1911. In 1948 these covenants were declared unenforcable by the U.S. Supreme Court in the case of *Shelley v. Kraemer.* One of the black enclaves to spring up as a result of this de facto policy of segregation was the middle-class neighborhood known as the Ville (roughly bounded by Martin Luther King Boulevard, Sarah Street, Saint Louis Avenue, and Newstead Avenue). Parents in the Ville lobbied for the relocation of **Sumner High School** (4248 West Cottage Avenue) to their neighborhood. The red-brick Georgian Revival structure was completed in 1908; it was designed by a Saint Louis School Board architect, William B. Ittner. The original Sumner High School, which dates from 1875, was the first black high school west of the Mississippi, the result of long battles to obtain public education for Saint Louis blacks.

MIDTOWN

In the 1880s a mixed-use area of businesses and residences began to spring up along Lindell Boulevard about three miles west of the river. By the 1920s the neighborhood comprised affluent homes, sophisticated residential hotels, fashionable shops, and glittering theaters and entertainment houses. One playhouse billed a precision chorus line called the Rockettes, which later evolved into the Rockettes

of New York's Radio City Music Hall. The building that best captures the spirit of this era is the **Fox Theatre** (527 North Grand Avenue, 314–534–1678), a 4,500-seat hall promoted by William Fox, founder of 20th Century-Fox. C. Howard Crane of Detroit designed the exotic structure, which is encrusted with Moorish and Indian motifs; Fox's wife, Eve Leo Fox, created the interior. The theater has been lavishly restored. Next door, the **Vaughn Cultural Center** (525 North Grand Boulevard, 314–535–9227) has regular exhibits focusing on black history and culture.

A prominent businessman and philanthropist, Samuel Cupples made a fortune selling broom and ax handles and other woodware. His firm was the largest such company in the world. Now owned by Saint Louis University, the **Samuel Cupples House** (3673 West Pine Boulevard, 314–658–3025) is a Richardsonian Romanesque structure (1890) noted for its sandstone carvings. The interior is appointed with twenty fireplaces, extensive carved woodwork, stained glass, Saint Louis–manufactured ironwork, and period furnishings. It also houses an art gallery in the former bowling alley.

Cupples Station (South 10th and Spruce streets) comprises ten warehouses, built between 1894 and 1917, that were linked to the nearby railroads by an underground system of spur lines. The structures were designed by Eames & Young and represent an important grouping of turn-of-the-century commercial building.

With its huge, glittering green-tile dome, the **Cathedral of Saint Louis** (Lindell Boulevard and Newstead Avenue) is one of Saint Louis's landmarks. The immense Byzantine Revival structure takes its inspiration from the Church of Hagia Sophia in Istanbul. Designed by the Saint Louis firm of Barnett, Haynes & Barnett, it was built between 1907 and 1914, although installation of its many mosaics, which cover domes, arches, ceilings, and walls, continued until 1989.

FOREST PARK AND THE 1904 LOUISIANA PURCHASE EXPOSITION

The biggest park in Saint Louis and one of the largest urban preserve-parks in the nation, 1,300-acre Forest Park opened in 1876. It was designed by the German-trained landscape architect Maximilian Kern. The only extant nineteenth-century building in the park is the **Cabanne House** (115 Union Avenue), a Second Empire struc-

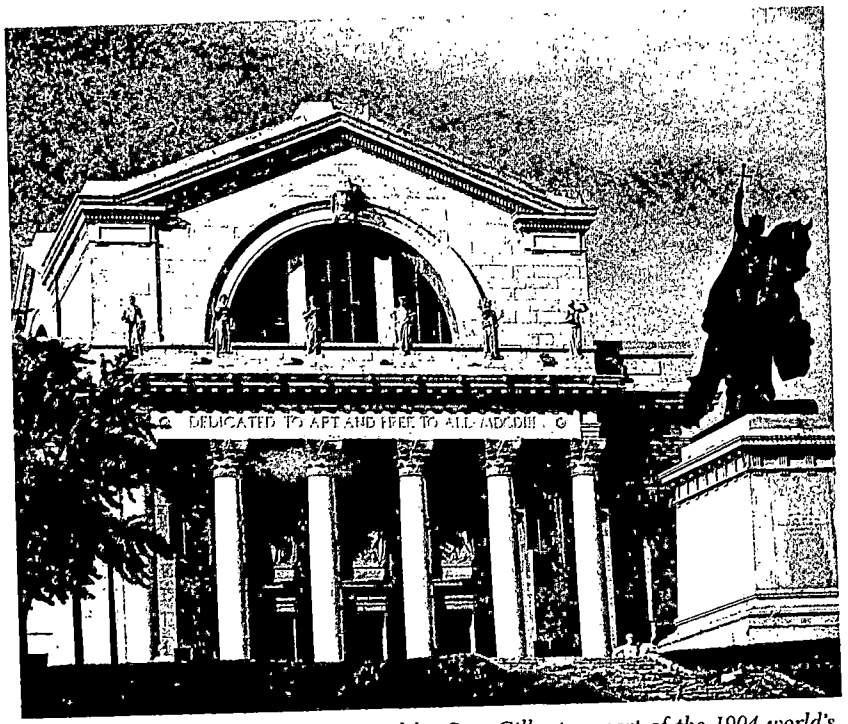
ture built in 1875 as the park headquarters. By the 1890s large numbers of Saint Louisans were taking advantage of this pleasant expanse, while many of the city's wealthier citizens were settling into quiet, deed-restricted neighborhoods on the northeastern edges of the park. **Portland** and **Westmoreland places,** where development began in 1888, are lined with well-shaded mansions, a trove of late-nineteenth-century opulence along private streets with guarded entrances. In **Fullerton's Westminster Place** (4300 and 4400 blocks of Westminster), another handsome residential area, houses date from 1892 to 1909 and were designed by Barnett, Haynes & Barnett and the other leading Saint Louis architectural firms of the period. At **4446 Westminster Place** was the residence of Henry Ware and Charlotte Stearns Eliot, whose son, the poet T. S. Eliot, intermittently resided here. Henry Ware Eliot, president of Hydraulic Press Brick Company, was the son of the Reverend William Greenleaf Eliot, founder of Washington University. The **Second Presbyterian**



The Romanesque exterior of the Cupples House (above) features a profusion of carved faces, animals, flowers, and geometric designs. The main entrance (opposite) is not at the center of a wall but on a corner, reflecting the assymetrical character of Romanesque architecture.

Church (4501 Westminster Place), with a congregation that dates from 1838, is an impressive compound of Romanesque Revival architecture; the chapel (1896) was designed by the Boston firm of Shepley, Rutan & Coolidge, while the sanctuary (1900) was conceived by the Saint Louis architect Theodore C. Link. At the confluence of North Kingshighway, McPherson, and Washington Boulevard is the **Holy Corners District,** an imposing area of turn-of-the-century religious and institutional structures in an array of noble styles.

In 1899, when Saint Louis was chosen as the site for the Louisiana Purchase Exposition, exposition planners selected Forest Park, then on the western edge of Saint Louis and well removed from the conspicuous industrial squalor of the central city, as the fair site. Development of the 1,200-acre grounds necessitated clearing a section of the park called the Wilderness, which at that time still encompassed a stand of virgin woodland. A French-born,



The Saint Louis Art Museum, designed by Cass Gilbert as part of the 1904 world's fair, is noted for its collections of pre-Columbian and German Expressionist art.

American-naturalized architect, Emmanuel Masqueray, was the exposition's chief designer; a Kansas City parks planner, George E. Kessler, was chief landscape architect. Cass Gilbert, of Saint Paul and New York, imposed his grand Beaux-Arts scheme on the fair and emerged as the most dominant of the exposition's several architects. Gilbert's fantastic French Baroque Festival Hall was dismantled after the fair, as were all exposition buildings with the exception of his Palace of Arts, which was planned from the first as a permanent facility for the **Saint Louis Art Museum** (314–721–0067). Gilbert's serene and stately Classic Revival structure commands a knoll with a sweeping view of Forest Park. The museum's American holdings range from colonial times to the present, with paintings by John Singleton Copley, Winslow Homer, Georgia O'Keefe, and Thomas Hart Benton, and sculptures by Augustus Saint-Gaudens. The museum has the nation's largest collection of paintings by George Caleb Bingham, who chronicled antebellum life along the Missouri River. There are also works by modern American artists such as Mark Rothko and Frank Stella. In front of the museum is the *Apotheosis of Saint Louis,* a bronze equestrian statue of Louis IX by Charles Niehaus, which was presented to the city in 1906 as part of the post-exposition restoration of Forest Park.

History Museum

The Missouri Historical Society's History Museum is housed in the Jefferson Memorial Building, built in 1911 on the site of the main entrance to the Louisiana Purchase Exposition. The granite-and-limestone Beaux-Arts structure was designed by the firm of Isaac Taylor, a Saint Louis architect who served as director of works for the 1904 fair. The museum's exhibits focus on the history and development of Saint Louis. The society's collection includes many documents and personal effects associated with Pierre Laclède, the Chouteau family, William and Julia Clark, and other men and women involved in the early growth of Saint Louis. There is also a photographic exhibit of the Louisiana Purchase Exposition and a display of memorabilia from Charles Lindbergh's pioneering transatlantic flight in the *Spirit of Saint Louis* in 1927.

LOCATION: Lindell Boulevard and De Baliviere. HOURS: 9:30–4:45 Tuesday–Sunday. FEE: None. TELEPHONE: 314–361–1424.

MISSOURI BOTANICAL GARDEN

Under the indefatigable Henry Shaw, a wealthy merchant turned passionate horticulturist, the Missouri Botanical Garden began to sprout from a treeless expanse of prairie in the mid-1850s. Opened to the public in 1859, it not only has beautiful public gardens but also serves as one of the world's leading botanical research institutions, particularly in the study of endangered tropical flora. Shaw drew his inspiration from gardens in England and Europe, which he intended to emulate on the edge of the American wilderness. The result has become ever more Edenic as modern Saint Louis has enveloped this serene pocket of towering trees and gardens. Shaw sought advice from the world's eminent horticulturists, including Asa Gray of Harvard, the most respected American botanist of the period, and Sir William Jackson Hooker, director of Kew Garden in England. In 1866 he hired James Gurney from London's Royal Botanical Garden at Kew to become chief gardener at both the Missouri Botanical Garden and Tower Grove Park.

Shaw commissioned the architect George I. Barnett to design two dwellings and several garden buildings. **Tower Grove,** Shaw's country home, is a gracious Italianate structure now surrounded by luxuriant gardens and old trees. His palazzo-style **townhouse,** which originally stood in downtown Saint Louis at 7th and Locust streets, was dismantled and reconstructed on the garden grounds at Shaw's behest. Both houses were completed in 1851. Tower Grove contains Victorian furnishings, some of which belonged to Shaw. The **Linnean House** (1882) is the only extant greenhouse dating to the Shaw era. The building was originally used for winter storage of Shaw's potted palms. Barnett's classically inspired red-brick building is a counterpoint to the botanical garden's most famous twentieth-century structure, the geodesic-domed **Climatron,** a greenhouse for tropical plantings completed in 1960 and rebuilt in 1988–1989.

