

ROBERT F. KENNEDY
NEW YORK

St. John. Rouse
JWF

AUG 18 1967

United States Senate

WASHINGTON, D.C. 20510

August 17, 1967

James W. Rouse, President
Rouse Company
Village of Cross Keys
Baltimore, Maryland 21210

Dear Mr. Rouse:

Recently, I introduced in the Senate two bills for private investment in urban poverty areas. The first bill provides for substantial tax incentives to private businesses which would make major new investments in, and create new jobs for the residents of these areas. The companion bill would offer to private enterprise both low-interest loans and tax incentives for the construction of low-income housing units in the same areas.

Three premises underlie these bills. The first is that the substantial elimination of joblessness is the central element in any solution to our present urban crisis. The second is that our present government programs are simply not adequate to the task -- and that no wholly governmental effort, of whatever size, can be the complete answer. The third is that we need the full participation of private enterprise, and that business requires and deserves those fair incentives which would put its participation on a businesslike basis.

During the preparation of these proposals, I have consulted at length with representatives of business, labor, government, the academic community, and of the urban poor themselves. Their encouragement and support, and that of many Senators in both parties, has led me to believe that the bills are both a reasonable approach to the problem, and carry a reasonable chance of passage. We expect that hearings may well take place in this session of Congress.

Therefore I am writing to request your reaction to these bills, in general and in particular. Whether the incentives seem sufficient to make investment in poverty areas attractive; whether the tax credits, accelerated depreciation, and special deductions proposed would affect your investment decisions; whether, above all, you and your organization might actually invest in an urban poverty area under the conditions specified: these are the questions to which the Congress will look to you for answers. I would very much appreciate any comments you care to make about these bills, in any detail you think helpful to the legislation. And I hope that you will not restrict your comment to the particular questions most relevant to business -- but will give me the benefit of your thoughts on their merits as matters of public policy for the nation.

I have enclosed the bills, the statements describing them, and section-by-section summaries of each. If you or any member of your staff desires further information or has any questions about them, please do not hesitate to call me, or Myron Curzan or Adam Walinsky of my staff in Washington. I look forward to hearing from you, and especially to any suggestions you have for possible improvement.

With best regards.

Sincerely,


Robert F. Kennedy

Enclosures