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Progress in Brooklyn's Redevelopment

EXTENSION OF REMARKS

OF
HON. EUGENE J. KEOGH

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 2, 1957

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Mr. Andrew S. Roscoe, president of the Equitable Savings and Loan Association of the Downtown Brooklyn Association, before the Central Brooklyn Midday Club on Thursday, June 27, 1957, at the Bedford Branch YMCA:

Mr. President, Frank A. Savoldy, program chairman, Tom Perry, and gentlemen, you honor me with your invitation to discuss the impact of the modernization of Brooklyn upon its economy. But I must warn you that when I get up steam, I am like a preacher who announces the theme of his sermon then goes off on a tangent and speaks about everything else.

The progress in the redevelopment of Brooklyn is a great subject. It takes in a lot of territory and who knows where it will land?

Allow me, please, to recall that the old towns comprising the Brooklyn that joined the greater city in 1898 were self-contained communities. Each had its own center, its own shopping area, its own downtown. Each of these towns designated a part, the then peripheral area for industries. Then, as now, the importance of industry was recognized. Industries were welcome provided that factories were located on the outskirts of the beautiful residential community.

When the old towns of historic Brooklyn were merged into the greater city, these peripheral commercial and industrial areas became pockets creating esthetic problems for civic leaders, who at times had to choose between the beauty of an area and the ability of the residents of that area to earn a livelihood. We are still seeking an answer to that challenging question; we are still deeply concerned with the propriety of our zoning laws.

The history of shelter in Brooklyn presents an equally clouded picture. The mass migration into Brooklyn after the consolidation of the greater city created a great demand for shelter. Homes were built, multiple dwellings were erected without great regard for city planning. (I digress here to say that a family living in a unit of a multiple dwelling has every right to consider that flat as a home.) This lack of planning and foresight created blight and corrosion. Furthermore, these conditions were aggravated by adverse economic conditions in the thirties. When,

in 1940, the United States Department of Commerce analyzed the result of its census, Brooklyn presented a grim picture. Only 17 percent of Brooklyn families lived in owner-occupied homes as against the State average of 23 percent and a national average of 33 percent. Brooklyn, the city of homes and churches, had the lowest percentage of home-owners of all major communities in the United States. Then came the Second World War, presenting challenges, responsibilities, and the requirements of subordinating prime community interests to the great objective of national security. Manpower and materials were dedicated to serve national defense exclusively. Patriotic obligations precluded any diversion of our resources for maintenance, modernization, and home building. An already difficult "brick and mortar situation" became more corroded. The shortage of materials and construction labor after the war and the provisions of rent-control laws added to the grave problem of redeveloping Brooklyn, which as you know, is one of the most populous communities of the Nation.

During the Second World War institutions which owned a very large percentage of Brooklyn residential real estate, and I include the Home Owners' Loan Corporation among these institutions, began to dispose of real estate holdings, and one home after the other acquired a new proud owner. By the time we had reached the end of the 1940's, all institutional real estate was privately owned, acquired at very reasonable prices in the light of then current property values. Many of the financial institutions of Brooklyn renewed their faith in Brooklyn by providing financial assistance to this unplanned, yet gigantic program of modernization and rehabilitation.

While it is not within my province to provide you with exact figures or to quote the number of dwelling units that have been improved since 1940, we do know that a vast amount of modernization was done. In 1960 there will be another Federal census, and when the result of that census is published and evaluated, the figures, I venture to say, will exceed our fondest hopes. This "town" has never looked so good as it looks today. While we still have many areas showing evidence of blight and corrosion and still find areas which should be cleaned out or completely modernized, you and I can see very palpable evidence of a general cleaning up parade throughout our Brooklyn.

We have built many new homes. The Honorable Benjamin Salitzman, our superintendent in the building department, tells us that since the war thousands of dwelling units have been constructed. For example, as you drive through the Belt Parkway today starting at Bay Ridge you will note mile after mile of new homes. I could mention with pride many projects, such as Golden City Park in Canarsie, the beautiful 1- and 2-family homes in Bergen Beach, Flatbush, Flatlands, and in other parts of Brooklyn.

The impact of this modernization and home-building program upon Brooklyn's

economy has been of gigantic proportions. It has served as an anchor in retaining our middle-income families and has provided shelter for those families who progressed into the middle-income class, and, indeed it has attracted other families. The community's family income, if we treat with a healthy community, is made up of the income of all income classes with each contributing in no small measure to the community's economy. The important point is that there must be progress in skills, in family income, and we must realize that the two bring a higher standard of living.

Brooklyn's family income today approximates an average of \$6,000. The valuation of our real estate comes close to \$5 billion, and the savings of our families in the principal savings media exceeds \$5 billion.

To indicate the increase in the standard of living, we might measure the progress in the number of telephones. In 1940 we had 375,000 telephones in Brooklyn. Today we have 982,000 telephones. We are told that during the past 10 years the number of telephones increased by 388,000. While we are also told that the increase in the number of telephones in Brooklyn is not so great as in other communities, the result is encouraging. The purchasing power of our families appears greater than that of many other communities. The shelter charge on the family's disposable income is smaller here than in many municipalities.

During the early part of 1940, when our institutional real estate was liquidated, many families bought their homes at the "low" of the market. These homes were generally financed on a 10/15-year basis. Many of these homes today are free and clear or are subject to a very modest mortgage charge.