LOCATION: 4344 Shaw Boulevard. HOURS: Memorial Day through Labor Day: 9–8 Daily; Labor Day through Memorial Day: 9–5 Daily. FEE: Yes. TELEPHONE: 314–577–5100.

Henry Shaw's other gift to Saint Louis was **Tower Grove Park,** a public preserve adjoining the Missouri Botanical Garden. Shaw donated the land to the city in 1868. In the following years, he oversaw the planting of 20,000 trees and shrubs and the construction of gazebos,



The Linnean House at the Missouri Botanical Garden. Built by Henry Shaw and dedicated to the botanist Carl Linnaeus, the Linnean is the country's oldest public greenhouse in continuous operation.

carriage entrances, and the sham ruins that were typical of eighteenth- and nineteenth-century landscape design. One of these charming fixtures, the **Arsenal Street Gatehouse** (4255 Arsenal Street, 314–771–2679), designed by George I. Barnett in 1888, now serves as the park headquarters and visitor center.

SOUTHEAST SAINT LOUIS

The wedge of Saint Louis along the Mississippi River south of downtown and Interstate 64 has served as home for wave after wave of immigrants who found work in neighborhood factories or in the nearby riverfront district. While the patterns of succession are complex and discrete for each area, it is generally correct to say that early French settlers and free blacks were followed by Germans and Central and Eastern Europeans, who in turn were replaced by rural white migrants. This part of Saint Louis is characterized by brick rowhouses arranged in compact neighborhoods that often center

around a park. These residential pockets are interspersed with modest storefront businesses and the churches erected in the nineteenth and early twentieth centuries by devout ethnic congregations.

Founded in 1836, **Lafayette Square** (Park Avenue between Mississippi and Missouri avenues) was the city's first public park. It was developed from the common fields where the early French settlers from Laclède's village farmed. After the Civil War, the park was landscaped by Maximilian Kern (designer of Forest Park), and the surrounding area became a fashionable residential neighborhood of handsome stone townhouses in Second Empire, Queen Anne, Romanesque Revival, and other nineteenth-century styles.

Anheuser-Busch Brewery

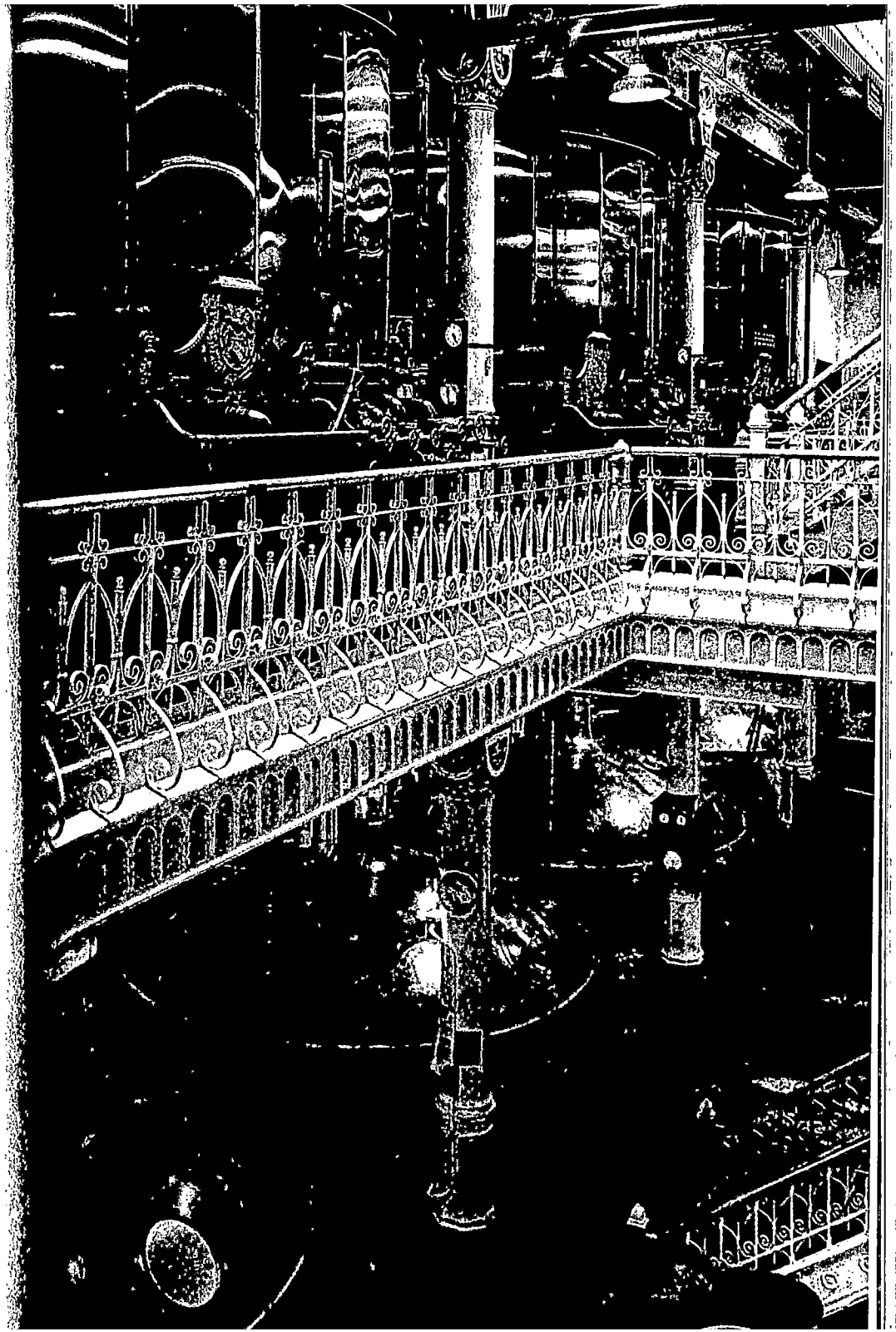
The Anheuser-Busch Company is the largest beer maker in the world. Its headquarters compound contains many nineteenth-century brick structures, including the administration building (1868), an octagonal stable (1885), and the six-story brew house built in 1892. These structures are elaborately ornamented inside and out. In 1861 Eberhard Anheuser, principal creditor of Schneider Brewery, took over the small, faltering brewery on this site, which his son-in-law, Adolphus Busch, parlayed into an industrial giant. Busch married into the family in 1861 and joined the firm as a salesman. He had a knack for promotion and pioneered the refrigeration and pasteurization of beer. Anheuser-Busch weathered Prohibition by manufacturing baker's yeast and a nonalcoholic malt drink called Bevo.

LOCATION: 13th and Lynch streets. HOURS: June through August: 9–4 Monday–Saturday; September through May: 9:30–4 Monday–Saturday. FEE: None. TELEPHONE: 314–577–2153.

Chatillon–DeMenil Mansion

This farmhouse (ca. 1849) was expanded into a stately Greek Revival structure in 1863. The first owners were Henri and Odile DeLor Chatillon. She was the granddaughter of Clement DeLor Treget, the Frenchman who founded Carondelet in 1767; Henri was a guide on Francis Parkman's Oregon Trail expedition. Dr. Nicholas DeMenil

OPPOSITE: *Copper kettles, each having a capacity of more than 20,000 gallons, in the 1892 Anheuser-Busch brew house. The brewing process used today is largely the same as it was in the nineteenth century.*



purchased the house in 1856 with a partner, whom he bought out in 1861, after which he arranged for altering and enlarging the structure for his family. A Frenchman, DeMenil was married to Emilie Sophie Chouteau, great-granddaughter of Marie Thérèse Bourgeois Chouteau. Three generations of DeMenils lived in the house, until 1928, when industrial pollution from nearby factories prompted George and Ida DeMenil to leave the neighborhood. The house contains lavish period furnishings and decorative art, including two 1837 portraits by George Caleb Bingham. The crystal and china and a few items of furniture are original DeMenil pieces.

LOCATION: 3352 DeMenil Place. HOURS: February through December: 10–4 Tuesday–Saturday. FEE: Yes. TELEPHONE: 314–771–5828.

The historic **Saint Louis Arsenal** (2d and Arsenal streets), which now lies within the U.S. Aerospace Center, was established in 1830. It supplied ordinance for the Black Hawk and Mexican wars but was especially important during the Civil War as a major supplier to Union troops in the Mississippi Valley. The old armory comprises an array of handsome limestone buildings and warehouses, which date to the 1830s. The Saint Louis architects George Morton and Joseph Laveille had a hand in the early planning of the arsenal.

Eugene Field House and Toy Museum

"Wynken, Blynken, and Nod" and "Little Boy Blue" are perhaps the most famous of Eugene Field's verses for children. He was also a prolific newspaper columnist in the 1880s. Field was born in this brick house in 1850 and lived here until 1864; he died in Chicago in 1895. Built as part of a row in 1845, the house contains period furnishings, a large collection of antique toys and dolls, and memorabilia of Eugene Field. Field was the son of Roswell Martin Field, a lawyer for Dred Scott.

LOCATION: 634 South Broadway. HOURS: 10–4 Tuesday–Saturday, 12–4 Sunday. FEE: Yes. TELEPHONE: 314–421–4689.

CARONDELET

Carondelet was founded in 1767 by the Frenchman Clement DeLor Treget, who came here from nearby Sainte Genevieve. He was soon

joined by other French settlers from nearby Cahokia and Kaskaskia on the east bank of the Mississippi, as well as Creole, French, and Canadian farmers and mountain men. Carondelet lay along the Mississippi south of Saint Louis, an area that is now roughly bounded by Delor Street on the north, the River des Pères Drainage Channel on the south, and Route I-55 on the west. All vestiges of the early French colonial village are gone, but there are several handsome limestone structures built by the German immigrants who made Carondelet their home in the 1840s, including the **Jacob Steins House** (Steins and Reilly streets, private), the **Charles Schlichtig House** (300 Marceau Street, private), and the **Henry Zeiss House** (7707–7713 Vulcan Street, private).

Jefferson Barracks Historical Park

Overlooking the Mississippi River, this bluff-top military post was carved out of the common fields of Carondelet in 1826, the year that its namesake, Thomas Jefferson, died. Jefferson Barracks served as a crucial military outfitting and training center during the era of westward expansion. In 1832 the Sauk leader Black Hawk was brought to Jefferson Barracks after the Black Hawk War, and during his incarceration George Catlin painted his portrait. Many men who served here became prominent figures in the Civil War, including Jefferson Davis, Robert E. Lee, Braxton Bragg, Ulysses S. Grant, William Tecumseh Sherman, and Philip Sheridan. Four of the stone-and-brick buildings dating from the 1850s have been restored, and a museum in the old powder magazine contains pertinent maps, photographs, weapons, uniforms, and flags.

