

June 24, 1966

C.F.

38

ND 1960 312
FG 170

CONFIDENTIAL

MEMORANDUM TO THE HONORABLE ROBERT C. WEAVER

SUBJECT: Information Kit on Vietnam

As part of our joint effort to increase the flow of Department-to-Department information, and expand the scope of individual Cabinet Member speeches, I plan to circulate background kits on key issues from time to time.

The enclosed information package treats several basic aspects of the Vietnam issue. It is being circulated to each of your Cabinet colleagues.

Some of this data may be familiar to you, but I believe it will be generally helpful to have on hand, and particularly useful to your staff as reference material for specific speech situations.

As new and more current material on Vietnam develops, it will be furnished to you for inclusion in this kit.

Robert E. Kintner
Secretary to the Cabinet

REK:rba

DETERMINED TO BE AN
A MILD-TYPE MARKING
NOT A SECURITY
I. FORMATION, E. O. 12356,
SEC. 1.1(a)

BY TH ON 3-25-87

EP
THE WHITE HOUSE
WASHINGTON
December 30, 1966

C. F. ③
ED3
HS3
PH/FG170
FG170

SITUATION ROOM:

Please send the following message:

"Mr President:

Info copies: Bill Moyers
Bob Fleming

Secretary Weaver sent in the proposed White House announcement of a new program of graduate fellowships in urban studies as follows:

~~Quote (type attached) Unquote.~~

Secretary Weaver would propose to release this early next week unless the White House desires to make the announcement. I suggest that Bob Fleming get in touch with Secretary Weaver on a conclusion."

Robert H. Kintner "

ED: WASHINGTON COMCENTER
M FRIDAY 30 DECEMBER 1966

ED: LBJ RANCH COMCENTER
M FRIDAY 30 DECEMBER 1966

ED: TO AUSTIN COMCENTER
PM FRIDAY 30 DECEMBER 1966

30, 1966

HOUSE ANNOUNCE-
MENTS IN URBAN

FELLOWSHIPS

URBAN STUDIES
ANNOUNCEMENT OF THE
PROGRAM.

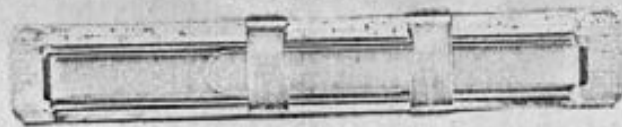
DEPENDENT UP TO
AVAILABLE FOR
UNIVERSITY
1967-1968
1967.

THE STUDY PRIMARILY

IN URBAN PLANNING AND RELATED FIELDS INVOLVED IN THE SOCIAL, ECONOMIC, AND PHYSICAL DEVELOPMENT PROBLEMS OF MODERN CITIES. THE PROGRAM OF STUDY MUST BE ORIENTED TO CAREERS IN CITY AND REGIONAL PLANNING, HOUSING, URBAN RENEWAL, COMMUNITY DEVELOPMENT, AND OTHER TYPES OF PUBLIC SERVICE.

"WE HOPE THAT THESE FELLOWSHIPS WILL HELP ALLEVIATE THE CURRENT ACUTE SHORTAGE OF BOTH SPECIALISTS IN URBAN PROBLEMS," SAID SECRETARY WEAVER. "THEY WERE MADE POSSIBLE BY LEGISLATION SPONSORED UNDER THE LEADERSHIP OF SENATOR JOSEPH S. CLARK," SAID SECRETARY WEAVER. "SENATOR CLARK HAS ALWAYS BEEN KEENLY AWARE OF THE NEED IN CITIES FOR OFFICIALS TRAINED TO HANDLE AND DIRECT URBAN PROGRAMS, PARTICULARLY WITH THE DEVELOPMENT OF SUCH PROGRAMS AS MODEL CITIES. THE

BB/



C.F. ①

PR 18-2

FG 105

FG 170

FG 11-1

FG 165

FG 160

FG 135

FG 140

FG 150

FG 110

FG 115

FG 155

December 30, 1966

CONFIDENTIAL

MEMORANDUM FOR HARRY McPHERSON

At the present time the President plans a press conference at 10 o'clock Washington time -- 9 o'clock Texas time -- tomorrow morning. I have asked Jake to let you know whether the President wants the material rewritten from the Cabinet and Departments, but in talking to Bill Moyers I would guess that he would want it done.

We are sending you carbons of all of the reports. Bill Moyers points out that your revised report would have to be at the ranch late tonight, at the latest, since the President's plans are for an early press conference to get the January 1st newspapers particularly, and the afternoon newspapers and broadcasts of December 31st.

If I may suggest, whatever I put in about the State-Defense operation, I would point out that this material has not been cleared as to text by Secretary Rusk or by Secretary McNamara.

The way it now stands is that Jake will get ahold of you directly on the final decision but I will guess that it is 99% sure that they will want you to rewrite the material tonight.

re: Questions & Answers

Robert E. Kintner

cc: Charles Maguire

REK:gt

RECEIVED

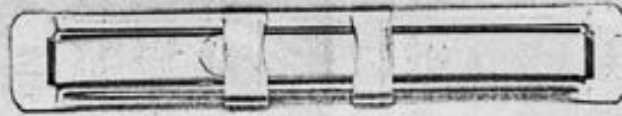
267

DETERMINED TO BE AN ADMINISTRATIVE MARKING NOT TO SECURITY INFORMATION, E.O. 12356, SEC. 1.1(a)

BY TH ON 3-25-87

held in Texas 12/31/66

BB/



C.F. (16)

3/

December 30, 1966
1:00 p.m., Friday

FG 125
FG 110
FG 115
FG 150
FG 170
FG 140
FG 11-1
FG 155
FG 165
FG 296
FG 160
FG 11-15
FG 283
FG 11-3
FG 145
FG 260
FG 135

PLEASE SEND TO THE PRESIDENT BY WIRE

MR. PRESIDENT:

At your request, all Departments and key agencies have been asked to submit immediately brief year-end reports of major achievements and future challenges.

Reports from HUD and Post Office have already been received and follow below. The remaining reports will be sent by wire to you as they arrive within the next hour.

In addition, Walt Rostow is preparing a special report on foreign policy. (We understand that Secretary Rusk is submitting a separate report to you.)

Will Sparks, per instructions, is preparing a Defense Department report. He has used information supplied by John Steadman, but his final report will not be cleared by Secretary McNamara who is away, as you know.

The Commerce Department report will not have Secretary Connor's clearance as he is also away.

There now follows texts of Post Office and HUD reports as received.

q Robert E. Kintner

REK:CMM:ejf

All sent to Texas -

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

C. F. ①

H53
FH170
FH11-1

4

December 21, 1966

MEMORANDUM FOR MR. JOSEPH A. CALIFANO

FROM : John E. Robson *John T. Robson*
SUBJECT: Urban Development Corporation
X

At your request I met with Bob Wood to review the UDC idea. Assuming that massive rehabilitation is the right direction for solving the slum problem, I am still leary about floating UDA in full dress at this time.

1. HUD has isolated some observations on what may be needed to mobilize the private sector and local governments to a massive rehabilitation program:
 - A large scale, continuous market with sufficient promise of profit to generate product and technique research and development and attract the elements of business and labor which have thus far shunned slum rehabilitation.
 - A large commitment of Federal funds which can be pumped into the rehabilitation industry without Government administrative redtape.
 - Application of American business management skills and know-how.

2. However, I think some fundamental questions are still not answered:
 - Is UDC an attempted substitute for needed improvement and coordination of existing Government programs (e.g., cities, rent supplement, FHA, FNMA, manpower, civil rights, etc.)? It appears that the things Government can give to UDC, Government already has. Whether much more can be gained by adding a non-profit semi-private institution is debatable.
 - Have we really thought through the problem of the national concept of UDC and the necessity of local operation? It seems to me that the important local elements will have to be mobilized before a project can proceed in a particular

Reports filed in ^{} Overize Attachments*

IV

C.F.

(2)

5

FI 5-4

EDI

FGI 70

FI 8

FGI 65-4

December 9, 1966

EYES ONLY

MEMORANDUM FOR

Honorable Harold Howe, II
Commissioner of Education

Attached is a proposal recently made by HUD for an expanded no interest college housing loan program. It would be helpful if we could have your views on this proposal by Tuesday, December 13, 1966.

Joseph A. Califano, Jr.
Special Assistant to the President

ADMINISTRATIVELY CONFIDENTIAL

Nothing else sent to
Central Files as of 5/26/67

*Walter J.
EF mm*

~~CONFIDENTIAL~~

C. F. 9/2
FG 245-2
FG 170

EEA472
PP WTE10
DE WTE 2549

Received Washington CommCen
2:23 PM Monday 5 December 1966

Received LBJ Ranch CommCen
3:05 PM Monday 5 December 1966

① FROM: JOE CALIFANO
TO : THE PRESIDENT
CITE: CAP661178

~~C O N F I D E N T I A L~~

2:00PM, MONDAY
DECEMBER 5, 66

FOR THE PRESIDENT
FROM JOE CALIFANO

I WAS JUST ADVISED BY BOB WOOD THAT J. STANLEY BAUGHMAN,
THE PRESIDENT OF FNMA, HAS SUBMITTED HIS RESIGNATION,
EFFECTIVE THE FIRST OF THE YEAR.

THE HEAD OF FNMA IS APPOINTED BY THE SECRETARY OF HUD.
HE IS NOT A PRESIDENTIAL APPOINTEE.

BAUGHMAN IS RESIGNING AFTER MORE THAN 25 YEARS WITH
FNMA. BAUGHMAN IS 68 YEARS OLD AND, IF HE RETIRES BEFORE
JANUARY 1, HE WILL BE ENTITLED TO AN INCREASED ANNUITY.

SOME PAPERS HAVE ALREADY SMELLED THE STORY AND ARE
MAKING INQUIRIES AT HUD. BECAUSE THE RESIGNATION COMES AT
A TIME OF LOW HOUSING STARTS AND CONTROVERSY OVER FNMA'S
ROLE, IT COULD BE MISINTERPRETED AS A SLAP AT THE ADMINI-
STRATION, UNLESS WE GET THE TRUE STORY OUT QUICKLY, (NAMELY
THAT BAUGHMAN IS OLD AND WANTS THE INC
COMES FROM RETIREMENT BEFORE JANUARY 1

I RECOMMEND THAT (1) WE TELL WEAVER
RESIGNATION AS SOON AS POSSIBLE AND TO
OF BAUGHMAN'S AGE, HIS LONG SERVE IN F
BAUGHMAN HAS BEEN CONSISTENT SUPPORTER
HOUSING AND MONETARY POLICIES; AND (2)
FULL SPEED TO GET A SUCCESSOR.

APPROVE-----✓

DISAPPR

DTG: 05/2023Z DEC 66

THE WHITE HOUSE
WASHINGTON
December 6, 1966

MR. PRESIDENT:

Joe Califano called and says that the
newspapers have information on his
resignation. Should we announce it now?

yes no

Jake

~~CONFIDENTIAL~~

December 3, 1966

C. F. 7

FG100/MC

FG170

~~CONFIDENTIAL~~

MEMORANDUM FOR

THE HONORABLE ROBERT C. WEAVER

The meeting of the Cabinet at 12:00 Noon on
Wednesday, December 14, 1966, will be held
in the Cabinet Room at the White House.

Robert E. Kintner
Secretary to the Cabinet

REK/emu

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NAT'L SECURITY
INFORMATION, E.O. 12356,
SEC. 1.1(a)

BY TH ON 3-25-87

C. F.

8/

December 2, 1966

FG 170-4
FG 170

**MEMORANDUM FOR HONORABLE
ROBERT WOOD:**

Attached is information on Mr. Jack H. Mankin whom we discussed as a possibility for the Indiana State FHA job. I would appreciate your making a quiet check on this as I promised that this recommendation would be kept somewhat confidential until you could check on the matter.

James R. Jones

**PERSONAL
& CONFIDENTIAL**

Attachment

JRJ:djb

November 30, 1966
2:30 p.m. Wednesday

^a C.F.
FG100/MC
FG170

~~CONFIDENTIAL~~

MEMORANDUM FOR THE HONORABLE

ROBERT C. WEAVER

Reference is made to my memorandum of November 15, 1966, calling for a meeting of the Cabinet at 12 noon on Thursday, December 8.

The President has now decided to hold the Cabinet meeting at 12 noon, Wednesday, December 14.

In my previous letter, I asked for items to be considered by the President for the agenda to be in this office by December 1. In view of the postponement of the meeting, I should appreciate if recommended items for consideration could be in my office by Wednesday, December 7.

I am not sure of the location of the Cabinet meeting, but I would appreciate if your office could let me know whether or not you can attend at 12 noon, Wednesday, December 14. I will send you the location at a later time.

Robert E. Kintner
Secretary to the Cabinet

REK:ny

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NATIONAL SECURITY
INFORMATION, E.O. 12356,
SEC. 1.1(a)

BY TH ON 3-25-87

~~ADMINISTRATIVELY CONFIDENTIAL~~

THE UNDER SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

November 28, 1966

C. F.

HU1
FH 170
FH 110
FH 165

10

MEMORANDUM FOR

Joseph A. Califano, Jr.
Special Assistant to the President

Per your requests to Charley Haar^X and myself, there are attached
(1) a further description of the Urban Institute concept and
(2) a refined version of the urban planning proposal. The material
you requested on New City Development will be available early
tomorrow.