Equitable Savings and Loan Association during the past 15 years has financed almost 25,000 homes in Brooklyn, representing a modest, yet impressive percentage of all our one and two family homes. As the mortgages were being paid off, we analyzed the reasons for the liquidation of the mortgage debt. We found that about 70 percent of the mortgages are paid off by owners who are happy and contented in their homes and that only 30 percent of the mortgages are paid off because of a current sale. Our home mortgage position in the adjoining counties may not be indicative, but the trend is just the opposite. Good shelter in Brooklyn has cost less, and the fixed charges of a family in the owner-occupied home are less because of steadily decreasing aggregate mortgage payments, lower taxes, and lower transportation charges. There is also some evidence of families returning to live in Brooklyn from the suburban counties. The wife of one of our returning citizens told me the other day that her family was coming back to Brooklyn because in the event of unemployment, her husband could "look for a job with 15 cents." Obviously, a lower shelter cost provides greater latitude for other expenditures; this is why our retail stores and our department stores have hopes

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Manhattan

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for increasing sales and increasing prosperity. Then there is another bright light on the horizon. We see some evidence of favorable changes in municipal policy.

For many years of the past we could not help but note the development of a vertical municipal policy in Manhattan, a policy which tended to beautify and to develop Manhattan, with little improvement, if any, in the Borough of Brooklyn. The lower East Side and many parts of Manhattan were redeveloped. Midtown Manhattan was completely rebuilt. Manhattan has a United Nations building as well as a Coliseum. Many of the avenues of Manhattan are equipped with street-lighting systems that practically assure 24 hours of daylight. Their subway stations are dolled up and equipped with new lighting systems. The modernization and beautification of Manhattan approaches a fantastic ideal. I do not have to dwell too long on the subject to prove that the result of a pro-Manhattan plan definitely indicates that for a long time a vertical municipal redevelopment policy was followed.

Manhattan has, I repeat, its Coliseum and other title I projects. But when we want a title I project to redevelop the west side of Cadman Plaza, we are told that there are no funds available for that project, a requisite for a great Brooklyn.

However, as I have said, there is some light on the horizon. You and I notice that work is being done on our subway stations. The missing link of the Brooklyn-Queens Connecting Highway will not be missing very long. We have the approval for the Myrtle Parking Garage in the Civic Center and have hopes for similar improvements in Albee Square. Our traffic conditions are improving, and we hope that discussions of these improvements give us valid reason to believe that we may see an era of horizontal municipal policy. An important part of Brooklyn's economy is highly integrated with that of Manhattan, and this condition makes it imperative that all units of this economy are equally serviced; otherwise, the entire community economy will suffer. American economy, an economy of stimulated demands, and New York City's economy, to a large extent,

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is a highly integrated economy of stimulated demand. When we lose an important economic unit such as Loeser's, Namm's Department Store, the American Safety Razor the Brooklyn Daily Eagle and others, the volume of business that is thus lost cannot be picked up by other units. While we do not know the lineage figures of our newspapers, I venture to say that even our great metropolitan newspapers are missing the ads of Namm's and Loeser's just as well as they are missing the lineage of the metropolitan department stores that went out of business. You and I know that the city of New York is confronted with the problem of meeting competition created by those municipal governments in other parts of the United States that attract industry, commerce, and payrolls by offering more advantageous labor markets, tax exemption, bonuses, cheaper power, longer daylight, and better transportation and traffic facilities. When you and I read the New York Times and other great metropolitan papers and note the ads of the various agencies of many States offering generous inducements to commerce and industry, we can realize the magnitude of this competition. Many of these cities have demonstrated that they can solve their complex traffic problems. As an example, Baltimore, which is the leading contender for the position of the most thriving port of the Nation, has solved its traffic problems by strict enforcement of no parking, provision of off-street parking facilities, and other measures. Chicago has almost completed its plans to reap the harvest and retain the benefits of that new great waterway. The story of the Golden Triangle in Pittsburgh is an amazing one. Yet, we have great hopes in New York to meet this competition.

We have built great bridges and great tunnels in the effort to eliminate barriers. There is an indication that if there is a continuation and expansion of the apparent horizontal municipal policy, recognizing the responsibility for the economies of all the five boroughs, we may be able to meet that competition. But it means that city hall must be ready to support projects such as

our title I Cadman Plaza project with everything that it has. It means that the leadership of city hall, which honored itself by appointing three of Brooklyn's most distinguished citizens, Chester Allen, Robert Blum, and Charles Mylod to a sport authority created by the State legislature, must provide that sports authority with the means to retain the Dodgers. I know that the problem involved is not an easy one. But the presence of the Dodgers in Brooklyn is very important from an economic and morale point of view. I am wondering if one of these days that the program books at Ebbets Field will not become the same kind of a collectors item as is the last issue of the Brooklyn Daily Eagle, today.

You and I elect a few men to direct the affairs of the city. We vest them with great power and we call them city government. The basic question on the ethical side is what is the moral basis for their power, their authority. The fundamentals of political morality include the maintenance of general welfare. The city of New York is dependent upon the progress and prosperity of all of its components. A vertical policy means the pyramids of the Pharaohs, silhouetting the skylines of Manhattan; but a horizontal municipal policy means a steady, higher plane of progress and prosperity for Manhattan, Queens, Bronx, Richmond, and, last but not foremost, for the Borough of Brooklyn and all their citizens, rich and poor, proud and humble.

I strongly feel that our service and trade organizations should accept the responsibility of supporting our borough government in its efforts to bring about this horizontal policy. An allocation of capital expenditures on a basis of borough needs, weighted by a formula of population and taxes collected and such other factors as have been tested by other communities, will indicate the value of planning and foresight and will allow the greater city to compete with the municipalities of the rest of the Nation. With a horizontal plan, a broad, progressive, imaginative plan, New York City will continue to be the No. 1 city of the world, symbol of America's greatness.

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