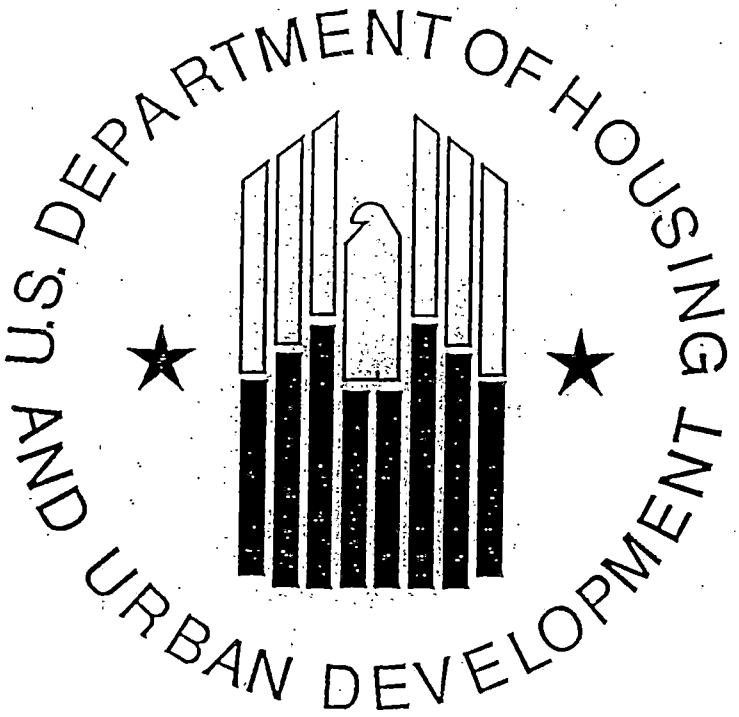
LOCATION: 533 Grant Road, at the end of South Broadway. HOURS: 10–5 Wednesday–Saturday, 12–5 Sunday. FEE: None. TELEPHONE: 314–544–5714.

The **Provincial House of the Sisters of Saint Joseph of Carondelet Convent** (6400 Minnesota Avenue) is the oldest foundation of the Sisters of Saint Joseph in America. The order of nuns came from Lyons, France, to Saint Louis in 1836, to teach the deaf. In 1845 they started a school for the daughters of free blacks. The construction of the convent's compound began in 1841. The **Quinn Chapel A.M.E. Church** (227 Bowen Street) is a Greek Revival brick structure

REMARKS BY

JACK KEMP

SECRETARY



at the

NATIONAL ASSOCIATION OF HOMEBUILDERS

ANNUAL CONFERENCE

ATLANTA, GEORGIA

JANUARY 21, 1991

Good morning, and thank you for that kind introduction, Martin Perlman. Mark Tipton, members of the Board, ladies and gentlemen, thank you for inviting me to the 47th annual convention of the National Association of Home Builders, and I hope I'm around for the 50th!

I am delighted to be here with you once again, and it's a special honor to be in Atlanta on this holiday dedicated to Dr. Martin Luther King, who fought so hard to extend the promise of our American democracy and equality of opportunity to all people.

I want to congratulate Martin Perlman on his leadership -- through some difficult days -- of the NAHB. I'm pleased that we've forged a strong alliance and partnership between HUD and NAHB, committed to a single goal: expanding the dream of homeownership and affordable housing to all American families. And, Marty, while we'll all miss your leadership, I am confident that incoming President Mark Tipton will guide NAHB into the 90's, and help make this a decade of affordable housing for people everywhere.

Two years ago, when I first spoke to you as HUD Secretary, I shared my sense of hope and optimism about the future. And while homebuilding has been through "the valley of the shadow," our legislative goals were realized when President Bush signed the National Affordable Housing Act last November -- the first major piece of housing legislation in over a decade.

I am proud of this landmark bill, our HUD management reform, and our other accomplishments, but I also recognize the serious problems that exist in the homebuilding industry today. Since we

first met, the Nation's economy has slipped into recession after eight years of unprecedented non-inflationary growth.

No sector of our economy is feeling the effects more severely than the homebuilding and real estate construction industry. I don't need to remind you that housing starts have plummeted: last month, single-family construction fell to an annual rate of 755,000 homes, the lowest rate since October of 1982. For the year, actual multifamily starts dropped to the lowest level since 1975.

While I remain confident about the long-term prospects for restoring growth to the economy and to the housing market, I want you to know that President Bush and I share your deep concern about the severe problems facing the homebuilding industry today. We know that many of you have been unable to get the credit you need to invest, to build, and to grow. Tightened regulatory policies resulting from the S&L crisis and FIRREA (Financial Institutions Reform, Recovery, and Enforcement Act) have created a credit crunch that makes it difficult -- and sometimes impossible -- for you to get the credit facilities you need to finance new housing construction. In fact, President Bush spoke to us about this problem at the White House the day he signed the new housing bill.

A Chamber of Commerce study reports that businesses in three out of four regions of the Nation are having difficulty obtaining credit. Real estate and construction firms have been particularly hard hit. Small and medium-sized firms of less than

500 employees -- almost all of you here fit that category -- account for over 40 percent of those having the greatest difficulty obtaining credit.

We don't need statistics to tell us about this problem -- I've talked to builders all over the country. From Massachusetts and New England to Florida, and from New York to California, regulatory takeover of banks and thrifts has cut off lines of credit and existing loans, forcing foreclosures and bankruptcies.

The savings and loan crisis has created what I've called almost a "regulatory reign of terror." Overly cautious government regulators and bank examiners are scaring thrifts and banks away from prudent and legitimate loans and investments. In response to regulatory pressures, lenders have been tightening their standards for construction and development loans since at least May, according to Federal Reserve Board surveys. Some lenders became so cautious that they tightened credit more than once during the year.

The restrictions placed by FIRREA -- such as the loan-to-one-borrower rule and risk-based capital requirements -- have had a particularly negative effect on smaller banks and S&Ls, effectively drying up the financing available for acquisition, development, and construction -- ADC loans. HUD's own data shows that construction lending has dropped since FIRREA was passed.

But there is good news, too. The Fed has eased interest rates. Recently, HUD joined with Fannie Mae in a unique

partnership to assist the homeless -- and, last Friday, I approved and am glad to announce today a new partnership between Fannie Mae and HUD to conduct the pilot construction loan program that I've talked about with NAHB. Fannie Mae and HUD will participate in $100 million worth of construction loans, working with banks and S&Ls that are hamstrung by the FIRREA rule on loans-to-one-borrower. NAHB's Martin, Kent, Bob, and Mark worked with Fannie Mae to develop this program, and I hope and believe that it will help meet the problems faced by builders who are being hurt through no fault of their own.

I think you'll also be interested to know that the Resolution Trust Corporation has been authorized by the Oversight Board, which I serve on, to provide seller financing for assets, including real estate, that can't be sold at acceptable prices because of the lack of available commercial financing. This serves the government's interest in getting better prices for RTC properties, including land, and in moving these properties to private ownership. And it helps you by making these properties available for building or rehab on terms that should make good business sense for all concerned.

The problem with the thrifts is compounded by the trouble in the banking system as a whole. Declining real estate values have triggered a regional recession and significant bank problems in the northeast. More and more capital is being set aside in reserves to cover losses on real estate loans, further constricting the lending activities of banks.

I want to assure you that President Bush is deeply concerned and committed to increasing the flow of credit. As Treasury Secretary Brady has said, we need a banking system willing to take reasonable risks in lending to good creditors.

While there is room for cautious optimism, there is no denying the fact that the credit crunch and the problems in the banking system are exacerbating the homebuilding slump. As a result of these factors, commercial and residential construction has fallen 40 percent below the 1986 level. Multi-family construction has plunged by more than 55 percent from 1986. But something else occurred in 1986 which I believe is also having a damaging effect on the housing industry -- the 1986 Tax Reform Act was passed.

When I was in Congress, I voted enthusiastically for the 1986 tax rate reduction and reform bill because I supported the dramatic reductions in marginal income tax rates for individuals and businesses. Unfortunately, the "liberal left" extracted too high a price for this growth-oriented measure -- a 65-percent increase in the maximum capital gains tax rate -- and, at the same time, with little thought of sufficient transition rules, made the mistake of eliminating many real estate tax incentives which boosted construction of commercial, low-income, and multi-family projects.

The highest effective capital gains tax in history is eroding the value of real estate and other financial assets. In the past five years -- since the capital gains tax was increased

-- the Standard & Poor's Real Estate Investment Trust Index has tumbled by about 70 percent.

Let's look back to the period of 1978 to 1986 when the Index skyrocketed by 110 percent. What was the difference? The capital gains tax was cut twice during this period -- in 1978 and again in 1981 with the Reagan-Kemp-Roth tax rate cuts.

I believe that many of the problems facing the economy and the homebuilding and real estate industries could have been avoided if Congress had reduced the capital gains tax to 15 percent and indexed it as President Bush repeatedly called upon Congress to support.

I recently met with Federal Reserve Board Chairman Alan Greenspan, and he agrees that cutting or eliminating the capital gains tax will help restore value to real estate and other financial assets, increasing revenues to all levels of government. All of us were thrilled when Governor Sununu spoke so favorably about this in his recent speech to the National Press Club.

If Congress had cut the capital gains tax when President Bush first proposed it two years ago, the value of all financial assets -- including real estate -- would be significantly higher than it is today. Higher real estate values would mean fewer thrift failures and less pressure on banks from failing real estate loans. The cost of the savings and loan bailout would also have been reduced, because the government's portfolio of property would also increase in value. The Chamber of Commerce

has estimated the potential savings at nearly $20 billion, and I think it would be even more.

In my opinion and that of our President, the best thing we can do for the homebuilding industry is to get the Nation back on the track of non-inflationary economic growth, as we had throughout the 1980s.

As the world moves to democratic capitalism, it's ironic that some here in our own country want to move in the opposite direction. Senators Bill Bradley and George Mitchell say that their proudest moment was defeating the President's capital gains tax reductions. Congressmen Gephardt and Rostenkowski want to raise taxes on millionaires to "soak the rich" and redistribute income and wealth.

Ladies and gentlemen, you can't have entrepreneurial capitalism without venture capital; and you can't get people to put capital at risk without a dramatic cut or elimination of the capital gains tax.

Some liberal Democrats seem to be more concerned that someone might get rich in America, than that many poor people are falling deeper into poverty as a result of their anti-growth policies of envy and class warfare.

President Bush believes in a different course when he calls for a lower capital gains tax for the Nation and elimination of the capital gains tax in those pockets of poverty we would designate as enterprise zones to help increase minority job opportunities and broaden the base of capitalism in our inner

cities.

According to a recent study by David Goldman at Polyconomics, capital gains taxes could reach 75 percent or more for long-term assets purchased during the inflation of the seventies. This is the highest effective capital gains tax in American history. Faced with a 75-percent effective tax bite, most people simply will not sell their assets, thereby locking up capital in status quo investment and forcing down the value of real estate, homeownership, farms, and our equity markets.

No one needs new capital more than minorities, who own such a tiny portion of America's total capital stock. Cutting capital gains would help free up existing capital to help fund high-risk new enterprises. These businesses create most of the new jobs and business opportunities for low-income and minority Americans.

The dynamic consequences of cutting capital gains taxes go beyond the short-term unlocking. There is also a boost to asset values and a permanent boost to the economy by reducing people's preferences for debt and consumption, and thus increasing the demand for stocks and bonds, farms, factories, real estate, and other investments. This is the essence of a more broadly based system of capitalism and private property rights so vital to the Bush Administration's strategy of combatting poverty and despair.

Astonishingly, the revenue estimators in the Joint Committee on Taxation and the Congressional Budget Office don't take these dynamic consequences into account -- not the higher asset values; not the reduced budget outlays for the S&L bailout; not the

stronger tax collections from Federal, State, and local income taxes; not the higher stock prices and real estate values; not even, except in the most understated way, the unlocking of trillions of dollars in unrealized capital gains. They particularly ignore the stimulating impact it would have on entrepreneurship.