As you suggested, we have discussed the college housing proposal
with Treasury and HEW.

Treasury: Joe Barr has told Secretary Weaver that he believes
that college housing has a very high priority and that the
sale of participations is a good idea, depending upon the
nature of the economy. The point here is that Barr does not
feel that the high cost of money will be with us forever.
Therefore, the sale of participations -- while perhaps diffi-
cult for the market to absorb now -- should be easier in the
future.

HEW: Secretary Gardner told Secretary Weaver that he felt
that college housing rated a very high priority as well.
Harold Howe was out of town until tonight, and we could get
only a very quick reaction from the OE side. The initial
reaction is favorable. They agree that residential bottle-
necks to enrollment are a near term serious higher education
problem -- and possibly a crisis. The HUD proposal is con-
sidered to be good for both institutions and students, and
they would like to think in terms of possible application to
the instructional facilities programs. Two possible reser-
vations are worth noting. First, if the total Federal posture
is highly restrictive on new construction assistance (for
general economic reasons), they would want to negotiate on
relative volumes so that residential construction does not

EF
Mc

C. F. (3)
FG170
HSB
PR11

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

November 28, 1966

MEMORANDUM FOR: Joseph A. Califano, Jr.
Special Assistant to the President
The White House

Attached, per your request, is a list of those individuals who are known to have received documents relating to UDC. We have not had time to determine what distribution, if any, may have been made to staff members of those listed. The numbers next to each name relate to the documents received, as explained by the code at the end of the report.

Robert C. Weaver
Robert C. Weaver

Attachment

NOV 29 1966
JOE CALIFANO '76'
RECEIVED

RECEIVED
JOE CALIFANO, JR.

1966 NOV 28 PM 5 49

MEMORANDUM

FOR THE RECORD

[Handwritten signature]

MEMORANDUM FOR THE RECORD
SUBJECT: [Illegible]

DATE: [Illegible]
BY: [Illegible]

NOVEMBER 28, 1966

[Handwritten notes and stamps]
654
423
10/20/66
C. E.
10-1

List of Individuals Receiving UDC Documents

1) The White House

Joseph Califano (1) (2) (3)
Lawrence Levenson (1) (2) (3)
Jim Gaither (1) (2) (3)

2) HUD Personnel

Office of Secretary

Robert Weaver, Secretary (1) (2) (3)
Robert Wood, Under Secretary (1) (2) (3)
Ralph Taylor, Assistant Secretary (1) (2) (3)
Don Hummel, Assistant Secretary (1)
Dwight Ink, Assistant Secretary (2)
Charles Haar, Assistant Secretary (1)
Bill Ross, Deputy Under Secretary (1) (2)
Ashe Foard, General Counsel (2) (3)
Jay Janis, Executive Assistant to the Secretary (1) (2) (3)
John Clinton, Assistant to Under Secretary (2)
Leonard Duhl, Under Secretary's Office (1) (2)
Jane Cahill, White House Fellow (1) (2)
John Frantz, Budget Officer (2)
Norman Beckman, Intergovernmental Relations (2)
Henry Schechter, Staff Economist (1)
Guy Chamberlain, Management Officer (2)
Frank Hall, Assistant to Assistant Secretary Ink (2)

Federal Housing Administration

Phil Brownstein, Assistant Secretary (1) (2) (3)
Carter McFarland, Assistant Commissioner (1) (2)
Jim Simpson, Technical Standards (1) (2)
Sybil Phillips, Rehabilitation Section (1) (2)
James Prothro, Counsel (1) (2)

3) White House Task Force on the Cities

Ardee Ames, Executive Director (1) (2)
Paul Ylvisaker, Chairman (1) (2)
Julian Levi, Co-Chairman (1) (2)
Ben Alexander (1) (2)
John Dunlop (1) (2)
Ezra Ehrenkrantz (1) (2)

4) Others

Hortense Gabel, Consultant to HUD (1) (2) (3)
Paul Ignatius and Staff, DOD (2)
Charles Schultze, BOB (2)
Ramsay Clark, Justice (2)
Dave Slawson, Justice (2)
Don Hornig, OS&T (2)
William Hooper, OS&T (1) (2)
Lou Winnick, Ford Foundation (2)
Don Schoen, Woods Hole Panel, Santa Barbara (1)
Tom Paine, Woods Hole Panel, Santa Barbara (1)

Code:

- (1) Santa Barbara Report
- (2) Blue Cover Summary Report
- (3) Covering Memoranda to the President

Note: Over 100 persons received reports of the Woods Hole Sessions which described the UDC idea in its early stage.

As yet, we have been unable to determine what distribution was made of these documents, if any, to staff assistants of those named above.

CONFIDENTIAL
DEC 1 1969
RECEIVED

~~ADMINISTRATIVELY CONFIDENTIAL~~

RECEIVED
DEC 15 1966
CENTRAL FILES

of those named above.
was made of these documents, it will be noted that
as yet we have been unable to determine what distribution
exists.

Several other described the NDC item in its early
Note: Over 100 persons received reports of the Woods Hole

- (3) Cole's Memoranda to the President
- (3) Eric Cole's personal reports
- (1) Santa Barbara reports

Code:

- John Byrne, Woods Hole Center, Santa Barbara (1) (1)
- Don Gorsuch, Woods Hole Center, Santa Barbara (1)
- Tom Winters, Ford Foundation (3)
- William Hooper, CS&J (1) (3)
- Don Holm, CS&J (3)
- Dale Steward, Justice (3)
- Harvey Clark, Justice (3)
- Charles Schmitt, BOB (3)
- Paul Gardner and Gary, DOD (3)
- Hortense Geyer, Committee to NND (1) (3) (3)

4) Others

EEA290
OO WTE 10
DE WTE 2335

FROM: JOE CALIFANO
TO: THE PRESIDENT
CITE: CAP661036

Received Washington CommGen: **FIS-4**
4:09 PM Wednesday 23 November 1966

Received LBJ Ranch CommGen: **LG**
4:57 PM Wednesday 23 November 1966

FI4/FG170
FG170-6
FG170

~~CONFIDENTIAL~~

~~C O N F I D E N T I A L~~

12:00 A.M., WEDNESDAY
NOVEMBER 23, 1966

THE FOLLOWING ITEMS WERE GIVEN TO ME BY WEAVER AS POINTS FOR DISCUSSION WITH YOU AT THE RANCH ON FRIDAY:

1. RELEASE OF \$350 MILLION IN SPECIAL ASSISTANCE FNMA FUNDS FOR HOMEBUILDING -- CONGRESS HAS AUTHORIZED \$1 BILLION IN FNMA SPECIAL ASSISTANCE FUNDS TO STIMULATE HOMEBUILDING. WE HAVE HELD THESE FUNDS BACK BECAUSE OF PRESSURES ON THE GENERAL ECONOMY. WITH HOMEBUILDING STARTS IN A SLUMP (THE LOWEST IN 21 YEARS), WEAVER, FOWLER AND SCHULTZE ARE RECOMMENDING THE RELEASE OF \$350 MILLION IN SPECIAL ASSISTANCE FUNDS. YOU HAVE MEMOS FROM SCHULTZE AND WEAVER ON THIS. LARRY BLACKMON HAS WRITTEN TO YOU URGING RELEASE OF \$250 MILLION SPECIAL ASSISTANCE FUNDS, AND THE TICKER THIS MORNING CARRIED THE TEXT OF HIS LETTER. IF YOU APPROVE, THE RELEASE OF THE FUNDS COULD BE ANNOUNCED PUBLICLY.

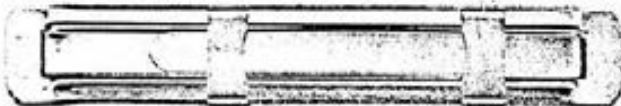
2. ADDITIONAL CONSTRUCTION FINANCING FOR LOW AND MODERATE-INCOME FHA PROGRAMS -- IN AN AMENDMENT TACKED ON TO THE MODEL CITIES ACT, HUD WAS GIVEN SPECIAL AUTHORITY TO MAKE FINANCIAL ASSISTANCE TO HOMEBUILDERS DURING CONSTRUCTION OF MODERATE INCOME AND RENT SUPPLEMENT UNITS RATHER THAN AFTER THE COMPLETION OF CONSTRUCTION. WEAVER WANTS TO RELEASE \$75 MILLION, BUT SCHULTZE IS OPPOSED BECAUSE (1) IT WOULD ADD TO FY 1967 EXPENDITURES AND IS AN ITEM THAT YOU APPROVED AS A CUTBACK; (2) PRIVATE FINANCING MAY BE AVAILABLE; AND (3) FHA HAS EASED INTEREST RATE RESTRICTIONS TO HELP THE HOMEBUILDERS.

3. HUD PERSONNEL CEILINGS. WEAVER SAYS THE HIRING FREEZE HE PERSONALLY IMPOSED LAST NOVEMBER (BEFORE HUD CAME INTO BEING) AND WHICH LATER GOT CAUGHT-UP IN THE OVER-ALL GOVERNMENT FREEZE IS POSING "EXTREMELY DIFFICULT" PROBLEMS AT LEVELS JUST BELOW THE ASSISTANT SECRETARIES. WEAVER IS LOOKING FOR SOME RELIEF. SCHULTZE HAS A MEMO ON THIS WHICH WAS SENT TO YOU LAST WEEK.

4. REPORT ON MODEL CITIES PROGRAM -- WEAVER WILL HAVE A REPORT ON THE PROGRAM SHOWING HOW MANY CITIES HAVE EXPRESSED INTEREST, AND ARE WORKING ON PLANS ON WHAT HUD HAS DONE TO GET MOVING. THIS SHOULD SHOW PROGRESS. IF YOU APPROVE, THE REPORT COULD BE MADE PUBLIC, AND I HAVE ASKED WEAVER TO PREPARE A GOOD STATEMENT SUMMARIZING THE PROGRESS TO DATE.

5. PROGRESS UNDER THE "CONVENOR ORDER" -- THIS IS AN EXECUTIVE ORDER YOU SIGNED LAST AUGUST. IT GIVES WEAVER THE AUTHORITY TO INSURE BETTER COORDINATION ON CITY PROGRAMS

313



C.F. 18

13

November 19, 1966
3:00 p.m. Saturday

CONFIDENTIAL

MEMORANDUM FOR THE HONORABLE BERNARD BOUTIN

1. Now that the President has returned to the Ranch, in order to keep him informed in the easiest way, we would like to go back to the system that we used when the President was at the Ranch before his operation.

Namely, we would like any news that he may want to release to be addressed to him and sent to this office with copies attached and indicated for Bill Moyers and George Christian. I, in turn, will assume the responsibility of getting these items to the proper place in Texas.

2. We would also like to continue the brief, highlighted weekly reports on the current operation of the Small Business Administration. I believe the President has found these reports valuable in keeping abreast of the most important operations in the government.

I suggest that these reports be addressed to the President, signed by you, and that they be sent to this office, and I will see that they reach the President expeditiously at the proper place. The continuance of this system of temporary reporting during the period when the President will be away from the White House will not, in any way, interfere with any direct contact that you feel necessary with the President.

Robert E. Mintner
Secretary to the Cabinet

Identical letter to: Farris Bryant
William Driver
John Macy
Glenn T. Seaborg
Jack Vaughn

Manuel F. Cohen
~~John DeLoach~~
William F. McKee
Sargent Shriver
James Webb

- PLU/FG
- FG-283
- FG 11-6
- FG 300
- FG 295
- FG 202
- FG-105-6
- FG 281
- FG 226
- FG 11-15
- FG 260
- FG 110
- FG 160
- FG 165
- FG 170
- FG 135
- FG 140
- FG 145
- FG 150
- FG 155
- FG 105
- FG 115

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT A SECURITY
INFORMATION, e.o. 12356,
SEC. 1.1(a)

BY TH OR 325-87

RECEIVED
NOV 22 1966
CENTRAL FILES

H / C.F.
Dw 11/FG
FG 170

November 16, 1966
1:30 p.m., Wednesday

CONFIDENTIAL

MEMORANDUM FOR THE HONORABLE ROBERT C. WEAVER

1. I believe it would be helpful to the President, during this period, if the practice that we followed when he was at the Ranch before his operation, were continued over the next couple of weeks. Therefore, I would appreciate if you have information for public release of the character suitable to the Office of the Presidency that it be sent to this office, addressed to the President and signed by you, with indicated copies attached for Bill Moyers and George Christian. I in turn will see that the material is properly delivered.

We would like any news for public release by the President at any time, but in order to distribute the information more evenly we would like to continue Thursday as your assigned day.

2. During this period, I also think it would be particularly helpful if the President would receive brief, highlighted weekly reports on the current operation of your Department that would interest him. I would suggest that they be made brief and of the character that would summarize only the most important operations that would be of genuine interest to the President.

Here again, I suggest that they be addressed to the President, that they be signed by you, and that they be sent to this office and I will see that they reach him expeditiously. Obviously, this system of temporary reporting during this period will not, in any way, interfere with any direct contact that you feel necessary with the President.

Robert E. Kintner
Secretary to the Cabinet

REK:gt

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NATE SECURITY
INFORMATION, E.O. 12356,
SEC. 1.1(a)

BY TH ON 3-25-87

C. F. 15

November 15, 1966

FG100/mc
FG170

CONFIDENTIAL

MEMORANDUM FOR THE HONORABLE ROBERT C. WEAVER

There will be a regular Cabinet Meeting on Thursday, December 8, at 12:00 noon in the Cabinet Room.