No wonder the Joint Committee on Taxation calls the capital gains tax a revenue loser. Others, not so tunnel-visioned, say just the opposite -- that it raises revenue. Fiscal Associates, a Washington economics firm, estimates that cutting capital gains would generate anywhere between $25 and $65 billion over four years. Even Economist Allen Sinai -- never a strong proponent of tax cuts -- has concluded that cutting the capital gains tax would raise Federal revenue by $30-40 billion between 1990 and 1995. Economists from Henry Kaufman to the highly respected Wall Street financier, Ted Forstmann, want to eliminate the capital gains tax on assets held for three years to spur economic growth and foster entrepreneurship.

I know many of you are encouraged by the recent efforts of the Federal Reserve to lower interest rates. Let me suggest that if the capital gains tax were cut, the subsequent growth in the economy would leave ample room for monetary easing without risking inflation. Cutting capital gains rates would also coax funds out of tax-exempt securities, further increasing the available pool of risk-capital.

President Bush's recent decision to nominate economist

Lawrence Lindsey to the Federal Reserve Board is to be highly commended. Larry will be a strong voice for non-inflationary economic growth. He understands that growth does not cause inflation and that people building homes and buying homes is not inflationary -- as we were told by members of the Federal Reserve in both the late 70's and early 80's.

The housing industry enjoyed explosive growth in the mid-80's as inflation came down, held down, and I'm proud to say that the Federal Housing Administration was a major contributor to that growth. Unfortunately, when I came to HUD, I discovered that the FHA -- which has helped house millions of American families, including the Kemp family (we bought our first home with an FHA-insured mortgage when I was a young San Diego Charger quarterback in the 60's) -- was threatened with insolvency within just a few years. I knew we had to take immediate action for reform.

We made FHA reform an important part of the National Affordable Housing Act. I know some preferred different options than the eventual solution; but I appreciate NAHB's recognition of the basic problem and your support for efforts to rebuild the FHA fund, even though we disagreed on exactly how to do it.

The reforms will reduce defaults and allow us to increase FHA's capital reserves. With a comptroller conducting oversight of its management and accounting procedures, and with whatever further actions are necessary, we're going to ensure that FHA remains financially secure and continues to meet the important

social goals of helping low- and moderate-income people get their first home.

These are major steps in returning the FHA fund to actuarial soundness. As long as I am HUD Secretary, I will fight to assure that FHA mortgage insurance will be available for future generations of homebuyers and that the mortgage interest deduction will not be tampered with.

We're moving ahead with our new Delegated Processing Program for multifamily housing which will make FHA mortgage insurance more readily available. Under the program, HUD-approved lenders will process mortgage insurance applications for multifamily housing development. This new program will speed up processing and help you expand affordable housing opportunities by providing a steady supply of multifamily rental housing.

When I say the program will speed up processing, I expect our field offices to respond to Site Acquisition and Market Analysis applications within 45 days, to Conditional Commitment applications within 45 days, and to Firm Commitment applications within 45 days.

Starting February 1st, we'll launch Delegated Processing as a pilot program for new construction in Illinois, Minnesota, North Carolina, and Florida.

Then, by mid-April, we'll introduce the program nationally, throughout the 50 States, the District of Columbia, and Puerto Rico. The national Delegated Processing Program will extend FHA mortgage insurance for multifamily housing development, not just

for new construction, but also for substantial rehabilitation, refinancing, and -- in some cases -- acquisition. It also will apply to nursing homes and SRO facilities.

Finally, I want to acknowledge your cooperation with our efforts to make housing more affordable for the American people. NAHB is well represented on the Commission President Bush asked me to establish on Regulatory Barriers to Affordable Housing. Such leaders as Roger Glunt from Pittsburgh and Jay Buchert from Cincinnati are playing an important role in shaping the Commission's recommendations.

The Commission has heard witnesses from all across the country testify on how regulatory barriers, red tape, exclusionary zoning, rent controls, and conflicting policies add to the cost of housing. One of the worst examples I've heard of is the homeless shelter in Juneau, Alaska, where the St. Vincent de Paul Society wasn't allowed to open the shelter they built without a parking lot, and they couldn't pave the parking lot because it was a wetland -- the Army Corps of Engineers wouldn't let them. It took a year before the Society could open the shelter and serve homeless families and battered women.

The Commission wants to change that. I have attended their meetings and have been impressed with the caliber of debate and with the breadth of issues they are tackling. The Commission believes that we need to find incentives for State and local governments to remove their barriers to affordable housing, so we can at last begin to make real progress on this issue.

We need to work together -- HUD, builders, State and local governments, concerned citizens -- to remove these barriers.

I'll do my part. Early in this Administration, I announced that HUD would no longer do subdivision approvals and burden development with time-consuming and costly NEPA (National Environmental Policy Act) compliance. A change of our practice is underway, and I'm not squeamish about it. I am unambiguously pro-growth, while recognizing we need to preserve our earth and environment. One-third of the land area of the United States is already government-owned, and unbridled application of suffocating environmental and land use laws could place more than two-thirds of America's private property in jeopardy. That's not good for people, and that's not good for housing.

To reach our goals, our top domestic priority must be to reinvigorate the national economy -- with the housing industry helping lead the way. That's what we did in the early 1980s, when America's economy was mired down by high taxes, regulations, and high interest rates. It was the housing and construction industry that helped lead us out of the recession.

I know we can do it again. We need to get housing costs down. We need to remove barriers to housing affordability. And, most of all, we need a capital gains tax cut that can help make possible the strong and growing economy with lower interest rates that all of us want and President Bush is working for.

Ladies and gentlemen, many of our relatives and friends are at war in the Middle East, fighting for the cause of freedom.

President Bush has acted forcefully to show Saddam Hussein that the international community will not allow aggression to be rewarded. Our prayers go out to our military forces -- they have the support of the President and the Congress, of the American people, and of the entire international community.

As President Bush has said in Churchillian fashion, our cause is just and we will prevail!

Thank you, Godspeed, and God Bless America.

# # #

13 January 1991

MEMORANDUM FOR MARK LANGE

FROM: JENNIFER GROSSMAN

SUBJECT: QUOTES FOR S.O.U.

1) "Voice of America: Ronald Reagan and the American Rhetorical Tradition" (article):

"Americans tend to respond more to what is said than to how it is said. And it is here that Ronald Reagan's genius lies. He conveys a message of native optimism and hope for the future which is deeply rooted in the American character and in American history."

R.R.: "Let me tell you something of the American character. You might think that with such a varied nation there couldn't be any one character, but in many fundamental ways there is...We're idealists...We're a compassionate people...We're an optimistic people. Like you, we inherited a vast land of endless skies, tall mountains, rich fields, and open prairies. It made us see the possibilities in everything. It made us hopeful. And we devised an economic system that rewarded individual efforts, that gave us good reason for hope."

"As early as 1964, in his famous speech for Barry Goldwater, he spoke of America's 'rendezvous with destiny'...."

"'Sometimes people call me an idealist,' Woodrow Wilson once said. 'That is why I know I am an American.'"

"..John Stuart Mill, who said: 'a state which dwarfs men...will find that with small men no great thin can really be accomplished.'"

"...Franklin Roosevelt, who told Congress in 1935, 'Continued dependence on relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole our relief in this way is to administer a narcotic, a subtle destroyer of the human spirit.'"

"'Freedom is not the sole prerogative of a chosen few,' Mr. Reagan has stressed. 'It is the universal right of all God's children.'"

"(Luigi Barzini said that)..America is 'alarmingly optimistic, compassionate, incredibly generous..It was a

spiritual wind that drove Americans irresistibly ahead from the beginning.'"

2) SACRIFICES MADE FOR THE NEW WORLD ORDER: "Those who expect to reap the blessings of freedom must, like men, undergo the fatigues of supporting it."
--Thomas Paine

3) "The ball of liberty, I believe most piously, is now so well in motion that it will roll around the globe...for light and liberty go together."
--Thomas Jefferson

4) "Think of your forefathers and of your posterity."
--John Quincy Adams (1802)

5) ON EDUCATION: "Mind is the great leveler of all things."
--Daniel Webster (1825)

6) "With malice toward none, with charity for all, with firmness in the right."
--Abraham Lincoln (1865)

7) "Hold each other in true fellowship."
--Henry Ward Beecher (1869)

8) "Peace upon any other basis than national independence...is fit only for slaves."
--William Edgar Borah (1919)

9) "A new integrity of human life."
--Frank Lloyd Wright (1939)

10) "Americans fight joyously in a just cause."
--Harold L. Ickes (1941)

11) "We are going to win the war and we are going to win the peace that follows."
--Franklin D. Roosevelt (1941)

12) "What we have done so far are but small building blocks in a huge pyramid to come."
--John H. Glenn, Jr. (1962)

13) "We cannot learn from one another until we stop shouting at one another."
--Richard M. Nixon (1969)

14) "...out of the midst of the fire, of the cloud, and of the thick darkness."
--Moses proclaims the Ten Commandments

15) "I see the ardor for liberty catching and spreading."
--Dr. Richard Price, in London, hails the French Revolution (November 4, 1789)

16) "Events, which are the arguments of God, are stronger than words, which are the arguments of men."
--"Beveridge the Brilliant" takes up the White Man's Burden (April 27, 1898)

17) "It is a fearful thing to lead this great peaceful people into a war."
--President Wilson asks Congress to Declare war against Germany (April 2, 1917)

18) POSSIBLE PARALLELS WITH GULF SITUATION: "When we consider these things, then the valley of the Thames draws closer to the farms of Kansas."
--General Eisenhower conquers London (June 12, 1945)

19) ENVIRO: "...Nature never did betray..The heart that loved her.."
--William Wordsworth

20) ENVIRO: "..Content to breathe his native air.."
--Alexander Pope: Ode on Solitude

21) ENVIRO: "Our Union is river, lake, ocean and sky.."
--O.W. Holmes, Brother Jonathan's Lament for Sister Caroline

22) THE VISION THING: "A vision without a task is but a dream, a task without a vision is drudgery, a vision with a task is the hope of the world."
--Inscription on a church in Sussex, England, 1730

23) "Opportunity doesn't necessarily knock on the door; it may be leaning against the wall waiting to be noticed."
--anonymous aphorism

24) "To look up and not down,
To look forward and not back,
To look out and not in, and
To lend a hand."
--E.E. Hale: Ten Times One Is Ten, 1870

25) "Laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths disclosed, and manners and opinions change with the change of circumstances, institutions must advance also, and keep pace with the times."
--Thomas Jefferson, Letter to Samuel Kercheval, July 12, 1816.

26) "The Ship of Democracy..."
--Grover Cleveland, in a letter to Wilson S. Bissell, February 15, 1894.

27) CONCILIATORY RETRO ON GULF DEBATE: "If our democracy is to flourish, it must have criticism; if our government is to function it must have dissent."
--Henry Steele Commager, Freedom, Loyalty, Dissent, 1954.

28) EMPOWERMENT: "[The people] are the only sure reliance for the preservation of our liberty."
--Thomas Jefferson, in a letter to James Madison, December 20, 1787.

29) EMPOWERMENT: "Every government degenerates when trusted to the rulers of the people alone. The people themselves therefore are its only safe depositories."
--Thomas Jefferson, in a letter to Abbe Arnoud, July 19, 1789.

30) "A democracy is peaceloving. It does not like to go to war. It is slow to rise to provocation. When it has once been provoked to the point where it must grasp the sword, it does not easily forgive its adversary for having produced the situation...Democracy fights in anger--it fights for the very reason that is was forced to go to war."
--George F. Kennan, American Diplomacy, 1900-1950, 1951.

31) "One has the right to be wrong in a democracy."
--Claude Pepper, in the Congressional Record, May 27, 1946.

32) "The first requisite of a good citizen in this Republic of our is that he shall be able and willing to pull his weight."
--Theodore Roosevelt, in a speech in New York City, November 11, 1902.

33) EMPOWERMENT: "All the ills of democracy can be cured by more democracy."
--Alfred E. Smith, in a speech in Albany, New York, June 27, 1933.

34) ****EMPOWERMENT: "Destiny is not a matter of chance, it is a matter of choice; it is not a thing to be waited for, it is a thing to be achieved."
--William Jennings Bryan, in a speech in Washington, D.C., February 22, 1899.

35) HOPE: "The longest day must have its close--the gloomiest night will wear on to a morning."
--Harriet Beecher Stowe, Uncle Tom's Cabin, 1852.

36) "This day we fashion Destiny, our web of Fate we spin."
--John Greenleaf Whittier, "The Crisis," 1848.

37) WE MUST THINK MORE ABOUT X, NOT Y: "If more politicians in this country were thinking about the next generation instead of the next election, it might be better for the United States and the world."
--Claude Pepper, quoted in the Orlando Sentinel-Star, December 29, 1946.

38) "There are always two parties, the party of the Past and the party of the Future; the Establishment and the Movement."
--Ralph Waldo Emerson, "Life and Letters in New England," Lectures and Biographical Sketches, 1883.

39) "A politician thinks of the next election; a statesman thinks of the next generation."
--Attributed to James Freeman Clarke.

40) "My affections were first for my own country, and then, generally, for all mankind."
--Thomas Jefferson, in a letter to Thomas Law, January 15, 1811.

41) "The mystic chords of memory, stretching from every battlefield and patriot grave to every living heart and hearthstone all over this broad land."
--Abraham Lincoln, in his first inaugural address, March 4, 1861.

42) "Patriotism is just loyalty to friends, people, families."
--Robert Santos, quoted in Al Santoli, Everything We Had: An Oral History of the Vietnam War by Thirty-three American Soldiers Who Fought It, 1981.

43) LITERACY: "Books are not lumps of lifeless paper but minds alive on the shelves."
--Gilbert Highet

44) When asked his secret, Wayne Gretsky replied:
"I skate to where the puck is going to be, not where it has been."

45) "The game is well worth the candle that may have to be burned far into the night. There is no feeling like the feeling of success."
--J. Paul Getty

46) EDUCATION: "Every child is an artist. The problem is how to remain an artist once he grows up."
--Pablo Picasso

47) FACTOID: In 1914, the first year income tax was collected, Americans paid an average per capita tax of 41 cents--and only one percent of the population was obligated to pay taxes at all.

48) EDUCATION: "A book must be the axe for the frozen sea inside us."
--Franz Kafka, Letter to Oskar Pollak, January 27, 1904.

49) "The war will continue to be prosecuted with vigor, as the best means of securing peace."
--James K. Polk, Second Annual Message to Congress, December 8, 1846.

50) **** "...let every man stand to his post, and...let posterity..find our skeleton and armor on the spot where duty required us to stand."
--Millard Fillmore, Speech at Buffalo, N.Y., April 16, 1861.

51) "We accepted war for humanity. We can accept no terms of peace which shall not be in the interest of humanity."
--William McKinley, At Cedar Rapids, IA, October 11, 1906.

52) "[war is a]..dramatic symbol of a thousand forms of duty."
--Woodrow Wilson, Speech at Brooklyn, NY, May 11, 1914.

53) "We cannot accept the doctrine that war must be forever a part of man's destiny."
--Franklin D. Roosevelt, Campaign address at Cleveland, Ohio, November 2, 1940.

54) "...victory required a mighty manifestation of the most ennobling of the virtues of man--faith, courage, fortitude, sacrifice!"
--Dwight Eisenhower, Address in Ottawa, Canada, January 10, 1946.

55) "Out of rubble heaps, willing hand can rebuild a better city; but out of freedom lost can stem only generations of hate and bitter struggle an brutal oppression..."
--Dwight Eisenhower, Address at Columbia University, March 23, 1950.

51) "Conquest is not in our principles; it is inconsistent with our government."

Republican State Governors Speech

How Cutting Capital Gains Taxes Empowers the Poor and Enriches the States

by Secretary Jack Kemp
Department of Housing and Urban Development

A great political party must have a great purpose. Abraham Lincoln helped found the Republican party nearly one hundred and forty years ago upon the greatest idea in all human history, the idea of the Declaration of Independence: equal rights, equal opportunity and equal access to property for every human being. That cause must remain our party's vital center if we are going to lead American democracy into a promising new century.

I was thrilled when President Bush invoked these Republican roots at the ceremony for our new housing bill. As he signed the law to empower public housing residents with the opportunity to manage and own their own housing, he recalled Lincoln's Homestead Act of 1862, which gave 160 acres to any family who wanted to make a go of it in the wilderness.

Lincoln's homestead Act of 1862, President Bush reminded the East Room audience, was "one of the most successful endeavors in American history -- causing the great land rush to the Wild West -- and forming the vision for a new homesteading program in urban American today ... Because Abraham Lincoln's Homestead Act empowered people," he said, "it freed people from the burden of poverty, it freed them to control their own destinies, to create their own opportunities, and to live the vision of the American dream."

This vision is not unique to Americans. In the first decade of the twentieth century, Pyotr Stolypin, the Russian Premier, distributed millions of acres of cold, unused Siberian land to the landless, impoverished, oppressed peasants. Stolypin's goal -- so similar to Lincoln's -- was, in his own words, "to offer the peasant a way out of poverty to enable every hardworking tiller of the soil to farm on his own account, applying his own labor without encroaching on the rights of others."

From the Czars until Brezhnev, Siberia's only use seemed to be as a gigantic prison. Yet within five years, over four million persons moved to Siberia when offered the chance to become homesteaders -- more than in the three hundred previous years. All Russia prospered as Siberia went from a deserted wasteland to a bountiful land full of thriving farms and flourishing villages. Russia's budget was balanced. "After three years," writes Aleksandr Solzhenitsyn, "these people could scarcely believe that they had once lived in penury, and wondered why they had not set out for Siberia long ago."

The radical reform movment in Russia today, lead by such democratic capitalists as Yeltsin, Popov, and Shatalin, is

beginning to recognize, once again, the value of private property and actually give people title to their own apartments and homes. Imagine -- Stolypin's pre-Soviet reform movement has become the model for post-Soviet perestroika!

Whether in Russian Siberia, the American West, or the urban ghettoes, the idea of opening access to property and economic opportunity, giving people a chance to better their lives and achieve their dreams will work anywhere, anytime it is tried.

As the world moves to democratic freedom, it's ironic that some here in our own country want to move in the opposite direction. Senators Bill Bradley and George Mitchell say that their proudest moment was defeating the President's capital gains tax reductions. Congressmen Gephardt and Rostenkowski want to raise taxes on millionaries to "soak the rich" and massively redistribute income.

Democrats seem to be more concerned that some people are getting rich in America, than that poor people are falling deeper into poverty as a result of their anti-growth policies.

Like Mr. Lincoln, President Bush believes in a different course when he calls for a lower capital gains tax for the nation and elimination of the capital gains tax in pockets of poverty we would designate as Enterprise Zones.

Some claim that Democrats will beat Republicans mercilessly with the dreaded "fairness" argument. I say bring it on. As Lincoln taught us, fairness does not tear down the rich, it forges stronger links between individual human effort and reward; it does not quarrel about dividing old wealth, it concentrates on creating new wealth; it doesn't recognize limits to growth and life as a static, zero sum condition, it expands opportunities for all people of any color, condition, or background to reach their God-given potential.

Take the Democrats' notion of "fairness" as equality of result and match it against the Republican principle of equality of opportunity. I have no doubt that Republicans will be overwhelmingly elected today just as Lincoln's party won virtually every election from 1860 to 1932 by drawing a clear dividing line over fairness -- rightly understood!

But we've got to do a better job not just describing but advancing our principles. The capital gains tax cut is truly fair because of what it will do for the poor, indeed for everyone in the country.

Contrary to the Democrats' hysterical claims, cutting the capital gains tax is an overwhelming incentive for small

businessmen and women -- especially in our inner cities and among minority entrepreneurs -- who seek opportunities to become rich.

Between 1977 and 1982, when the Steiger Amendment cut the capital gains tax from 49 percent to 28 percent, the number of black-owned businesses exploded by nearly 50 percent -- one of the largest gains on record. We need to at least double the number of minority-owned businesses in the next few years. But it can't be done under the current high capital gains tax rate.

Capital gains taxes could reach 75 percent or more for long term assets purchased during the inflation of the seventies. This is the highest capital gains tax in American history. Faced with a 75 percent effective tax bite, most people simply will not sell their assets, thereby locking up capital in status quo companies and current investments.

No one needs new capital more than minorities, who own a tiny portion of American's total assets. Cutting capital gains would help free up existing capital to fund high risk new enterprises. These businesses create most of the new jobs and business opportunities for poor and minority Americans.

For most of American history a low or non-existent capital gains tax opened opportunity for millions of immigrants to join the mainstream of society. Tragically, just as legal and racial barriers to millions of poor and minority Americans have come down, another wall, the high capital gains tax rate, may condemn today's minorities and poor to yet another chapter of denied opportunity and economic despair. Cutting capital gains is today's pressing civil rights issue.

The Democratic leadership rejects this tax rate reduction because they say it would help the rich and lose revenue. That's not surprising. The Democrat-dominated Congressional Committees who control the revenue "black box" always tell us that our tax reductions are costly and unfair and their own special interest programs and budget gimmicks are equitable and beneficial to the Treasury.

But static revenue estimates have been repeatedly proven false. The truth is that the capital gains tax is largely a voluntary tax for the wealthy. They can avoid paying it simply by not selling their assets. By lowering the capital gains tax, upper-income earners will be more willing to sell their assets and realize their accumulated gains. As such, the government will collect far more taxes from the wealthy and lift the tax burden proportionately from the poor and working Americans.

If revenue gurus took account of this "unlocking effect"

fully, the government would gain revenue from cutting the tax in the short run and upper income earners would contribute more to the U.S. Treasury. But "unlocking of assets" is only a one-time phenomenon, the critics counter, and in the long run, revenues would fall.

The dynamic consequences of cutting capital gains taxes go beyond the short term unlocking. There is also a boost to asset values and a permanent boost to the economy by reducing people's preferences for consumption and increasing their demand for stocks and bonds, farms, factories, real estate, and other investments.