I should appreciate it if you could send me any suggested items for the Cabinet agenda by Thursday, December 1, in order that they may be considered by the President for possible inclusion at the meeting.

I should also appreciate notification by December 1 as to whether or not you can attend the meeting.

**Robert E. Kintner
Secretary to the Cabinet**

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NAT'L SECURITY
INFORMATION, E. O. 12356,
SEC. 1.1(a)

BY TH ON 3-25-87

ADMINISTRATIVELY CONFIDENTIAL

G. F. (4)

FG 600/Task Force/R*
NR 3
RE
FG 170

16

November 14, 1966

EYES ONLY

MEMORANDUM FOR

The Honorable Orville L. Freeman
The Secretary of Agriculture

As I indicated during our discussion on Tuesday, November 8, it would be extremely helpful if you would:

- (1) ^{*} Summarize the data underlying the proposal of the Task Force on Resources and Recreation for an avalanche warning system. Of particular importance here are the statistics on persons killed or injured by avalanches and projections as to injuries likely to occur in the future.
- (2) Prepare, in consultation with representatives from the Department of Housing and Urban Development, a detailed analysis of the recommendation made by the Task Force on Resources and Recreation for "a cooperative urban forestry program". The report should contain a detailed outline of the proposal, and an indication of the type of opposition which might be encountered.
- (3) Discuss with representatives from the Council of Economic Advisers the proposal made by the Task Force on Resources and Recreation for grants and loans to land owners or tenants for the purpose of converting farms to recreation. Please summarize the results of the above discussion and your recommendations as to what action should be taken. (Of particular importance here is a detailed indication of existing authority to assist in the conversion of farming lands to recreation.)

ADMINISTRATIVELY CONFIDENTIAL

RECEIVED
DEC 20 1966
CENTRAL FILES

Nothing else sent to
Central Files as of 12/22/66

C. F. 17

PL 1/FG
FG-170

November 4, 1966
1:50 p.m. Friday

CONFIDENTIAL

MEMORANDUM FOR THE HONORABLE ROBERT C. WEAVER

1. The President would like each Cabinet Officer to be personally responsible for sending him information on their Departments which can be publicly released by him from the ranch. The communications should be addressed to the President, with copies for Bill Moyers, George Christian, and myself. If these news items with the copies are sent to me, I will see that they are correctly communicated to Texas. They should be signed by you.

In order to regularize the availability of news for Presidential press conferences at the ranch or for release from the ranch, the President has asked that various Departments be responsible for definite days of the week. The day allocated to your Department is Thursday.

2. While the President does not want a great mass of material sent to Texas, it would be appreciated if each Cabinet Officer would send, addressed to him through my office, a brief weekly highlighted report. These reports would not replace, of course, any direct contact that any Cabinet Member felt was necessary with the President. It is merely a temporary system of supplying him with highlights of the operation of the government on a regular basis during this period.

Robert E. Kintner
Secretary to the Cabinet

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NATIONAL SECURITY
INFORMATION, E.O. 12356,
SEC. 1.1(a)

BY TH ON 3-25-87

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

November 3, 1966
10:45 a.m. Thursday

File
G.F. ⑤
PL 2
PR 12
PL 6-3
FG 160
FG 170
FG 296

18

MEMORANDUM FOR MARVIN WATSON

As I explained on the phone, NBC has given the Democrats and Republicans a half hour of free time on Sunday afternoon, November 6. The Democrats go on at 2:00 p.m. and the Republicans at 3:00 p.m. The Republicans have spent \$50,000 for a film which we have had Bailey protest as to being in violation of the fair practices code.

We are making headway on this protest and we think the Republicans may drop the show and put on Nixon.

We decided, since we do have to pay for the production charges, to do a simple show featuring the Vice President. This was authorized by the President. Besides the Vice President, it includes Secretaries Wirtz and Weaver.

We deliberately shot 45-minutes rather than 30-minutes on the theory that the President might not like part of the show and it would be better to pay a few hundred dollars for editing to get a show that is one hundred percent pleasing to the President. It is available for him to see; if he plans to see it, it certainly should be either today or tomorrow. The editing will then be done for the Sunday show.

This is free time given by NBC to both parties but you do have to pay production costs, editing costs, etc. which will not be substantial.

If the President sees the program, I would like to be present, if he desires. He may or may not want the Vice President since the Vice President is the feature of the show.

Attached are two memorandums which you previously received copies but this memorandum basically brings the other information up to date.

R
Robert E. Kintner

GENERAL INVESTIGATIVE
DIVISION
NOV 3 1966
RECEIVED

BB/

C.F. *jes* (9) 19

FG600/Task Force/H
TN
FG226
FG135
FG170
FG11-3

October 25, 1966

EYES ONLY

MEMORANDUM FOR

The Honorable John T. Connor *FG11-9*
The Secretary of Commerce *FG11-1*
FG155

In accordance with our discussion on Friday, October 21, 1966, this memorandum establishes under your chairmanship a Task Force on Transportation. This Task Force should include the Administrator of the Federal Aviation Agency and representatives from the Department of Justice, the Department of Housing and Urban Development, the Council of Economic Advisers, the Office of Science and Technology, and the Bureau of the Budget, and may be broadened at your discretion.

May I suggest that you discuss with the heads of these agencies individuals to represent them on the Task Force. As you know, we should have the finest possible talent on this Task Force.

This special Task Force effort reflects our desire to develop and maintain an exceptional transportation system for this country. We hope to develop, with your help, a vigorous and imaginative program for consideration by the first session of the 90th Congress.

We would like you to conduct staff studies on the ideas and proposals listed below. It should be understood that these are merely ideas resulting from our discussions and that no decisions have been made with respect to any of them. Furthermore, you are encouraged to add any other proposal which you feel is worthy of consideration.

- Reorganization of the Interstate Commerce Commission
 - Presidential appointment of Chairman.
 - Vest executive and administrative powers in the Chairman.
- Reauthorize and expand High Speed Ground Transportation program to permit development and demonstration of advanced systems, including monorails and automated guideways for personal and commercial vehicles.

ADMINISTRATIVELY CONFIDENTIAL

RECEIVED
MAR 22 1967
CENTRAL FILES

C.F. ²⁰/

FG10014C

FG170

October 5, 1966

MEMORANDUM FOR

**Under Secretary Robert Wood
Department of Housing and
Urban Development**

**A Cabinet meeting has been scheduled for
Thursday, October 6, at 11:00 a.m.**

**Since Secretary Weaver will be unable to
attend, the President would like for you
to attend.**

**Robert E. Kintner
Secretary to the Cabinet
and Special Assistant
to the President**

gt

MEMORANDUM

37

G.F.

3

21

THE WHITE HOUSE
WASHINGTON

October 4, 1966
10:15 a.m. Tuesday

FG100/MC
FG150
FG135
FG170
FG165

all done, I presume
Put in Cabinet file

K

MR. PRESIDENT:

- 1. Secretary of Agriculture Freeman will be away in North Carolina on the day of the Cabinet Meeting, Thursday, October 6. He recommends that Under Secretary John Schnittker attend the meeting.

Yes No

- 2. Ramsey Clark will also be out of town and he recommends that Barefoot Saunders attend the Cabinet meeting.

Yes No

- 3. Secretary Robert Weaver will not be available and he recommends that Robert Wood attend the Cabinet meeting.

Yes No

- 4. Secretary John Gardner will be out of town and he recommends that Under Secretary Wilbur Cohen attend the meeting.

Yes No

K
Robert E. Kintner

C. F. ²²

LE

FG 170

October 1, 1966

CONFIDENTIAL

MEMORANDUM FOR THE HONORABLE ROBERT C. WEAVER

At the Cabinet Meeting this Thursday, October 6, at 11:00 a. m. the President has asked for a final review of the status of pending legislation before the present session of Congress. The Postmaster General will give the overall picture, but the President has asked that each Cabinet Member be prepared to discuss any legislation that comes within the jurisdiction of his Department.

Robert E. Kintner
Secretary to the Cabinet

REK:ejf

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NAT'L SECURITY
FORMATION, E. O. 12356,
SEC. 1.1(a)

BY TH ON 32587

C. F.

23

September 30, 1966

FG100/MC

FG170

MEMORANDUM FOR THE HONORABLE ROBERT C. WEAVER

There will be a Cabinet Meeting on Thursday, October 6, at 11:00 a.m. in the Cabinet Room. Could your office let my office know whether or not you can attend, and if you cannot attend would you designate a substitute for the President's approval.

Robert E. Kintner
Secretary to the Cabinet

REK:ejf

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

OFFICE OF THE UNDER SECRETARY

September 29, 1966

PERSONAL AND CONFIDENTIAL

MEMORANDUM FOR: Honorable Marvin Watson
Special Assistant to the President

SUBJECT : Garfield^x Kass

SAVE FOR
MEETING
TO RECONVEN
③

G. F.

EG 11-8-1/Statement
J.H.M.

EG 170

Nelson, Richard H.

I will be bringing Garfield Kass to your office Friday at 3:00 P. M. to meet you. The following is a summary of ways in which he could help out:

- 1) For the Administration: He is prepared to assist in reviewing Government plans with regard to real estate transactions. Specifically, he can be of immense help in overseas real estate transactions. A close review by a man of Mr. Kass' stature and reputation could save the Government several millions each year. He would be willing to serve without compensation and without publicity.
- 2) For the Party: He is prepared to be generous himself and is additionally prepared to help with general fund raising. He is a professional in the field of fund raising. He has been a community leader for fifty years and has helped numerous charities such as the Boy Scouts and the Red Cross to achieve contribution goals. He was also Finance Chairman for the GOP before he resigned from the Republican Party in 1964 to support the President. He was Chairman of the D. C. Citizens for Johnson in 1964.

By way of personal background, Mr. Kass is my uncle. His wife is my mother's older sister. He built a huge fortune in real estate over the past fifty years. He is known as a tough, honest, square dealer. He is clean as a whistle. He is retired, having sold his developed properties for some fifty million three or four years ago. He was a Special Ambassador for Eisenhower in 1954 and was on the original Commission to develop plans for the Center for the Performing Arts. He is a member of the Board of Directors for the Boy Scouts and a member of the Board of Meridian House, which is chaired by Mrs. Rusk. He was a junior aide to General Pershing in World War I. He is a leader in the Pershing War Memorial Commission.

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NAT'L SECURITY
INFORMATION, E. O. 12355,
SEC. 1.1(a)

BY TH ON 3-25-87

C. F.

FI II
FG 170

25
✓

September 27, 1966

CONFIDENTIAL

MEMORANDUM FOR: The Honorable Robert C. Weaver

The President has made clear in several press conferences, and Cabinet meetings, and in private meetings with government, labor and business officials, his position on any possibility that the President may or may not recommend additional changes in the tax laws. However, the Administration's position still seems somewhat confused in press and broadcasting reports.

The President's position has been and is now that, when all appropriate information is available to him, including the amount in all appropriations bills of the present session of Congress and any revised forecasts of the cost of military operations in Vietnam, the President will then make a decision whether or not he will recommend tax changes to the Congress.

The President hopes, in the meantime, that no member of his Administration will speculate concerning what his future decision may or may not be.

Robert E. Kintner
Secretary to the Cabinet

CONFIDENTIAL

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NAT'L SECURITY
INFORMATION, E. O. 12356,
SEC. 1.1(a)

BY TH OR 3-2587

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

September 16, 1966
Friday - 11:30 a.m.

G.F. (11)
7G100/MC
7G105
7G110
7G115
7G135
7G140
7G145
7G150
7G155
7G160

26

~~CONFIDENTIAL~~

MEMORANDUM FOR THE HONORABLE DEAN RUSK

The President will hold a Cabinet Meeting next Thursday, September 22, at 11:00 a.m. in the Cabinet Room. The principal subject of discussion will be a presentation by Director of the Budget Charles Schultze on Executive Department savings during Fiscal Year 1966 and areas for savings in 1967.

7G165
7G170

It may be that the President will call on individual Members of the Cabinet for any comment concerning savings in their departments.

Would you let my office know whether or not you will attend?

Robert E. Kintner
Robert E. Kintner
Secretary to the Cabinet

Mr. President:

For your information, a copy of this memorandum was sent Members.

R.E.K.

September 16, 1966
Friday - 11:30 a.m.

Mr. President: (2)

For your information, this memorandum was sent to all members of the Cabinet.

R.E.K.

file K

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NAT'L SECURITY
INFORMATION, E.O. 12356,
SEC. 1.1(a)

BY *TH* ON *3-25-87*

September 10, 1966
Saturday - 11:30 a.m.

C. F. (2)

WE 9

7G 110

7G 135

7G 140

7G 145

7G 150

7G 155

7G 160

7G 165

7G 170

~~CONFIDENTIAL~~ MEMORANDUM FOR THE

HONORABLE HENRY H. FOWLER

As a follow-up of my memorandum of September 9, 1966, in which Members of the Cabinet were urged to use radio and television appropriately in behalf of the execution and objectives of the Great Society, the President would like reports sent to me relating to such radio and television appearances, over the next two months.