S & L bailout costs would also be reduced, because cutting capital gains taxes would raise the value of the government's real estate holdings. And by helping the real estate and financial industries, a reduction in the capital gains tax would boost those economic regions and coastal areas which are experiencing severe economic problems.

Astonishingly, the Congressional revenue estimators in the Joint Committee on Taxation don't take these dynamic consequences into account -- not the higher assets values, not the reduced budget outlays for the S & L bailout, not the stronger tax collections from federal income or payroll taxes, not the higher stock prices or real estate values, not even -- except in the tiniest, most understated way -- the unlocking of trillions of dollars in unrealized capital gains.

No wonder the Joint Committee on Taxation calls the capital gains tax a revenue loser. Others, not so tunnel-visioned say just the opposite -- that it raises revenue. Fiscal Associates, a Washington economics firm, estimates that cutting capital gains would generate anywhere between $25 and $65 billion over four years. Even economist Allen Sinai -- never a strong proponent of tax cuts -- has concluded that cutting the capital gains tax would raise federal revenue by $30-40 billion between 1990 and 1995,

Our economic future must not be determined by the folks who told us that the Reagan/Bush tax cuts of the eighties were a give away to the rich, and should not have been passed -- the same folks who lost the debate when Jimmy Carter lost the White House. Because President Reagan and then Vice-President Bush had the courage to tell the zero sum thinkers to go back to their computers, tax rates were cut, the eighties economy boomed, inflation came down, and -- despite the naysayers -- the higher income earners pulled out of tax loopholes, tax shelters, and tax exempt bonds and put their money into new taxable investments.

The result: the rich shouldered a higher portion of the total income tax load; the poor and middle class less. According to recent IRS statistics, between 1981 and 1987, the tax burden on the top 1 percent of taxpayers shot up by nearly 40 percent; the top 5 percent pay a 23 percent greater share; and the top 10 percent of income earners saw their share jump by over 15 percent. Meanwhile, the lower half of income earners saw their income tax burden fall by about 19 percent.

Many middle and lower income families saw their total tax bill go up because the payroll tax rose. We can and should remedy that payroll tax hike, and also give the economy the stimulus it needs now by cutting capital gains. Allen Sinai estimates that cutting capital gains would increase GNP by almost 3% or over $150 billion, create 2.5 million new jobs, and boost business capital spending by 1.3%.

Minorities and the poor have the most to lose from the liberal left's anti-growth campaign. The poor most need the jobs, higher incomes, and business opportunities that the capital gains cut would help guarantee.

But it's not the poor alone who would benefit by cutting capital gains taxes. Localities and the states most of you govern have an enormous stake in this capital gains debate; and we need your help to get this tax cut at the top of our party's national agenda and passed through Congress.

It's no secret that the states experiencing the greatest budget difficulties and electoral discontent are those which passed major new tax increases. Massachusetts, New York, and New Jersey, just to name three, are obvious and dramatic demonstrations that popular tax revolt is alive and well. As soon as he was elected, Governor Jim Florio carried out a "tax the rich" agenda which created a backlash that nearly cost Senator Bill Bradley his reelection.

Unfortunately, so many States have raised taxes recently that a national recession may be resulting as much from State as federal policy developments.

It's also no coincidence that the fiscal condition of many states began to deteriorate steadily after the 1986 law which raised federal capital gains taxes. In the eighties states enjoyed cumulative surpluses of $10 to $30 billion. Today, two-thirds of states are in the red. New York and California, which were in large surplus in 1986, are both facing an estimated $1 billion budget deficit in the current fiscal year.

Ways and Means Chairman Rostenkowski has warned governors and mayors not to expect any additional help from the federal

government in balancing your budgets. "You can't get something from us that we haven't got," Rep. Rostenkowski was quoted as saying in the Washington Post.

Well, there is such a thing as a free lunch! We need a Bush/Quayle tax cut that will do for the state economies in the nineties what the Reagan/Bush tax cuts did in the eighties. If the capital gains tax is cut, not only would the federal government gain greater revenues, but states and localities will also reap revenue windfalls, since the new asset sales pass through state and local "tax gates" as well as federal ones. One economic group with a good track record estimates states would enjoy between a $15 and $40 billion windfall from cutting capital gains taxes.

This is not an inside-the-beltway accountants' squabble. There is a struggle going on here for the heart and soul of the Republican party, and it can be stated simply: Are we going to be the party of economic growth, expanding opportunity, entrepreneurial capitalism, and free market solutions to poverty? Or are we going to be the status quo party that regards all wealth as fixed, static, and immutable?

The truth is that the 1980s were not built on credit cards, but on record private sector investment in plant, equipment, jobs, and new businesses. The President's policies of tax reduction, sound money, and less regulation generated the strongest peacetime expansion on record, created over 21 million new jobs during the past eight years, launched over 4 million new businesses, and generated record increases in real after tax income for all income groups and all sectors of our society. While the Nation's gross national product grew by 26.3 percent between 1983 and 1989, federal tax revenues expanded by 35.7 percent, twice as fast as they did in the 1970's.

80's growth

The Republican party's legacy of economic expansion is not the only thing under attack. Empowerment ideas to fight poverty are being challenged as new and untried. These ideas are no more untried than Lincoln's homestead act or Stolypin's land privatization was. There really is no such thing as the "New Paradigm." There's only the tried and true paradigm of democratic capitalism -- the ideas of private property, free markets, and individual incentive on which America was built.

George Bush said it well, "we know what works ... freedom works." I think it was audacious for President Bush to say that -- one of this Administration's defining moments.

The President has appointed me to head up his Economic Opportunity and Empowerment Task Force. He charged our Task Force with coordinating and outlining a far-reaching agenda to

fight poverty using the principles of markets, choice, and incentive.

I want to recommend some ideas that I would put forward for consideration in that agenda.

First, we've got to create growth and jobs. The debate over getting this economy moving again is just getting started. In my view, we need tax rate reductions on labor, capital, and the family to spark a prairie fire of new job creation and entrepreneurial risktaking all across America, especially in America's inner cities. Cutting capital gains tax for the nation, eliminating capital gains taxes on assets held for more than three years, and abolishing them in distressed areas are crucial priorities. But so are reducing the payroll tax and expanding the personal and children's exemption.

Second, we've got to expand access to homeownership and property, and create more affordable housing. While HOPE has been authorized, we've got to get funding in 1991 and 1992. If we can get that funding, poor people will be given a chance to own more than 2 million government housing units -- an estimated $100 billion in public property. More than 250 housing projects will be in resident management by the end of 1992, and we are targeting more than 1 million new first-time homeowners by 1992 through all programs of the Department of Housing and Urban Development, including HOPE.

Third, we've got to improve the quality of education and job training. Our nation's primary and secondary schools have been the traditional route for enterprising poor people to move up and out of poverty. Yet, far too often, these inner city schools are providing disgracefully poor education. I believe the Republican party should foster quality education by expanding educational choice. Along with such champions as Wisconsin's Polly Williams and Detroit Councilman Keith Butler, I think that choice expanding options like magnet schools, tuition tax credits, and educational vouchers can help open up new paths of opportunity to our nations poor.

Fourth, we must help welfare recipients move to economic independence by reducing effective tax rates on persons trying to leave welfare and take jobs. A woman on welfare, with a couple of children, struggling to make it, faces the highest marginal income tax in the United States of America, higher than any man or woman in this room. Whether she takes a job at McDonald's or McDonnell Doughlas, the government takes away the welfare and taxes her income. I believe we should eliminate the tax on the first two, three, or four rungs of the ladder so that the incentive for work is greater than the reward for not working.

Fifth, we must strengthen the family. Every social and economic thinker today recognizes that one-parent families with children are far more likely to be in poverty, remain in poverty, and perpetuate poverty, than families in which both a father and mother are present. Part of the reason for the upsurge in family breakup is escalating taxation of the intact family. Adjusted for the rise of inflation and incomes since World War II, the personal and children's exemption would have to be over $6,000, rather than about $2,000 as it is today. I think we should raise that exemption to give families more after-tax income in order to reduce financial pressures, to help families keep more of their own resources to take care of their children, and to help them break free from government assistance.

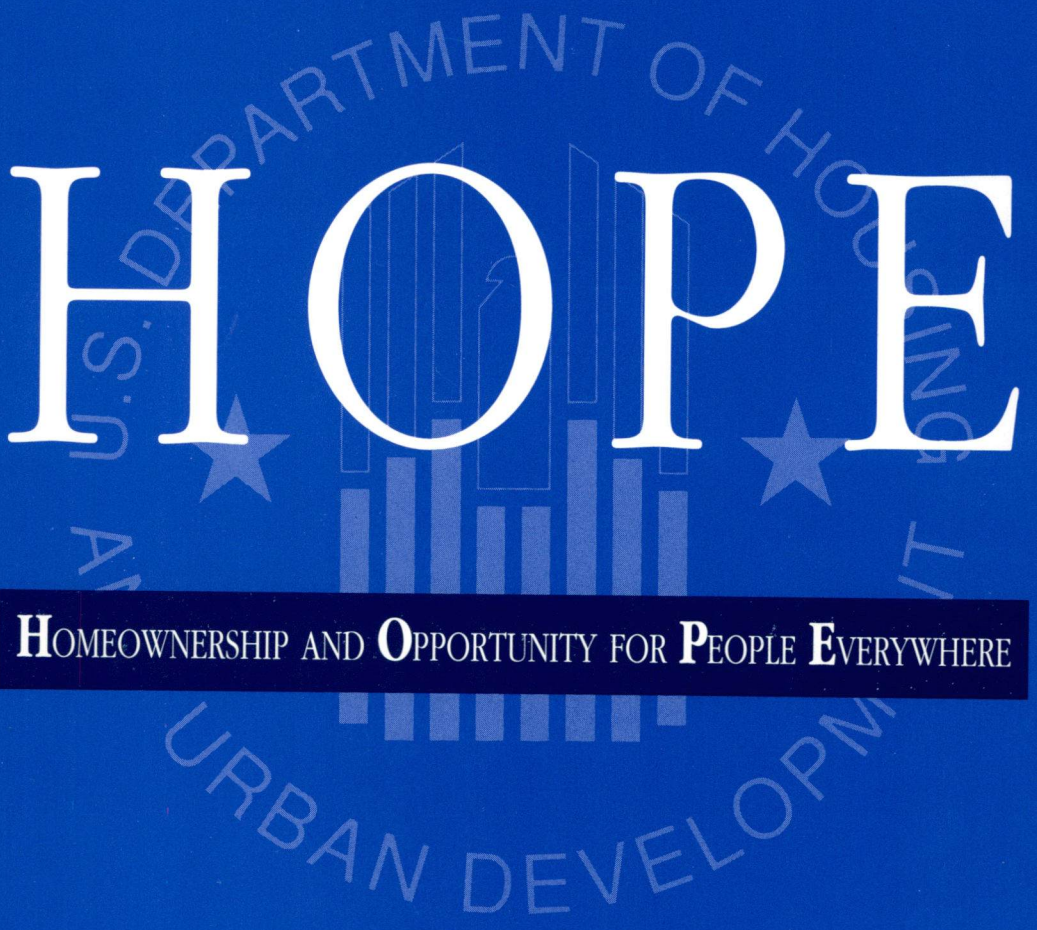
These ideas should be opening shots in a war on poverty. We must become the party that awakens, liberates, and emancipates the talent of people who've been left out and left behind.