Robert E. Kintner
Secretary to the Cabinet

RE:ny

The above memorandum went to:

Nicholas Katzenbach
Lawrence O'Brien
Stewart Udall
Orville Freeman
John Connor
Willard Wirtz
John Gardner
Robert C. Weaver

SEP 13 1966
CENTRAL FILES

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT A SECURITY
INFORMATION, E.O. 12356,
SEC. 1.1(a)

BY TH ON 32587

186

September 9, 1966
12:30 p.m.

C. F. 28

MR. PRESIDENT:

This was sent to the Cabinet, except for Secretaries Rusk and McNamara, per Bill Moyers request from you.

K
E HOUSE
INGTON

September 9, 1966

K
Robert E. Kintner

WE9
PR18-1
7G 110
7G 135
7G 140
7G 145
7G 150
7G 155
7G 160
7G 165
7G 170
UT1-1

MEMORANDUM FOR THE HONORABLE HENRY H. FOWLER

The President believes it would be appropriate if Members of the Cabinet made as many radio and television appearances as are practical, particularly in behalf of the execution and objectives of the Great Society, which at times get lost sight of, because of the news interest in Vietnam and other aspects of the United States foreign policy.

Robert E. Kintner
Robert E. Kintner
Secretary to the Cabinet

As
ask for report of plans
between now and now

CONFIDENTIAL

C.F.
LE/LG
FG 170

SENT
WHCA

EEA023

1966 AUG 29 18 31

OO WTE 10
DE WTE 1423

~~CONFIDENTIAL~~ sf

FROM: MRS ROBERTS
TO: THE PRESIDENT
CITE: CAP66685

~~C O N F I D E N T I A L~~

PERSONAL

HOUSE OF REPRESENTATIVES
COMMITTEE ON BANKING AND CURRENCY
WASHINGTON, D. C.
AUGUST 29, 1966

THE PRESIDENT
THE WHITE HOUSE
WASHINGTON, D. C.

DEAR MR. PRESIDENT:

ENCLOSED IS A COPY OF A LETTER I HAVE JUST SENT TO SECRETARY WEAVER. THIS PROBLEM IS GROWING IN PROPORTION EACH YEAR, AND IT IS MY OPINION THAT A POLICY DECISION MUST BE TAKEN AT THIS TIME BEFORE IT IS TOO LATE.

WITH BEST PERSONAL REGARDS, I AM

SINCERELY YOURS,
WRIGHT PATMAN
CHAIRMAN

ENCLOSURE

HONORABLE ROBERT C. WEAVER
SECRETARY
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C.

DEAR MR. SECRETARY:

THIS LETTER IS TO SOLICIT A POSITION FROM YOU RELATING TO THE CREATION OF A POSSIBLE AND MINIMUM \$8.7 BILLION LIABILITY UPON THE UNITED STATES TREASURY.

THE DEMONSTRATION CITIES BILL TO BE CONSIDERED BY THE HOUSE BANKING AND CURRENCY COMMITTEE TOMORROW CONTAINS 48 SPECIAL EXEMPTIONS TO THE NON-CASH, LOCAL GRANT-IN-AID PROVISIONS OF TITLE I. LAST YEAR THE HOUSING AND URBAN DEVELOPMENT ACT CONTAINED 13 SPECIAL EXEMPTIONS TO NON-CASH, LOCAL GRANT-IN-AID PROVISIONS. LAST YEAR THESE PROJECTS WERE RELUCTANTLY INCLUDED AND I AM CONVINCED THAT THIS YEAR EVEN UNDER THE NEW GROUNDRULES ESTABLISHED IN THE CONFERENCE COMMITTEE REPORT THAT PROPER CONSIDERATION WAS NOT GIVEN TO THE 48 SPECIAL EXEMPTIONS. IN A WORD, I AM CONVINCED THAT ALL OF THESE PROJECTS, PERHAPS WITH MINOR EXCEPTIONS, ARE TO BE CONSIDERED IN THE NATURE OF "POLITICAL PORK."

CONSERVATIVELY IT HAS BEEN ESTIMATED THAT THE 48 SPECIAL EXEMPTIONS CONTAINED IN THIS YEAR'S BILL WILL AMOUNT TO AN INCREASE IN DIRECT FEDERAL COSTS OF \$350 MILLION. THE ESTIMATED INCREASE OF FEDERAL COSTS OF THESE PROJECTS AS A RESULT OF THE 1965 ACT WAS \$40 MILLION. THE 1965 AND 1966 SPECIAL EXEMPTIONS CURRENTLY TOTAL 61, INVOLVING A TOTAL OF \$390 MILLION IN NON-CASH, LOCAL GRANT-IN-AID CREDIT, OR AN AMOUNT APPROXIMATING \$6 MILLION PER PROJECT. AS YOU KNOW, THERE ARE APPROXIMATELY 1,450 URBAN RENEVAL DEVELOPMENT PROJECTS IN PLANNING OR EXECUTION. IF EACH OF THESE PROJECTS WERE TO RECEIVE SPECIAL LEGISLATION PROVIDING NON-CASH CREDITS AT THE AVERAGE RATE OF \$6 MILLION PER PROJECT THE TOTAL CREDITS WOULD AMOUNT TO APPROXIMATELY \$9 BILLION, AND OF COURSE THIS WOULD INCREASE DIRECT FEDERAL COSTS BY THIS AMOUNT.

I THINK IT CAN GO WITHOUT SAYING THAT IF THE PROJECTS IN THIS YEAR'S BILL ARE PASSED THAT WE CAN WELL EXPECT OTHERS TO COME IN IN SUBSEQUENT HOUSING BILLS. MY QUESTION IS WHETHER OR NOT THE ADMINISTRATION IS IN FAVOR OF THIS SECTION OF THE BILL AND WHAT YOUR FEELING IS CONCERNING THE POSITION I SHOULD TAKE ON THIS MATTER.

WITH BEST PERSONAL REGARDS, I AM

SINCERELY YOURS,
WRIGHT PATMAN
CHAIRMAN

DTG: 291741Z AUGUST 1966

~~CONFIDENTIAL~~
CONFIDENTIAL

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

C. F.

JH 10
ND 19/C0312
LAG/airline

(13) 30

August 12, 1966
12:00 Noon

FG 160
HUR
PE 11-2
FG 105
Ribicoff, Abraham
LE
FG 170
K

~~CONFIDENTIAL~~
MEMORANDUM FOR THE PRESIDENT

Subject: Staff Meeting, 8:30 a.m., Friday, August 12, 1966.

The following are the items discussed at the staff meeting:

1. Walt Rostow reviewed the Vietnam military operation and the peace offensive with the report that there had been no favorable reaction from Hanoi. He also mentioned that Ambassador Harriman was spending time in this area.
2. Joe Califano gave the background of the President's position on the airline strike and the Congressional legislation; he also discussed the Ribicoff Hearings on conditions in urban centers and the type of witnesses that are expected (I believe that Senator Kennedy's testimony will be one of the biggest stories of the year because of urban riot conditions); and Califano discussed the demonstration city bill and particularly pointed out that the Congressional version of the bill was the same as that of the Administration except for being for three years rather than for six years.

file
k

Califano also discussed the President's executive order designating Secretary Weaver as coordinator of activities in connection with urban rehabilitation and the set up of weekly luncheons by Secretary Weaver, Secretary Gardner, Secretary Wirtz and Attorney General Katzenbach to coordinate the program.

Califano also pointed out that the Attorney General was the center of all information of riot conditions in the cities.

John Macy asked that the relation of the Executive Order to local coordination groups that he has set up be clarified.

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT FOR SECURITY
FOUNDATION, E. O. 12356,
SEC. 1.1(b)

TH ON 3-25-81

31 / C.F.
FGI
FG170

August 12, 1966
8:45 a.m. - Friday

~~CONFIDENTIAL~~

MEMORANDUM FOR THE HONORABLE ROBERT C. WEAVER

As you know, our office is developing a report on the first thousand days of the President's Administration and you have been asked to make a contribution.

In order that you may personally understand the project, what I plan to do is to collect the material in book form. Each Cabinet Member will have a chapter, with his by-line. The summary of "what happened during the President's Administration", for the first thousand days will be written by the Vice President.

In addition, there will be a prologue written by Walt Rostow, as an economist, not as a Special Assistant for Foreign Affairs, and there will be a chapter on the state of the economy by Chairman Ackley and one of the President's legislative record. I propose to give this to the President Monday night.

While my office asked for the material tomorrow, Saturday, if this is too difficult a task, the material can be postponed until Monday morning, provided it is in this office by noon.

I thought I should clarify the project for your personal information.

Robert E. Kintner
Secretary to the Cabinet

REK:NY:kma

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT HAVE SECURITY
CLASSIFICATION, E.O. 12356,
SEC. 1.1(a)
BY TH CR 3-25-89

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Limited Official Use

Thursday - August 11, 1966

C.F. (10)
FG 999 32
FO3
JHE
CO190
FG105
FG11-15
FG160
FG165
FG170

MEMORANDUM FOR THE PRESIDENT - ACTION

SUBJECT: ^x U. S. - Mexican Commission on Economic and Social
Development of the Border Area

x Border Development Commission

State and OEO have developed the attached proposal for implementing your agreement with President Diaz Ordaz to establish a joint commission to improve living conditions in communities on both sides of the border. I have reviewed it with BOB.

The proposal is basically sound. It contemplates negotiations with Mexico on establishment of the Commission (Phase I), an initial study of economic and social problems of the border communities by the Commission (Phase II), and specific proposals for administering and financing our part of the program which is likely to emerge from the initial study (Phase III). The Phase III proposal represents essential planning, but may well have to be revised in the light of the results of Phases I and II.

My recommendation -- in which BOB concurs -- is that you authorize State and OEO to proceed with Phase I and II, leaving the administrative and financial aspects of Phase III to be decided at a later date.

Approve _____
Disapprove _____
Speak to me _____

With respect to Phases I and II, the STATE-OEO proposal raises these issues for your decision:

-- Should the U.S. section of the Commission be at the Assistant Secretary or Cabinet level?

State prefers the former. OEO thinks there may be political advantages in the latter. BOB and I side with State on doctrinal (the Assistant Secretaries are responsible for matters within their

Limited Official Use

July 26, 1966
Tuesday - 8:50 a.m.

FG100/MC
FO
ND19-4
C0312
PL2

33

~~CONFIDENTIAL~~ MEMORANDUM FOR BILL MOYERS

While I don't know what the President may want to release as briefing on the Cabinet meeting, the following are the matters to be discussed:

IT47-12
C01-1
C0303
HI1
PE1
HU4
C0305
P01
FI3
FG400
FG105
FG135
FG170
FG110
FG140

Rusk - foreign affairs, War Crimes Trial Issue, Internal Political Situation-Vietnam, Decision of International Court of Justice relating to South African mandate on Southwest Africa and a general discussion of bridge-building to U. S. S.R.

Attorney General - will discuss "Ethics in Government"

Attorney General and Secretary Weaver will discuss the civil riots

Under Secretary Ear - will discuss United Kingdom's economic plight

Postmaster General O'Brien - will discuss use of the Zip code by Government agencies, Savings Bond campaign, and recent activities in Congress.

This is for your information.

Robert E. Kintner

RECEIVED
JUL 26 1966
CENTRAL FILE

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT IN THE SECURITY
INFORMATION, E. O. 12356,
SEC. 1.1(a)

BY TH ON 3-25-87

C. F.

34

July 11, 1966
4:45 p.m. Monday

FG 1
FG-170

~~CONFIDENTIAL~~

MEMORANDUM FOR HONORABLE ROBERT C. WEAVER

SUBJECT: Presidential Policy Guidelines

In order that the public may be properly and accurately informed, the President feels that it is highly important that affirmative support be given to the President's foreign policies and actions, particularly those applicable to Vietnam. In the President's recent speeches at Omaha and Des Moines, and at a press conference at the Ranch, all of which have received very strong public support, the President stressed certain themes which are furnished below:

1. The United States is fighting aggression; the United States is confident, not optimistic; the Administration is not promising too much too soon; but the President has said that this country shall persist and this country shall succeed.
2. The United States is proud of its skilled, brave, compassionate men fighting in Vietnam, and the Administration will back them to the hilt.
3. There is a vital, free Asia marching behind the United States defense of Vietnam which is of great significance to a peaceful world.
4. There is a vital, modern South Vietnam emerging. This development was an integral part of the Honolulu Conference. While the civilian and political rehabilitation should not be over sold, it is definitely emerging, just as Korea emerged as a prosperous and democratic State after 1961.

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT A SECURITY
CLASSIFICATION, E.O. 12356,
SEC. 1.1(f)

TH OR 32587

5. The President has made it very clear that if Hanoi shows any indication to talk peace, the President will have his best people, at any place and at any time, in a matter of hours.
6. The President believes there is a fairly good prospect of a relatively tranquil era ahead for the world if the United States sees it through in Vietnam, but if the United States does not see it through, there can be only trouble and more war.
7. The real war for all countries to fight is development of new food supplies and development of underdeveloped countries. This is a primary objective of the United States foreign policy and it is toward this goal that United States actions are directed.

The President is interested in being informed on follow-through by his Cabinet, in behalf of these themes and policies.

The President would like each Cabinet Member, for the immediate future, to forward to him, in a short, readable form, the manner and ways in which these themes are developed with the public.

Robert E. Kintner
Secretary to the Cabinet

EF

C. F.

35
⑤

July 6, 1966

PP13-4
MA2/F*
FG170

~~CONFIDENTIAL~~
MEMORANDUM FOR JOE CALIFANO

I would see no reason that Bob Weaver, per the attached, should not join the Sponsor Committee of the Family of Man Awards Dinner. As you will note, among the co-chairmen are Bob Benjamin, Mac Bundy, Jim Farley and Henry Ford, etc.

I was also asked to join the Committee but refused because I was working in the White House and it seemed to me that was too close a relationship with the President. However, I do not think this applies to the Cabinet.

Robert E. Kintner

Attachment

REK:ejf

Request from Joe Califano re Secretary Weaver's question pertaining to the Family of Man Awards Dinner.

RECEIVED
JUL 7 1966
CENTRAL FILES

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NAT'L SECURITY
INFORMATION, E. O. 12356,
SEC. 1.1(e)

BY TH ON 3-24-87

C. F. 36

June 30, 1966

FG-100/14C
FG-170

MEMORANDUM TO ROBERT C. WEAVER

SUBJECT: Cancellation of Cabinet Meeting, July 7.

The President has decided to postpone the Cabinet Meeting presently scheduled for 11:00 a.m., Thursday, July 7, 1966, because of the expected absence from Washington of several Members of the Cabinet.

You will be notified concerning a new date and time for the next Cabinet Meeting.

Robert E. Kintner
Secretary to the Cabinet

June 25, 1966
3:00 p. m., Saturday

C.F.

37

LE
FG170

~~CONFIDENTIAL~~
MEMORANDUM FOR THE PRESIDENT

Subject: Report of Secretary Robert E.
Weaver on Legislation

Attached is a report requested from
the Department of Housing and Urban
Development by the President on the status
of the Department sponsored legislation
in this Session of Congress.

I have not sent copies to the Postmaster
General, Messrs. Manatos and Wilson,
but will when the President has seen
the report.

Robert E. Kintner

Attachment

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT A TITLE PROPERTY
1. FORMATION, e. o. 12356,
SEC. 1.1(a)

BY TH ON 3-25-81

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

June 24, 1966
7:15 a.m.

~~CONFIDENTIAL~~
MEMORANDUM FOR THE PRESIDENT

Subject: Information for the President

In accordance with Marvin Watson's telephone call to me last night at 8:30 p.m. I made the necessary calls last night and this morning, with the following results.

1. The Vice President will have a "Bill of Rights" and a "Bill of Responsibility" -- in accordance with your direction at the June 16 Cabinet Meeting--by 12:00 noon today, Friday.

The Vice President asked me to explain to the President that he was delayed in his draft because he wanted to talk with Harry McPherson who has been ill, but he has it well in hand.

2. Under Secretary Ball and Walt Rostow are working on a foreign policy statement. This will be in by 3:00 p.m. today.
3. I talked to the following with the following results:
 - A. Secretary of Defense--Secretary McNamara will be going to New York, but he wanted to think about whether there could be an announcement on munitions, etc. production cut down. Either the Secretary or Deputy Secretary Vance will get back with the information before 3:00 p.m.
 - B. The Attorney General--Attorney General Katzenbach did not have any immediate ideas, but he will work on it. I spoke to him about the possibility of some statement on civil rights, but I am not sure this is desirable, but in any event he will have a report by 3:00 p.m. today.
 - C. Secretary of Treasury--Secretary Fowler was asked to see if there were any economic statements particularly in the field of contributions by citizens to our country. He will work on it and see what he can get by 3:00 p.m.

C.F.
FG1
HU
FG440
FO

19 39

FG105
ND21
FG115
HU2
FG135
BE
FG110
FG150
FI3
FG140
LQ
FG160
FG155
FG170
HE
FG165
FG145
FG11-3
K FG11-1

ful
K

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT A SECURITY
CLASSIFICATION, E.O. 12356,
SEC. 1.1(a)

TH OR 3-2587

June 24, 1966

40
C. F.
FG100/MC
FG170

CONFIDENTIAL

MEMORANDUM FOR HONORABLE ROBERT C. WEAVER

SUBJECT: Cabinet Meetings

The President has tentatively called Cabinet Meetings for 11:00 A.M. Thursday, July 7, and 11:00 A.M. Thursday, July 21. While these dates are subject to later confirmation, I thought you would like to have this information for your future planning.

The President is desirous of limiting items on the agenda, so that the meetings may be more to the point and matters considered may be ones of timely priority.

Because of the July 4th weekend holiday, I should appreciate it if items for the agenda and the supporting material recommended by the Cabinet Members could be here by Friday, July 1. The President would like to finalize the agenda by the close of business, Tuesday, July 5.

Robert E. Kintner
Secretary to the Cabinet

REK:trd

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT FOR SECURITY
1. FEDERAL REG. NO. 12356,
SEC. 1.1(a)

BY TH ON 3-25-81

June 18, 1966

41
C.F.
LE
FG170

~~CONFIDENTIAL~~

MEMORANDUM FOR HONORABLE ROBERT WEAVER

At the Cabinet Meeting, June 16, 1966, the President asked that each Cabinet Member give him a written report on the status of all legislation sponsored by his particular Department which has either been considered or is being considered by the present session of Congress.

Robert E. Kintner
Secretary to the Cabinet

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NAT'L SECURITY
FORMATION, E.O. 12356,
SEC. 1.1(b)

BY TH ON 3-25-87

mo

June 15, 1966
9:00 P.M. Wednesday

C.F. ⁴⁷
FG100/mc
FA4
SP
FG170

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Rent Supplement Statement After the Cabinet Meeting

This suggestion for the Cabinet meeting agenda came in after the basic material had been prepared.

Joe Califano suggested that you might like to make a statement, after the Cabinet meeting, on the beginning of rent supplement projects.

file

Attached is a draft of a statement prepared by Hardesty/Sparks, on the basis of a draft by Wayne Phillips of HUD.

Since I had not heard from Secretary Weaver on the Cabinet meeting, although we have checked his office, I phoned him tonight and he said he had no items. I asked him if he were in favor of your issuing a statement such as the attached which he had read and approved. He said he was, with the reservation that it was a small beginning for the program.

Do you want to mention this in the Cabinet meeting and issue the statement after the Cabinet meeting?

Yes _____ No _____

If you desire to do this, I will add it to the agenda.

Robert E. Kintner

RECEIVED
JUN 16 1966
CENTRAL FILES

Original
Nothing else sent to
Central Files as of *7/1/66*
WK

C. F.

43

SP/FG
FG/170

June 13, 1966

CONFIDENTIAL MEMORANDUM FOR

HONORABLE ROBERT C. WEAVER

SUBJECT: Tape Recorded Excerpts of Cabinet Speeches for Telephone Release to Local Radio and Television Stations

A plan has been evolved by Fred Panzer, of Bill Moyers' staff, whereby it is suggested that Cabinet Officers record short excerpts from their speeches, particularly themes based on national issues, in which the President is interested, and that these excerpts be telephoned to appropriate radio and television stations for release after speech delivery.

Since the President is anxious to have all of his Cabinet discuss the President's national policies, his national objectives, and his accomplishments, the President has indicated an interest in this method of disseminating information, so that the national understanding may be improved.

If you would have the appropriate Cabinet coordinator within your department talk with Mr. Panzer, he can explain his idea further to you.

In brief, it is:

- . . . a tape recorder and tape recorder coupler in each Cabinet coordinator's office
- . . . 20-60 second excerpts of speeches, focused on broad "Presidential" issues, taped in advance
- . . . telephoned to radio and television stations in the target area, for release after speech delivery

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NATIONAL SECURITY
INFORMATION, E.O. 12356,
SEC. 1.1(a)

BY TH ON 3-25-87

... advantages of convenience (60 seconds of Cabinet members' time at most); flexibility (pick the pertinent broadcast outlets); station acceptance (saves broadcasters; time, money, effort while giving them legitimate spot news); publicity insurance (against local radio and TV not covering); low cost (Departments already own tape recorders, have cheap WATS line, can rent a coupler for \$3.50 monthly or \$20 permanent installation).

It is hoped that your coordinator could report to Charles Maguire, of my office, whether this idea was practical for you, and if so how it is being used.

Robert E. Kintner
Secretary to the Cabinet

June 11, 1966

C. F.

44

SP
FG170

~~CONFIDENTIAL~~ MEMORANDUM FOR
HONORABLE ROBERT C. WEAVER

SUBJECT: Inter-Departmental Speech and Information Coordinators

My memorandums of May 18 and May 23, 1966, asked each Cabinet member to designate one of his staff as liaison for our joint effort to improve the coordination of Cabinet speeches, and further the information exchange among Cabinet members on the President's policies.

I appreciate your prompt fulfilling of that request. For your information, and to assist your liaison officer in his duties, there follows a list of individuals named as coordinators by each Department. This information will be furnished each of your Cabinet colleagues.

State Department:

Benjamin Read; Herbert Gordon

Labor Department:

Frank W. Erwin

Defense Department:

John Steadman

Treasury Department:

James F. King

Agriculture Department:

Thomas Hughes; John McDonald

Commerce Department:

Larry McQuade

Interior Department:

Orren Beaty; Walter Posen

Justice Department:

James F. Flug

Department of Health, Education,
and Welfare:

Robert Meier

Department of Housing
and Urban Development:

David Carlson

Post Office Department:

Ira Kapenstein

The Vice President has designated William Connell. My office will be represented by Charles Maguire.

Robert E. Kintner
Secretary to the Cabinet

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NATIONAL SECURITY
INFORMATION, E. O. 12356,
SEC. 1.1(a)

BY TH OR 32587

mc

June 8, 1966
11:45 A.M. Wednesday

45
C.F.
FG170
FG140

~~CONFIDENTIAL~~ MEMORANDUM FOR MR. JOHN MACY

SUBJECT: General Counsel -- HUD

Per the attached memorandum, June 6, 1966, I reported to the President that Milt Semer had recommended Mr. Ashley X Foard as General Counsel, HUD.

As you will note from the President's indication on the memorandum, he would like you to discuss this possibility with Weaver.

As also indicated in the memorandum, he would like you to explore the possibility of Tyler Abell, Assistant Postmaster General.

Robert E. Kintner

REK:ny

RECEIVED
JUN 9 1966
CENTRAL FILES

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NAT'L SECURITY
INFORMATION, E.O. 12356,
SEC. 1.1(a)

BY TH ON 3-25-87

June 2, 1966

45a

MEMORANDUM FOR BOB KINTNER

Subject: General Counsel -- HUD

If it is decided to make a career appointment, I recommend Ashley Foard who is now Acting Director of the Office of General Counsel in HUD. He is the top ranking attorney, age 56, has been in government since 1935, and is a GS-16.

He is probably the Nation's leading legislative draftsman in the housing field.

If it is decided to appoint someone more political, Tyler Abell, now an Assistant Postmaster General, could do the job. I think he is an able attorney, and from my experience with him during the 1964 campaign, I think he has above average political sense and energy.

Milton P. Semer

June 8, 1966

C: F:

46
/

PEB
FG170

~~CONFIDENTIAL~~

MEMORANDUM FOR HONORABLE

ROBERT WEAVER

**SUBJECT: Treasury Department plan to
restrict employment and travel**

The President, after reading the attached memorandum from Secretary of the Treasury Fowler on a Treasury Department plan to defer the filling of vacancies and to forego planned travel, asked me to send a copy of Secretary Fowler's memorandum to you, for your personal information.

Robert E. Kintner
Secretary to the Cabinet

REK:ny

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

June 6, 1966
1:30 P.M. Monday

~~CONFIDENTIAL~~ MEMORANDUM FOR THE PRESIDENT

SUBJECT: General Counsel -- HUD'

In connection with the Government vacancies that were discussed by Mr. Macy at the Cabinet meeting, Milt Semer, who is, as you know, very familiar with HUD, recommends if you desire a career appointment for the position of General Counsel of HUD, Mr. Ashley Foard who is now Acting Director of the Office of General Counsel.

Mr. Foard is a top-ranking attorney, age 56, a GS-16 who has been in the government since 1935. Milt calls him the "country's leading legislative draftsman in the housing field."

Do you want Mr. Macy to give you a recommendation concerning the promotion of Foard?

Yes _____ No _____

Have him Macy discuss with Weller

Mr. Semer also suggested the possibility of Tyler Abell, Assistant Postmaster General, as General Counsel for HUD. Do you want this explored further by Mr. Macy?

Yes No _____

*Pres =
Prefers
Abell*

Robert E. Kintner

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT PART OF DOCUMENT
INFORMATION, e. O. 12356,
SEC. 1.1(a)

BY TH OR 3-25-87

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

June 2, 1966

MEMORANDUM FOR BOB KINTNER

Subject: General Counsel -- HUD

If it is decided to make a career appointment, I recommend Ashley Foard who is now Acting Director of the Office of General Counsel in HUD. He is the top ranking attorney, age 56, has been in government since 1935, and is a GS-16.

He is probably the Nation's leading legislative draftsman in the housing field.

If it is decided to appoint someone more political, Tyler Abell, now an Assistant Postmaster General, could do the job. I think he is an able attorney, and from my experience with him during the 1964 campaign, I think he has above average political sense and energy.