No one said it better than Mr. Lincoln. He was attacked by his opponents and he had to defend Republican views of equality of opportunity: "I don't believe in a law to prevent a man from getting rich," he responded, "It would do more harm than good ... I want every man to have the chance -- and I believe a black man is entitled to it -- in which he can better his condition -- when he may look forward and hope to be a hired laborer this year and the next, work for himself afterward, and finally to hire men to work for him! That is the true system."

Our party must rededicate itself to Lincoln's vision of democracy -- creating new wealth, empowering the poor, and opening access to property and homeownership. Thank you very much.

#

Waging War on Poverty



HOPE

Homeownership and Opportunity for People Everywhere

- Public and Indian Housing Homeownership
- Multifamily Homeownership
- Single-Family Homeownership
- Family Self-Sufficiency
- Preservation of Affordable Housing
- Elderly Independence
- Shelter Plus Care for the Homeless

President George Bush and Secretary Jack Kemp



HOPE will do what traditional programs have not done: empower low-income families to achieve self-sufficiency and to have a stake in their communities by promoting resident management as well as other forms of homeownership.

President George Bush

From remarks by the President
in Signing Ceremony for
National Affordable Housing Act
The White House
November 28, 1990



This agenda is the most dramatic, far-reaching, incentive-oriented approach to fighting poverty in the last 25 years. It will tear down the walls that come between people and their self respect...that prevent people from exercising their talents and reaching their potential.

Jack Kemp
Secretary of Housing
and Urban Development

HOPE

Homeownership and Opportunity for People Everywhere

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Introduction

On November 28, 1990, President Bush signed into law a set of new initiatives called HOPE—Homeownership and Opportunity for People Everywhere. This program is the first stage of a new and successful war against poverty, deploying the forces of private-sector entrepreneurship and economic incentive to create opportunity, jobs, and affordable housing.



Offering seven new initiatives, the HOPE agenda amounts to more than $3.1 billion in total resources over 2 years, including more than $2.5 billion in authorized budget authority and over $630 million in State/local and nonprofit matching funds. Together, these initiatives will dramatically expand homeownership and affordable housing opportunities to help low-income families achieve self-sufficiency.

But affordable housing and homeownership must be coupled with jobs and entrepreneurial opportunities to make self-sufficiency a rewarding alternative to dependence. While Congress has passed most of the HOPE housing initiatives, other HOPE programs to expand economic opportunity, jobs, and entrepreneurship were not passed into law. These include: the Administration's Enterprise Zone legislation, which eliminates capital gains taxes in depressed communities; the Housing Opportunity Zones proposal to encourage State and local regulatory relief for affordable housing; Individual Retirement Accounts (IRAs) for first-time homebuyers to help finance homeownership; and extension of the Low-Income Housing Tax Credit (LIHTC) to create and rehabilitate affordable housing for low-income families and the working poor. If affordable housing opportunities are combined with powerful entrepreneurial incentives, poverty can be fought with a comprehensive strategy that attacks despair on all fronts and replaces powerlessness with hope and opportunity for a better future.

Instead of simply ameliorating the symptoms of poverty, HOPE builds a ladder of opportunity so that poor people will be better able to pull themselves out of the poverty trap to live a life of dignity, independence, and self-sufficiency. If there is one overriding theme of the HOPE initiatives, it is to empower people to take control of their lives, their homes, and their destinies.

Empowerment is a radical departure from the past because it attacks the disincentives at the root of America's poverty problems rather than accepting poverty as a long-term and intractable condition. In this respect, it means incentivizing our housing and economic systems so that everyone has the chance to reach as high as their aspirations and abilities will take them. In short, HOPE promises to help Americans overcome the barriers that stand between themselves and their full potential. Empowerment is furthered through HOPE initiatives in two principal ways:

- **Empowering people with the opportunity to manage and own their own homes and apartments**

The Administration's HOPE homeownership grant programs and the preservation initiative are based on turning renters into homeowners and property managers. Broadening ownership of private property improves maintenance and upkeep of housing, increases pride of ownership, and gives low-income people reasons to save, invest, and plan for the future.

- **Empowering low-income people to live in dignity and independence by offering necessary support services**

Poverty is not simply a housing problem, it is a multifaceted human problem as well. The Administration's "Shelter Plus Care" program provides the homeless who are seriously mentally ill or substance abusers (over one-half of the homeless population) with the necessary support services to live dignified lives. Family Self-Sufficiency ties vouchers and certificates to comprehensive services—including child care, job training, and transportation—to make shelter a platform for self-sufficiency. HOPE also targets support services to the elderly to help them enjoy independent lives.

In short, HOPE ambitiously offers not a Band-aid for poverty, but a beginning effort at a cure. By strengthening the link between effort and reward, by increasing equity stakes in homes and neighborhoods, by expanding job creation and enterprise, the Administration's HOPE programs are opening a path of opportunity out of poverty and beginning to recapture the American dream for millions who have been left behind. Most importantly, President Bush's initiative offers hope—hope for economic opportunity and better housing, hope for a better life for more Americans, hope for the future.

HOPE Grants

The HOPE grants program is a multifaceted initiative created to increase homeownership for low-income and working poor families. Authorized at $1.0 billion over 1991 and 1992, HOPE grants are provided for:

- Public and Indian Housing Homeownership ($448 million)
- Multifamily Homeownership ($331 million)
- Single Family Homeownership ($231 million)

Empowering the poor through resident management and homeownership are two of the Administration's most important housing policy goals. HOPE grants fund new programs to meet these housing goals.

The HOPE grants program enables public housing residents to purchase their homes; it capitalizes on existing strengths and abilities of nonprofit organizations and community-based housing development organizations; and it increases the housing resources of the Nation's poor.

Grants can be used for public housing; properties financed or owned by Federal, State, or local governments; and distressed properties in the Federal Housing Administration (FHA) portfolio.

Recipients are required to match Federal HOPE grant funds with State, local, or private funds.

Grants can be used for acquisition, rehabilitation, technical assistance, counseling, and operating and replacement reserves.

HOPE grants provide initial and short-term subsidies for the promotion of homeownership and other self-sufficiency opportunities.

Public and Indian Housing Homeownership

HUD is authorized to provide $448 million in grants over 2 years to fund activities needed to develop and implement a successful homeownership program for public and Indian housing residents.

Purpose

Homeownership is superior to rental housing in cost effectiveness and in resident satisfaction. Homeownership instills pride, improves neighborhoods, enhances independence, and encourages stable and intact families.

Many Public Housing Agencies (PHAs), Indian Housing Authorities (IHAs), and resident organizations have been involved in providing homeownership opportunities to public and Indian housing residents through Federal programs, as well as through their own initiatives. Until now, there has been no national program to guarantee all residents of public and Indian housing the right to manage and own their residences.

Highlights

Assistance is available through national competitions to resident management corporations, resident councils, cooperative associations, nonprofit organizations, and public agencies (including PHAs and IHAs). This assistance is available for two kinds of grants:

1. Planning and technical assistance grants to assess viability and prepare residents for homeownership. Planning grants are limited to $200,000 per project.
2. Implementation grants for the rehabilitation of developments, as well as for counseling and training, economic development activities, capital reserves, operating expenses and reserves, and transaction costs.

Applicants are required to provide $1 for every $4 in Federal HOPE implementation grant funds, except for funding for operating expenses and for planning grants, which do not require matching funds. The match can be provided through: Community Development Block Grants (CDBG) for administrative expenses; taxes; fees or other charges waived for the

development; the donation of real property; and in-kind contributions, including sweat equity by the purchasers.

Both multifamily and contiguous single-family public and Indian housing units can be acquired. Multifamily developments can be sold as condominiums, cooperatives, or other ownership arrangements approved by HUD.

Families will not be required to pay more than 30 percent of their adjusted income to purchase a residence.

Recipients are required to protect the rights of non-purchasing tenants by allowing them to remain as renters after the development is sold, or by giving them Section 8 certificates or vouchers to move into private housing.

Applicants must replace any housing sold on a one-for-one basis.



Multifamily Homeownership

HUD is authorized to provide $331 million in grants over 2 years to help residents in government-insured or -owned, or FHA distressed multifamily buildings to purchase and maintain their properties.

Purpose

There is a large stock of existing multifamily housing that has been insured by Federal, State, or local governments. In addition, many FHA-insured multifamily properties are in financial or physical distress or have been foreclosed. This available and affordable housing represents another potential homeownership resource.

Restoring these properties to good condition offers a major opportunity to extend the benefits of homeownership to low-income families across the country.

Owners who have mismanaged their rental properties should be replaced with resident owners committed to their homes and their neighborhoods.

Subsidies which had been given to owners will be replaced with subsidies targeted directly to residents, offering them greater control over their housing.

Highlights

Assistance is available through national competitions to resident management corporations, resident councils, cooperative associations, nonprofit organizations, and public agencies (including PHAs and IHAs) for two kinds of grants:

1. Planning grants to assess viability and prepare residents for homeownership. Planning grants are limited to $200,000 per project.
2. Implementation grants for acquisition, rehabilitation, technical assistance, counseling and training, economic development activities, capital reserves, operating expenses and reserves, and trans-

action costs. Implementation grants are limited to the present value of 10 years' worth of Section 8 Existing fair market rents.

Applicants are required to provide $1 for every $3 in Federal HOPE implementation grant funds, except for funding for operating expenses and for planning grants, which do not require matching funds. The match can be provided through: CDBG for administrative expenses; taxes, fees or other charges waived for the development; the donation of real property; and in-kind contributions, including sweat equity by the purchasers.

Multifamily properties that are financed or insured by HUD; owned by HUD, Farmers Home Administration, Resolution Trust Corporation, or a State or local government; or HUD properties in serious physical or financial distress can be purchased under this program.

Multifamily projects can be sold as condominiums, cooperatives, or other ownership arrangements approved by HUD.

Families will not be required to pay more than 30 percent of their adjusted income to purchase a residence.

Recipients are required to protect the rights of non-purchasing tenants after the development is sold by giving them Section 8 certificates or vouchers to use as a subsidy to remain in the development or to move into other private housing.



Single Family Homeownership

HUD is authorized to provide $231 million in grants over 2 years to promote low-income homeownership in publicly held single-family properties.

Purpose

Single-family properties owned by Federal, State, or local agencies represent a significant potential resource for homeownership for low-income families.

Scattered-site, single-family public and Indian housing units are also suitable for conversion to homeownership.

Nonprofit organizations are another vast, untapped resource in many communities. They are in an ideal position to develop homeownership programs because of their strong ties to the communities and neighborhoods where low-income families live.

Highlights

Two kinds of grants are available through national competitions to nonprofit organizations or to public agencies (including PHAs and IHAs) in cooperation with nonprofits:

1. Planning grants to assess viability and prepare families for homeownership. Planning grants are limited to $200,000 per applicant. No planning grants will be funded for Fiscal Year 1991.
2. Implementation grants for acquisition, rehabilitation, counseling and training, and transaction costs. While an applicant may be approved for multiple projects in multiple neighborhoods, it may not receive more than $1 million a year for implementation grants in any one HUD Region.

Single-family properties with one to four units owned by HUD, the Department of Veterans Affairs, Farmers Home Administration, Resolution Trust Corporation, or a State or local government; or scattered-site, single-family public and Indian housing can be purchased under the program.