MPS
Milton P. Semer

CENTRAL FILES
RECEIVED
JUN 7 1966

47a

K

RECEIVED
JUN 7 1966
CENTRAL FILES

MILTON P. GOMEZ

M.P.G.

and several.
the 1964 campaign. I think he has a great political sense
he is an able attorney and from my experience with him during
now as Assistant Postmaster General, could do the job. I think
if it is decided to appoint someone more political, Alex Yell,

should be
He is probably the nation's leading legislative draftsman in the
area in Government since 1932 and is a C-2-10
Candidate in HUD. He is the top ranking attorney, and he has
various other jobs and is now Acting Director of the Office of General
If it is decided to make a career appointment, I recommend

Subject: General Counsel -- HUD

MEMORANDUM FOR BOB KILMER

K

June 5, 1966

WASHINGTON

THE WHITE HOUSE

MEMORANDUM

71

MEMORANDUM

EF Gab

THE WHITE HOUSE
WASHINGTON

June 6, 1966
9:45 a.m. Monday

C.F. 8

(F)
FG
FG 155
FG 160
FG 150
FG 135
FG 140
FG 145
FG 165
FG 170

48

~~CONFIDENTIAL~~ MEMORANDUM FOR MARVIN WATSON

SUBJECT: Meetings with Sub-Cabinet personnel by the President

In reply to a memorandum of mine, dated June 2, subject meetings with Sub-Cabinet personnel, the President has approved further meetings with Sub-Cabinet members of the remaining Government departments. There are 38 remaining Assistant Secretaries, excluding the Treasury Department and allied department officials whose meeting was cancelled last week.

Subject to the President's approval on availability, three additional meetings should be scheduled. I would suggest that these meetings be spaced so that they are not too close together so as to complicate his present schedule too much. I would also suggest that we be given some advance notice so that appropriate remarks can be prepared.

For your information, after these are scheduled, I will present a recommendation for a meeting with officials of such agencies as USIA, Civil Service Commission, NASA - agencies that report to him and are not classified as so-called independent agencies.

1. Commerce (5), Labor (4), and Agriculture (3) - total 12
2. Justice (8), Post Office (5), and Interior (4) -total 17
3. HEW (4) and HUD (4) -total 8

*12:00
Thurs.
June 30*

1130 - June 17

1130 June 17

For your convenience, I have listed the Assistant Secretaries of these Departments. (Attached)

K
Robert E. Kintner

RECEIVED
JUN 13 1966

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT IN THE PUBLIC
DOMAIN, E.O. 12356,
SEC. 1.1(b)

BY *TH* ON *32587*

C. F. 49
FG 1001R5
FG 17D

June 4, 1966

CONFIDENTIAL

MEMORANDUM FOR DAVID CARLSON:

The Monthly Report requested of your Department in Mr. Kintner's memos of May 18th and 23rd is due this Monday, June 6.

To facilitate the desired Cabinet exchange of information, it is suggested that your office be responsible for circulating these reports, on a monthly basis, to all Cabinet Members. The President will receive the original, and Mr. Kintner an additional copy.

This exchange should be considered confidential, with each report so marked.

It would be helpful if your letter of transmittal restated the origin and purpose of these reports along the following brief lines:

"This is a Monthly Report of recent policies and developments within this Department, furnished you in accordance with the President's instructions at the Cabinet Meeting of May 17. Counterpart reports will be sent to each Cabinet Member by every Department."

Many thanks.

Charles M. Maguire

CMM:trd

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NATIONAL SECURITY
INFORMATION; E.O. 12356,
SEC. 1.1(a)

BY JH OR 32587

C. F. 13

50 /

FG115
FG170
FO2/CO130

CONFIDENTIAL

3 June 1966

FO2/CO11
FG110
FG105

MEMORANDUM FOR: John Macy

1. For the job of General Counsel in DOD or HUD, let me suggest Robert^X Nunn, a local lawyer of repute who was formerly in the Office of the Air Force General Counsel. I believe that Dick^X Dickinson has already mentioned his name to you.

2. For Ambassador to Kenya or Gandhi, Wayne^X Fredericks would be ideal. But I presume he has already turned it down.

3. For Afghanistan, I suggest William^X Polk--formerly of the Policy Planning Council and now head of the Middle East Institute at U of Chicago. Bill was under consideration as Ambassador to Iran sometime ago, but I gather urked the White House by mobilizing Texas political support. Nonetheless, he would be a young (37) and vigorous type, a recognized Middle East expert of repute.

4. It is hard to think of a good replacement for Ray Hare. I was a Phil^X Talbot fan myself. If you want another career man, you couldn't do better than Jack^X Jernegan. As an old Middle East hand, I fear that there are few people outside of Government who would have the needed combination of imagination and expertise.

5. Incidentally Dick^X Cooper, Tony Solomon's deputy, is well worth trying to keep from going back to Yale. He'd be an absolute top-notch replacement if Tony gets Tom Mann's job, or for Trued at Treasury. But it would take a Presidential appointment to hold him.

Determined to be an administrative marking

R. W. Komer

R. W. Komer

By M On 3-25-71

cc: Mr. Kintner

EX-111-11
MAY 1966
SECRET

CONFIDENTIAL

June 2, 1966
5:05 p.m. Thursday

C. F.

(13)

51

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Meetings with Sub-Cabinet Personnel

FG
FG110
FG155
FG160
FG150
FG135
FG140
FG145
FG165
FG170
FG296
FG295
FG260
FG228
FG234

- In my judgment, you are making a terrific impression on your meetings with Sub-Cabinet personnel - an impact that will produce a more unified Administration; will more directly get over your ideas on an economical government, with creativity, manned by good people; and will increase the flow of information between the departments both to the public and to Bill Moyers on your policies, their execution, and your goals.
- As you know, you have already met with the Under Secretaries, with the Assistant Secretaries and comparable personnel of Defense, State, and tomorrow you will meet with Treasury and allied officials. While you indicated that one of your assistants might handle some of the Assistant Secretaries meetings, from watching the results of all these meetings so far, if you could possibly find the time, I think you should handle all the meetings personally, using the general affirmative arguments that you have used in the various meetings thus far, adapting them to the specific groups.
- There are 38 remaining Assistant Secretaries. I would suggest that they be grouped into three additional meetings, as follows:

Commerce (5)	Justice (8)	HEW (6)
Labor (4)	Post Office (5)	HUD (3)
Agriculture (3)	Interior (4)	Total 9
<u>Total 12</u>	<u>Total 17</u>	

~~CONFIDENTIAL~~

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT PAT'L SECURITY
INFORMATION, E. O. 12356,
SEC. 1.1(a)

BY TH ON 3-25-87

June 2, 1966
3:55 p.m.

C.F. ⁵²

FG100/MC

FG170

~~CONFIDENTIAL~~

MEMORANDUM FOR THE HONORABLE ROBERT C. WEAVER

SUBJECT: Cabinet meeting, Thursday, June 16, 1:00 p.m. --
Luncheon at State Department

The President has decided that the next Cabinet Meeting will be in the form of a luncheon at 1:00 p.m., Thursday, June 16, at the State Department, to be hosted by Secretary of State Rusk.

Because the meeting will be a luncheon, the President desires that the agenda be informal, and that each Cabinet Member discuss briefly one or two topics which summarize individual problems or policies that occur at the time.

I would appreciate it if you would supply information concerning these topics to me, for review by the President, by the close of business June 13.

Robert E. Kintner
Secretary to the Cabinet

~~CONFIDENTIAL~~

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT A SECURITY
CLASSIFICATION, e.O. 12356,
SEC. 1.1(a)

TH CW 32587

THE WHITE HOUSE
WASHINGTON

May 27, 1966
9:45 a.m. Friday

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

The attached letter was approved by you on May 25 and was sent out by me to the following:

- George W. ^xBall, Under Secretary of State
- Thomas C. ^xMann, Under Secretary of State for Economic Affairs
- Joseph W. ^xBarr, Under Secretary of the Treasury
- Frederick L. ^xDeming, Under Secretary for Monetary Affairs
- Peter ^xSternlight, Deputy Under Secretary for Monetary Affairs
- Cyrus Roberts ^xVance, Deputy Secretary of Defense
- David E. ^xMcGiffert, Under Secretary of the Army
- Robert ^xBaldwin, Under Secretary of the Navy
- Norman S. ^xPaul, Under Secretary of the Air Force
- Ramsey ^xClark, Deputy Attorney General of the U.S.
- Frederick C. ^xBelen, Deputy Postmaster General
- John A. ^xCarver, Jr., Under Secretary of Interior
- John A. ^xSchnittker, Under Secretary of Agriculture
- LeRoy ^xCollins, Under Secretary of Commerce
- Alan S. ^xBoyd, Under Secretary for Transportation
- John F. ^xHenning, Under Secretary of Labor
- Wilbur J. ^xCohen, Under Secretary of HEW
- Robert ^xWood, Under Secretary of HUD

K
Robert E. Kintner

53

CF. 14

FG
FG105
FG110
FG115
FG120
FG125
FG130
FG135
FG140
FG145
FG150
FG155
FG160
FG165
FG170.

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NAT'L SECURITY
INFORMATION, E. O. 12356,
SEC. 1.1(a)

BY TH ON 3-25-87



C. F.

14

54

FG100/MC

FG105

FG140

FG145

FG115

FG170

FG135

• FG150

FG155

FG160

EG 165

FG110

FG440

PR18

SP

May 23, 1966
5:15 p.m. Monday

MEMORANDUM FOR THE HONORABLE DEAN RUSK

As a follow-up to my memorandum of May 18, 1966, which summarized the method of coordination of Cabinet Members' speeches and which seeks to establish an exchange of information among Cabinet Members on individual policies and problems, the following is suggested:

1. That the monthly reports, in a brief form, be circulated by Monday, June 6. Copies of these reports should be sent to the President, the Vice President, and myself.
2. That each Secretary designate a person within his Department to supply information for speeches to other Cabinet Members before Wednesday, June 1st, when Charles Maguire of my office will begin calls to the offices of the Secretaries to obtain the identity of this person.
3. That Cabinet Members begin to send, as soon as convenient, scheduled future addresses, location and date, to my office, so that the itineraries may be coordinated. You will remember that it was suggested that someone from your information offices would begin planning newspaper, radio, and television coverage for these speeches.

Robert E. Kintner
Secretary to the Cabinet

cc: Bill Moyers ✓
Marvin Watson ✓
Jake Jacobsen ✓
Hayes Redmon ✓
Fred Panzer ✓
Charles Maguire ✓

CONFIDENTIAL

May 18, 1966

C. F. (N)

FG100/MC
FG105
FG140
FG145
FG115
FG170
FG135
FG150
FG155
FG160
FG165
FG110

55

~~CONFIDENTIAL~~ MEMORANDUM FOR HONORABLE DEAN RUSK

SUBJECT: Cabinet Meeting, May 17, 1966

- I. 1. The President has directed me to furnish you with a copy of the statement on his foreign policy which he read at the Cabinet meeting on Tuesday, May 17. As the President said at the meeting, he hopes that this document might be used as a guide in discussing the President's foreign policy.
2. I thought it might be helpful to you as a Member of the Cabinet to summarize the requests for action by Members of the Cabinet in order that the information emanating from Cabinet Members might be better coordinated and in order that there might be a cross-flow among Cabinet Members for information relating to their individual Departments.

The following actions were requested:

- (a) All Cabinet Members, except for the Secretaries of State and Defense, were asked to notify this office, as far in advance as possible, of the locations where a Cabinet Member plans to speak. This coordination is designed to prevent duplication of appearances by Cabinet officials in certain cities, and to map a program whereby between now and the end of the year Members of the Cabinet will have spoken in all the principal cities of the country.

Charles Maguire, in my office, has been designated as the coordinator for the office and the information on itineraries and speeches should be sent to me, marked to his attention.

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT A TITLE SECURITY
INFORMATION, E. O. 12356,
SEC. 1.1(a)

BY TH ON 3-25-89

original
to SW
5-14-66 EK

~~CONFIDENTIAL~~

~~C.F.F.~~

8

56

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D.C.

May 14, 1966

FI 4
FI 1-2
FG 11-1
FG 150
FG 165
FG 170
FG 11-15
FG 260
FG 300

MEMORANDUM FOR THE PRESIDENT

Subject: 1966 budget outlook

Expenditures

Joe Califano and I met with the heads of the largest spending agencies this week. On the basis of our instructions, they have come up with the following reductions in FY 1966 expenditures, below the estimates we were previously carrying:

Agriculture	\$152 million
HEW.....	152 "
HUD.....	80 "
OEO.....	35 "
NASA.....	60 "
Veterans.....	<u>376</u> "
 Total.....	 \$855 million

With these new reductions, Agriculture is now \$800 million below the January budget estimate; HEW is \$300 million below; and OEO is \$265 million lower.

Our revised expenditure estimate for FY 1966 is \$105.5 billion compared to the \$106.4 we forecast in January. However, this latest figure must be taken as an estimate plus or minus \$500 million. We simply cannot predict expenditures with 100% precision. We should have the April expenditure figures late next week, and can make a new estimate then.

DEPT OF THE TREASURY
RECEIVED

~~CONFIDENTIAL~~

ESTABLISHED
C.F. *T* (2) 57

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

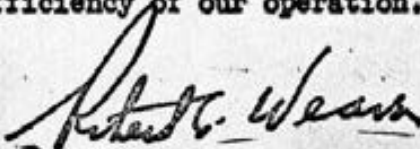
FG100/MC
FI-2
FG170

MAY 12 1966

MEMORANDUM FOR: Robert E. Kintner
Secretary to the Cabinet
The White House

filed same

In reply to your letter of May 7, I am enclosing two copies of a brief report concerning our approaches to increasing the creative thinking within the Government as well as improving the efficiency of our operation.



Robert C. Weaver

RECEIVED
MAY 25 1966
CENTRAL FILES

Aug
Nothing else sent to
Central Files as of *7/1/66*
EH

MEMORANDUM

33

C. F.

18

58

THE WHITE HOUSE

WASHINGTON

May 11, 1966

5:45 p. m.

✓
FG1
PL3
SP
FG135
FG110
FG165
FG150
FG160
NF
FG170
FG145
FG155
FG1-3

CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

Subject: Follow-Up

In accordance with our conversation on Tuesday, May 10, 1966, I have followed up as follows:

- Both Bill Moyers and I have approved your proposed talk to the Democratic Fund Raising Dinner tomorrow night. The address is now being typed and I will leave it with your night reading.
- In checking the Cabinet on attendance at the Democratic Dinner tomorrow night, Postmaster General O'Brien, Attorney General Katzenbach, Secretary Fowler, Secretary Gardner, Secretary Freeman, Secretary Wirtz, and Secretary Weaver will be present. Secretary Wirtz and Secretary Weaver had intended to go to an American Jewish Committee dinner but, after talking with Mr. Watson, I suggested they attend your dinner. They both agreed. Secretary Udall will be in Denver to make an address worked out by Mrs. Johnson. Secretary Connor will be at a Business Council Meeting.
- I watched your speech on television and it came over very well.
- I am trying to get Mr. Macy, so far to no avail, to get a suggestion for a successor to Franklin D. Roosevelt, Jr.
- I have arranged with Walt Rostow to have me meet with Ambassador Lodge himself on the public implications of any statement he makes to Members of Congress or publicly.
- At Mr. Krim's request, I am setting up meetings between 4:00 and 6:00 p. m. on Tuesday, May 19, for Secretary Wirtz and Secretary Connor on the Presidential dinners.

✓ FG228
Ford, Henry
Weinberg, Sidney
Pearson, Drew
Woodward, Warren

✓

✓

✓

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NATIONAL SECURITY
INFORMATION, E.O. 12356,
SEC. 1.1(s)

BY TH ON 3-25-87

Orig & Mrs. Jerrito

C. F.

6

59

FG100/MC

FG165

FG170

FG150

FG440

IT47-26

FG11-1

FG11-3

May 10, 1966
11:30 a.m.

Confidential

MEMORANDUM FOR THE PRESIDENT

Subject: Cabinet Meeting, Tuesday, March 17, at 12:00 Noon

Referring to the proposed Cabinet Meeting, Tuesday, March 17, at 12:00 noon, Secretaries Gardner and Weaver will be testifying on the Hill, but will be free by noon; the Vice President and Secretary Freeman have an honorary awards ceremony at the Department of Agriculture at 10:30 a.m., but will be free by noon.

I have also talked to Director of the Budget Schultze on reviewing the material on proposed reduction in costs by the Departments and preparing a visual presentation. He said that the Departments are inclined to exaggerate potential cost reduction. I will have him review the material when it comes in--it is now scheduled for the close of business, Thursday, May 12.

I would suggest, in addition to the Cabinet, the Vice President and Ambassador Goldberg, that the Director of the Budget also attend the Cabinet meeting.

Yes No

Is there anyone else that you desire? _____

I note from the past Cabinet meetings that Messrs. Watson, Valenti, Jacobsen, Moyers, Flemming, and Califano usually attend.

Is it all right to invite all of them, except possibly Jack Valenti if he has left by that time?

Yes No

I have asked the Vice President, Members of the Cabinet, Ambassador Goldberg, and the Special Assistants whether there are any items they would like to include on the agenda in order that you may consider them.

Arthur

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NAT'L SECURITY
INFORMATION, E.O. 12356,
SEC. 1.1(a)

BY TH ON 3-25-87

Filed: 3/30/66

60

galy/vec

CONFIDENTIAL

C. F.

76170

Q. Is ~~anyone~~ ^{ANYONE} the Acting Secretary of the new Department? ~~that~~

A. No. ~~He continues on the staff of the~~ ^{All of the personnel will continue with the} Housing and Home Finance Agency, which on November 9 will become a part of the Department of Housing and Urban Development. ~~(As a practical matter, until the President makes his nomination of the new Secretary, Dr. Weaver will be the highest-ranking officer in the new Department.)~~

Q. Doesn't the Act abolish ~~positions and certain agencies~~ ^{ALL POSITIONS AND CERTAIN AGENCIES} the Housing and Home Finance Agency as of the effective date of the Act? ^{IN}

A. No. The Act provides ~~that Dr. Weaver's positions~~ ^{THAT THESE} and certain other jobs and agencies, "shall lapse." However, that provision, according to the Attorney General and the Comptroller General, is intended to take effect only after the Secretary is ~~appointed~~ ^{CONFIRMED} and has had an opportunity to issue the orders required to establish a new departmental structure. Until that occurs, all of the jobs and agencies continue as they were except that they are now part of and situated within the Department of Housing and Urban Development.

CONFIDENTIAL

CONFIDENTIAL

Q. How will ~~Dr. Weaver~~ ^{THE PERSONNEL} ~~sign his name?~~ ^{SIGN THEIR NAMES.}

A. ~~THEY~~ ^[JOHN DOE] will sign as ~~Administrators~~, Housing and Home Finance Agency, Department of Housing and Urban Development.

~~Other~~ ^{TOP} Officials, such as the Commissioner of the Federal Housing Administration, will sign in a similar way.

Q. What salaries will be paid to ~~Dr. Weaver~~ ^{THE} and ~~the~~ ^{AND OTHER PERSONNEL} other principal officers of the Housing and Home Finance Agency after the new Department comes into existence?

A. The same as they now receive. ~~In Dr. Weaver's case \$30,000 a year.~~

CONFIDENTIAL

The cities group recommends the inclusion of the following in H. U. D.:

- 1) Community Action Program
- 2) Veterans direct and guaranteed loan program, with eligibility determination remaining in VA.
- 3) Policy determination over highways in urban areas -- whether and where they should be built.
- 4) Programming responsibility for clean air, water, and waste disposal in urban areas.

On the other hand, college housing would be vested in HEW.

The majority of the group is particularly strong for the inclusion of C. A. P. They give two reasons:

- 1) the necessity to deal more effectively with the human problems raised by slum housing and Federal attempts to rebuild it
- 2) the necessity to give C. A. P. strong backing and support by its inclusion within a major department.

The majority feels that without C. A. P., the traditional concerns of Federal housing programs, especially of FHA, will prevail without challenge.

Kermit Gordon dissents. He believes C. A. P. would probably be swallowed in H. U. D. Transfer to H. U. D., he says, would "add the poor to a lengthy roster of H. U. D. clientele groups with whose interests the needs of the poor will sometimes conflict." He supplies additional objections in the attached memo.

As to veterans housing, the entire task force believes its inclusion in H. U. D. would make it a more coherent program. Builders and bankers could receive single-stop service for both FHA and VA in the field. Eligibility determination would remain in VA.

Recommendations:

I. That the proposed organization plan be recommended to the new Secretary as generally sound in principle.

II. That the VA transfer be discussed with Chairman Teague at the earliest opportunity. It makes sense.

III. That the C. A. P. question be kept open for a while. The character of the new Secretary and the views of Congress, a number of mayors, and civil rights leaders should be determined before a change is made. At the moment Whitney Young favors the move if one of the Assistant Secretaries will have C. A. P. as his chief responsibility.

Harry

Harry C. McPherson, Jr.

Attachments

RECEIVED
OCT 17 1966
FEDERAL BUREAU OF INVESTIGATION

RECEIVED
OCT 14 1966
CENTRAL FILES

Attachments

Hazell C. McCreighton, Jr.

Handwritten signature

transmittal.

If one of the Assistant Secretaries will have C. V. B. as the chief change is made. At the moment William Douglass holds the whole of the work, and such rights should be determined before a transfer of the new Secretary and the House of Congress, a number

- III. That the C. V. B. question be kept open for a while. The
- of the earliest opportunity. It makes sense.
- II. That the VA transfer be discussed with Chairman DeLoach
- the new Secretary as generally sound in principle.
- I. That the proposed organization plan be recommended to

Recommendations:

PROPOSED
PROGRAMS
FOR THE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TABLE OF CONTENTS

	<u>Page</u>
THE PROBLEM: (1) The Character of the Challenge.....	2
(2) The Inadequacy of the Present Response.....	3
THE PRESENT SITUATION.....	4
A NEW APPROACH.....	5
THE DEMONSTRATION CITY PROGRAM.....	6
THE GENERAL NATURE OF THE PROGRAM.....	7
CRITERIA.....	9
COSTS.....	13
THE BENEFITS.....	18
ADMINISTRATION AND FINANCING.....	18
DEMONSTRATION PROJECTS IN METROPOLITAN PLANNING..	19
ADVANCES IN CIVIL RIGHTS.....	20
NEW APPLICATION OF TECHNOLOGY.....	20
OTHER LINES OF ATTACK FOR FUTURE STUDY.....	20
1. New Communities.....	21
2. Research and Development.....	24
3. Block Grants for Municipal Operating Expenditures..	24
4. Policy Changes in Existing Credit Programs.....	25
5. A "Workable Program" for Metropolitan Areas.....	26
6. Combating Speculative Escalation of Property Values.	27
7. Renewed Attention to Urban Transportation Problems	27
8. New Alternatives in Civil Rights and Housing.....	28

PROPOSED PROGRAMS FOR THE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

1966 can be the year of the urban turnabout in American history.

In the last fifty years as this nation transformed itself from a rural to an urban society, we have given sporadic and piecemeal attention to the problems of planning, development, and redevelopment of our cities. But we have never undertaken a comprehensive and coordinated effort, involving both the public and private sectors of the economy, to build the best city this nation can. To date, we have failed to make the task of building cities a top priority item on the national agenda.

Last year the legislative program of your Administration laid the essential foundation for such an undertaking in the Housing and Urban Development Act of 1965 and by the establishment of the Department of Housing and Urban Development. This year, in the judgment of the Task Force, we can begin in earnest.

In the pages that follow the Task Force

---recites briefly the dimensions of the urban problem including those that are visible and commonplace and those that often pass unrecognized.

---proposes a new line of attack whose principal feature is a new national program of demonstration cities dramatic in impact but selective in application, carefully tailored to lead to successive stages in development.

---describes supplemental and supportive programs aimed at meeting our most pressing urban needs, proposed for the immediate study of the new Secretary and including demonstration projects in metropolitan planning. These programs are predicated on the organization of the Department along the lines recommended in our companion document.

THE PROBLEM: (1) The Character of the Challenge

One way to define "the urban problem" in the United States is in the conditions of life of our urban residents. Stating the problems in this way has been done many times before. They were the subject of last year's Task Force report that traced

---the great dimensions of unmet housing needs: some 7 million urban families live in homes of such disrepair as to violate housing code standards of major cities.

---the growth of population: 2 million new units of housing are needed each year for the foreseeable future -- an increase in the volume of production 25% greater than has ever been achieved before.

---the chronic inability of the country to provide low income housing of adequate quality at a reasonable price: we have failed to bring to housing efficient production methods now possible through technological and managerial advances, modern building codes and up-to-date work practices.

---the special problem of the poor and the Negro unable to move freely from racial ghettos and subject to heavy exploitation in the costs they pay for the necessities of life: 3 out of 10 slum houses are now occupied by Negroes, and at high rent levels the proportion of Negro families living in substandard housing is six times greater than that of white families.

---the inability of metropolitan areas to deal with the movement of people and goods, in particular the failure to provide adequate mass transportation for families who do not own an automobile or where use of private vehicles is unnecessary, uneconomical or socially undesirable.

---increasing pressures in municipal costs especially in the central cities in our metropolitan areas: between 1960-63 per capita expenditures for cities 1 million and over increased 36.3 per cent, compared to an average rise of 25.5 per cent for all American cities.

---unnecessary and unwarranted restrictions for the suburban American as well -- expressed in uniformity in housing choices, excessive costs of community facilities and services, gross deficiencies in recreation and leisure time opportunities.

---for all metropolitan residents, urban and suburban alike, unnecessary costs imposed by lengthy journeys to work, growing dangers from water and air pollution.

These "challenge" problems of the conditions of urban life are well-known. Their full dimensions are catalogued in the staff documents that accompany this report. Taken together, they rob Americans of freedom in everyday urban living. They restrict freedom of choice in residence, in environment, in use of time, in equal opportunities for the urban newcomer and the disadvantaged. They impose high costs in crime, delinquency, welfare loads, disease and health hazards. They prevent achieving the goal of "open options" in a great society.

THE PROBLEM: (2) The Inadequacy of the Present Response

A second set of problems, however, are of the "response" character: less visible and more operational, but just as important to recognize. It is on these problems that the Task Force has focused, for it is persuaded that despite the many benefits in the array of urban programs now authorized, they are inadequate to the present challenge.

---the size and scale of urban aids have been too small and too diffused to have guided the process of urban development: they proceed with too little consideration given to the impact on our natural environment, to the costs placed on governments, to the windfalls accruing to the few, and to the public interest of the metropolitan community at large.