Applicants are required to provide $1 for every $3 in Federal HOPE implementation grant funds. The match can be provided through: CDBG for administrative expenses; taxes, fees or other charges waived for the development; the donation of real property; and in-kind contributions, including sweat equity by the purchasers.

Families must be first-time homebuyers.

Families will not be required to pay more than 30 percent of their adjusted income to purchase a residence.



Shelter Plus Care for the Homeless

Shelter Plus Care is authorized to provide $382 million over 2 years for a program that combines housing with supportive services for the homeless who are most difficult to serve—primarily those who are seriously mentally ill and substance abusers.

Purpose

Ending homelessness is a national priority. In Fiscal Year 1991, HUD McKinney Act homelessness assistance will increase by more than 60 percent.

Over half of the homeless are seriously mentally ill or have problems with alcohol or other drugs. McKinney Act programs do not provide the kind of comprehensive approach needed to address the problems of many of these people.

The complete answer to getting people off the streets is permanent housing supplemented by the necessary supportive services that will help them to return to the economic mainstream.

Highlights

Assistance will be made available only to States and cities that demonstrate vigorous outreach to the homeless street population as part of their program plan.

The Shelter Plus Care program has three types of housing options:

1. Five-year flexible rental assistance; up to 1 year of this assistance may be used in designated buildings, followed by assistance for the remainder of the term in more independent living situations.
2. Five-year rental assistance in housing owned or leased by nonprofits under the Section 202 program.
3. Ten-year housing assistance for the moderate rehabilitation of single-room occupancy dwellings.

The creation of three program choices allows recipients to provide a continuum of housing options ranging from transitional to permanent housing, with the emphasis on creating permanent housing arrangements.

Recipients are required to match each dollar of Federal housing assistance with a dollar of supportive services.

Projects must serve homeless persons with disabilities (primarily persons who are seriously mentally ill; have chronic problems with alcohol, drugs, or both; or have Acquired Immune Deficiency Syndrome or related diseases) and their families. HUD must ensure that at least 50 percent of the program's funds are awarded to projects that will serve homeless individuals with these three disabilities.

Services expected to be provided through matching funds include health care, mental health treatment, detoxification, case management, education, job training, and other services essential for independent living.

Linking housing with services will mean that the full range of needs for the homeless are addressed in a coordinated and comprehensive way.

Family Self-Sufficiency

Families eligible for, or participating in, the Section 8 certificate or voucher programs or public housing will be provided an opportunity to achieve self-sufficiency and economic independence. Family Self-Sufficiency is a comprehensive program that combines housing assistance with appropriate services such as job training, child care and transportation to help families become self-sufficient and economically independent.

Purpose

The Family Self-Sufficiency program promotes the development of local strategies to coordinate the use of HUD housing programs with public and private resources.

Coordination with the Job Opportunity and Basic Skills training programs and Job Training Partnership Act programs will be especially important in arranging the delivery of services that participating families will need to climb a ladder of opportunity out of poverty and into self-sufficiency.

Highlights

In Fiscal Years 1991 and 1992 the program is voluntary, though a competition for incentive units will be held to encourage and reward successful Family Self-Sufficiency programs. Twelve thousand Section 8 rental certificates and rental vouchers and up to 1,000 units of public housing development funds will be awarded through this competition.

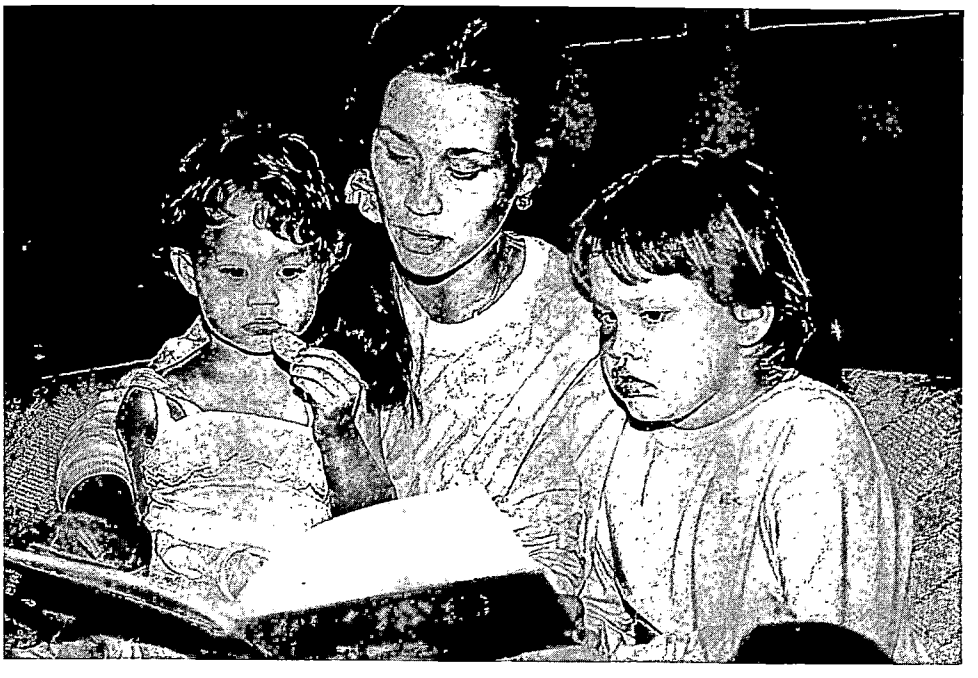
Beginning in Fiscal Year 1993, PHAs *must* operate Family Self-Sufficiency programs. The size of the local program will be determined by the increase in the number of certificates, vouchers, and public housing units made available in the community.

Participation in the program by eligible families is voluntary.

Each participating family will negotiate a contract of participation with the sponsoring PHA. The contract will spell out the provisions of the local program, the services and resources to be provided to the family, and the

responsibilities that the family accepts in entering the program. The contract will also specify the conditions under which the PHA may withhold or terminate services if the family fails to comply with contract requirements.

Local Coordinating Committees, comprised of residents, local community leaders, and government officials, will guide the operation of the Family Self-Sufficiency programs. They are responsible for overseeing development of an action plan, commitment of resources, and delivery of services.



Preservation of Affordable Housing

HUD is authorized to provide more than $1 billion in assistance over 2 years to help preserve the stock of Federally assisted housing as affordable rental housing, provide homeownership opportunities for tenants, fairly compensate owners, and protect tenants in the few cases where owners will prepay their mortgages.

Purpose

Over the next 15 years, owners of nearly 360,000 units of FHA-insured multifamily housing will become eligible to prepay their mortgages, eliminate low-income use restrictions, and convert these properties to market-rate uses.

It is essential that low-income families continue to have access to affordable housing and opportunities for homeownership. At the same time, it is necessary to fairly compensate owners seeking to prepay their mortgages.

Highlights

Owners eligible to prepay will have three options under this strategy; each option potects current tenants. The owners' options are:

1. Owners may seek financial incentives from HUD in order to receive a fair rate of return on their investment. Owners who receive these incentives must agree to maintain their properties as affordable rental housing for at least 50 more years.
2. Owners may seek to sell their properties, and tenants will have a "right of first refusal" to purchase them for resident homeownership programs. HUD will provide grants to resident councils to acquire and rehabilitate properties as well as to support homeownership counseling and related activities.

   If tenants decide not to pursue a resident homeownership program, nonprofits, public agencies, and for-profit entities will also have a "right" to purchase a property in order to maintain it as affordable rental housing. HUD will provide insured acquisition

and rehabilitation loans and other financial incentives in order to maintain properties as affordable housing. For nonprofit and public agency purchasers, HUD can also provide assistance in the form of grants.

If owners receive no bona fide offers within specified time periods, they may prepay their mortgages and eliminate the low-income, rental-use restrictions.

3. In limited circumstances, owners may seek to prepay their mortgages and end affordability restrictions. In order to do this, owners must demonstrate that: current tenants will not be adversely affected economically; the supply of vacant, affordable housing in the area will not be affected; the ability of low-income residents to find decent, safe, and sanitary housing near jobs will not be adversely affected; the housing opportunities of minorities will not be adversely affected.

Protections for current tenants are dependent upon the option chosen. For projects that will continue as affordable rental housing, lower income tenants will receive Section 8 rental assistance and the rent payments of moderate-income families will not exceed 30 percent of their income.

In other situations, i.e., under owner prepayment and for non-purchasing families in a project with a resident homeownership program, lower income tenants will be eligible for Section 8 vouchers and certificates, relocation payments, and/or other forms of assistance. Moderate-income tenants will be eligible for relocation payments and other types of protection.

Elderly Independence

HOPE for Elderly Independence is a 2-year, $90-million demonstration program to provide service-supported housing for the elderly, enabling them to live more independent and dignified lives.

Purpose

The elderly, who are the fastest-growing segment of our Nation's population, are often frail and in need of supportive services to help them stay in their homes and avoid institutionalization.

HOPE for Elderly Independence combines housing assistance with the minimum package of services required to help each frail elderly participant remain independent.

Highlights

Services funding, linked with 5-year Section 8 rental housing vouchers or rental certificates, is authorized over 2 years, to be awarded competitively to PHAs in order to help up to 3,000 elderly persons not currently receiving housing assistance.

Services funding of $10 million in 1991 and $10.4 million in 1992 can be used for a wide range of services. Program funds can be used to pay for the employment of a case manager/services coordinator to ensure that the services the elderly receive meet their needs. Services funded under the program may include personal care, case management, transportation, meal services, and other services essential for achieving and maintaining independent living.

Housing assistance funding of $34 million in 1991 and $36 million in 1992 will allow frail elderly individuals to choose housing suitable to their needs, including the option to remain in their current homes.

HUD services funding covers 40 percent of the total cost of services. Tenants provide 10 percent of the cost, and PHAs are required to provide 50 percent, which they may secure from other Federal, State, local, or

private sources. This co-payment encourages the efficient use of comprehensive services.

PHAs are required to use a local volunteer Professional Assessment Committee to identify the eligible elderly and to develop individualized service plans for them.



HOPE Initiatives

(Dollars in Millions)

FEDERAL FUNDING RESOURCES:	FY 1991	FY 1992	2-Year Total
HOPE Grants	$165	$ 865	$1,030
Public and Indian Housing Homeownership	68	38	448
Multifamily Homeownership	51	280	331
Single Family Homeownership	36	195	231
Elderly Independence Services†	10	10	20
Replacement/Nonpurchaser Assistance*	42	270	312
Elderly Independence	34	36	70
Shelter Plus Care for the Homeless	133	258	391
Family Self-Sufficiency	**	**	**
Preservation of Affordable Housing*	0	718	718
Total Federal Funding Resources:	374	2,147	2,521
MATCHING RESOURCES:			
HOPE Grants Match (including Elderly Independence)	47	195	242
Match for Shelter Plus Care for the Homeless	133	258	391
TOTAL RESOURCES	554	2,600	3,154

* Authorized in Housing Act; figures represent budget request

** At least 10 percent of incremental Section 8 vouchers and certificates and public housing development funds must be set aside for Family Self-Sufficiency.

† Provided in conjunction with Elderly Independence. Total funding for the program is $90 million.

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