---the benefits and efficiencies that can accrue from metropolitan planning and development programs are still unrealized in too many of our large urban regions.

---funds for metropolitan transportation planning and demonstrations are inadequate and about to lapse.

---present aid programs have often had the effect of entrenching archaic and wasteful practices in real estate taxation, building codes, construction technology and contractor and building trades practices.

---the administration of the programs has been too much oriented to specific functions, leaving gaps in urban needs for which no effective response exists.

---the effectiveness of the programs that do exist is impaired by division of authority among many agencies and many levels of government and by the failure to build Federal field structures equipped with adequate authority and competence.

---inadequate resources, ineffective organization and management arrangements unduly protract the time of execution of many projects and programs, further impairing their effectiveness in meeting the challenges of urban growth.

---most serious of all, the goals of major federal programs have often conflicted and been unreconciled in their application to the individual metropolitan area, some working to the revitalization of the central city, some accelerating suburban growth, some encouraging new urban clusters, all making difficult the development of a clear national strategy for city building.

THE PRESENT SITUATION

The pressing new needs of urban life, and the inadequate responses, often produce frustration and stalemate in our efforts to guide urban growth. Without discounting the substantial specific accomplishments of particular urban programs, any serious analysis exposes some major dilemmas of public choice.

---efforts to rebuild and renew blighted areas of the central core on a project-by-project basis have caused in many instances substantial relocation of the poor, resulting in unnecessary hardships in changing the composition of neighborhoods.

---efforts to improve the conditions of established neighborhoods and low-income families, chiefly through rehabilitation, have failed

to alleviate racial ghettos and consequent de facto segregation, and have provoked predictions of a future central city overwhelmingly composed of low-income families, surrounded by economically well-to-do, politically indifferent suburbs.

---efforts to relieve traffic congestion have accelerated the diffusion of urban households and jobs, increasing private costs of commuting and public costs in community facilities and services.

---efforts to mount comprehensive attacks on air and water pollution, health problems indigenous to urban areas, have been blunted by the autonomy of local governments, some the generators of pollution, others the hapless recipients.

---efforts to involve urban residents in genuine participation in the process of development have cost heavily in time, as the great tide of urban growth rushes on.

---efforts to respond to immediate needs by known techniques of city-building have precluded consideration of available innovations in construction, financing, management, and building practices.

---efforts to build beautifully have been thwarted by those who lack the imagination to build both with beauty and economy.

So, citizens and public leaders alike have difficulty in grasping the total task involved in city building. Nor can they readily visualize the potential that now exists if our resources were effectively, forcefully, and imaginatively employed.

A NEW APPROACH

Given this situation, at a critical moment of urban life, the Task Force believes that a dramatic new approach is required built on three principles:

---the concentration of available and special resources in sufficient magnitude to demonstrate swiftly what qualified urban communities can do and can become.

---the coordination of all available talent and aid on these targets in a way impossible where assistance is provided across the board and men and money must be spread thin.

---the mobilization of local leadership and initiative to assure that the key decisions as to the future of American cities are made by the citizens who live there, and to commit local leadership both public and private to a comprehensive attack on urban problems, freed from the constraints that have handicapped past efforts and inflated their costs.

The Task Force believes such an approach is fully consistent with national capabilities and will generate a new level of effort in the next five years that can resolve the dilemmas we have outlined. It escapes the limitations of piecemeal responses to the series of urban crises in race relations, the improvement of the environment and the provision of essential facilities and services. It will lead in three stages of a national program, to decent housing and neighborhoods for all our urban citizens by 1980 at a program cost to the Federal Government of \$370 million per year in the first five years.

THE DEMONSTRATION CITY PROGRAM

The principal application of these principles, the Task Force believes, is by the inauguration of a national program in city-building in which specially qualified communities execute plans of such size and scale that

---transform existing urban complexes into tangible modern new cities

---tie together both physical and human resource programs that too often have been handled separately

---develop and test methods and programs capable of extension throughout the United States

---bring to bear all the techniques and talents of which our technology is capable.

THE GENERAL NATURE OF THE PROGRAM

We propose a program that would select on the basis of criteria outlined below 6 cities with populations over 500,000, 10 cities with populations between 250,000 and 500,000, and 50 cities with populations below 250,000

---The number of cities recommended was determined to assure a competition open to all communities, and an appropriate distribution of those finally selected by size and region, within cost estimates that are reasonable in terms of the nation's present gross national product and size of the Federal Budget.

---The selection process would proceed in two stages. First, all American cities would be invited to make general proposals for action programs designed to have a major impact on the living conditions of their citizens. Second, after the most promising of these programs had been determined by a special Presidential commission, the communities so qualified would prepare more detailed proposals, supported in part by Federal planning grants in the amount of \$3 million proportionately advanced to selected cities.

To make sure that the programs proposed are sufficient to achieve our basic purpose of substantial impact these minimum standards are recommended.

For cities over 500,000 the program would provide decent housing for a minimum of 5,000 families now living in substandard dwelling units, rehabilitating and refurbishing other marginal housing to affect an estimated total of 15,000 families or approximately 50,000 people. (The Task Force estimates a typical program would involve a total of 24,000 units or 80,000 people.)

For cities between 250,000 and 500,000 the program would rehouse at least 2,500 families now in substandard units, and involve a total of 7,500 households or 25,000 people. (The Task Force estimates a typical program would involve 12,000 units or 40,000 people.)

For cities under 250,000 percentage estimates would apply, starting with a minimum of 25% of total substandard units. (In the case of a city of about 100,000 this might involve rehousing 1,000 families now in substandard units, and treating a total of 3,000 units affecting 10,000 people.)

The objective is to completely eliminate blight in the designated area and to replace it with attractive, economic housing in a neighborhood with amenities essential to a full life. The techniques can be all embracing, including clearance, rehabilitation and combinations of both.

For example, in Washington, D. C., where 23,000 out of a total of 260,000 units are substandard, a typical program would affect 1/3 of the total number of families living in slum dwellings, have a decisive impact on 10% of the total housing supply and change the face of an area approximately two square miles.

But more than housing is involved in the transformation of a city. At least three other key components are required:

--a change in the total environment of the area affected, with ample provision of public facilities: schools, hospitals, parks, playgrounds, and community centers.

---concurrent attention to human needs, utilizing concepts and methods tested in the Community Action Program and providing for the participation by people affected in demonstration areas, the character of population to be attracted, and for those who might move elsewhere. Depending on the character of the housing stock of a particular community, a competition program might link two cities in a common endeavor, in which a central area makes provisions for middle-income households now excluded by high costs, while an adjacent suburb could provide more heterogeneous accommodations to the benefit of each.

---provision to assure the economic stability and vitality of the community by including commercial and industrial elements that provide jobs and services for central city residents.

Thus the demonstration program differs sharply from the present package of programs such as urban renewal by stressing:

---massive additions to the total supply of low and moderate-cost housing, providing decent housing for families now living in substandard conditions,

---a total approach combining physical rebuilding with human concerns and social programs,

---increased flexibility for local governments to operate outside existing administrative structures and other customary constraints.

---willingness to change traditional patterns of building regulation and trade practices.

CRITERIA

The Task Force does not believe that substantive standards as to specific program content should be established -- percentages of housing units to be demolished or rehabilitated, for example, or the number of school classrooms or hospital beds a given population requires. It does believe that certain criteria respecting the scope, broad character, organizational, financial, and administrative arrangements are necessary.

To assure effective execution, it proposes these guidelines:

1. The demonstration should be of sufficient magnitude in both its physical and social dimensions so as to

---arrest trends of blight and decay in entire neighborhoods,

---have a substantial impact on the total development and environment of the city.

2. The demonstration should contribute directly toward closing the gap between the living and housing conditions of disadvantaged and minority groups and the rest of the community. This means

---measures to eliminate social and racial segregation, including assurance of equal opportunity in housing with appropriate financial aids such as rent supplements,

---a system of social services, with specific attention to quality education for youth and adult alike,

---major additions to the supply of community facilities and sound housing,

---maximum opportunities for employment of residents of the demonstration area in all phases of the program.

3. The demonstration should establish appropriate mechanisms to foster development of local leadership and widespread citizen participation

---in the planning and execution of the program

---with special emphasis on participation of people in the areas concerned

4. The demonstration should assure significant reductions in cost without reduction in quality by evidence

---that the structure of real estate taxation will not constitute a substantial deterrent to rehabilitation or new construction

---that building codes and other regulatory practices will be revised to modify any provisions which unnecessarily inflate costs

---that new cost-reducing technologies will be incorporated in construction to the maximum extent consistent with maintenance of quality

---that building trades contractors and workers will correct any existing policies or practices which reduce efficiency and raise costs.

5. The demonstration should make major improvements in the quality of the urban environment by encouraging

---a high quality of design of new buildings and improvements to existing structures

---strategic placement of parks, playgrounds, trees, land-scaping, malls, and other open space throughout the demonstration area

---the improvement and redesign of streets, parks, and public areas

---preservation of structures of historic interest or architectural merit, and careful attention to the blending of new and old structures

---the design of facilities and services to make the area a desirable place of residence for a broad cross-section of the population.

6. The demonstration should include a plan that demonstrates important advances in programs for the satisfactory relocation of people, businesses, and institutions displaced by actions, direct and indirect, taken in the demonstration program, where such relocation is an integral part of the total program and necessary. The components should include

---relocation housing available at costs commensurate with the incomes of displaced people.

---relocation housing in a variety of forms and financial frameworks, including small public housing projects, both of ownership and rental type, private housing with rent supplements, low-rent renovated buildings, and federal mortgage loan assistances.

---relocation assistance to include counseling services and payments for moving expenses, loans to small businesses, assistance in job placement and retraining where necessary, and income maintenance for persons temporarily unemployed.

7. There should be established in each demonstration city an appropriate development authority and administrative mechanism, not necessarily a formal unit of government, to arrive at maximum participation of broad community leadership and commitment of resources, both public and private, for the planning and implementation of the program. This to be evidenced by

---a serious commitment to the demonstration program on the part of the mayor, the city council, and where their operations are relevant to the demonstration, the state government and major independent local governmental units.

---intergovernmental agreements negotiated to facilitate joint action of central cities and neighboring communities where required to deal with problems such as relocation, mass transit, and recreation facilities.

---assurances of full participation and representation on the part of private leadership groups in business, labor, welfare agencies, and citizen organizations.

---land assembly and compensation powers adequate for the effectuation of the program.

8. The demonstration should show that the program has available adequate financial resources, including assurances of

---maintenance of the quality and scope of municipal services, both in the project area and in the remainder of the city.

---adequate appropriations to meet the city's share of the program's expenditures.

---commitments or market feasibility studies of the availability of anticipated private investment.

---maximum use of existing local, state, and federal programs.

---maximum inducement for private participation.

9. The demonstration should be programmed to:

---maintain or establish a predominantly residential character in the area selected.

---facilitate the transfer of new and rehabilitated housing to resident owners, cooperatives, and non-profit groups.

---extend for an initial five-year period, with provision for significant achievements within a two-year period.

---where appropriate, provide for phasing beyond the five-year period.

10. The demonstration should take into consideration and be consistent with

---existing general plans for the communities and metropolitan areas involved.

---transportation plans dealing with coordinated use of all appropriate modes of city and regional transportation, linking residents with other sectors of metropolitan areas.

COSTS

The Task Force has estimated the Federal subsidy needed for the demonstration programs on the basis of "unit blocks." That is, staff analysis has estimated the costs of treating a typical area containing a representative range of housing conditions in each of the three size categories of cities. Cost elements include physical improvements to housing, social programs necessary to achieve the human purposes of the demonstrations, and community facilities required for the improvement of the neighborhood.

These gross costs for a single demonstration unit are then totaled to estimate the gross costs of treating various areas in the three city categories, with only minor adjustments in some overhead items because of the change in scale. Estimated annual receipts from the sale of rehabilitated and new dwellings are then subtracted from these gross costs, and the extent of Federal subsidy is derived from this net cost figure.

The minimum and expected typical size of a demonstration area are shown for each size of city in Table I. Estimated gross expenditures for a typical demonstration in each size of city are shown in Table II. Annual outlays for the total program, minus annual receipts from the sale of housing, indicate an estimated total net cost of \$2.3 billion for five years, of which the Federal share is approximately \$1.9 billion (Table III).

In the first year the net cost to the Federal government will be \$13,200,000 -- the cost of the initial preparation for the qualifying cities (roughly double the number eventually selected for the demonstration). In the next three years the net project costs will range between \$757 and \$890 million, with the Federal share pegged at 80%. Net total costs drop to \$25 million in the fourth year. In the fifth year there is net income of \$150 million because of the excess of receipts over gross costs. Further details of analysis are provided in staff documents.

Table I

Central City Demonstration Projects

Estimated Number of Households Affected in Each City by City Size Group

<u>Population</u>	<u>Number of Demonstration Cities</u>	<u>Number of Households in Project in Each City</u>			
		<u>Minimum</u>		<u>Typical</u>	
		<u>Substandard : Total</u>	<u>Substandard : Total</u>	<u>Substandard : Total</u>	<u>Substandard : Total</u>
500,000 or more	6	5,000	15,000	8,000	24,000
250,000 to 500,000	10	2,500	7,500	4,000	12,000
Less than 250,000	50	500*	1,500	650	2,000

* No less than 25 percent of substandard units in city

Table II

Central City Demonstration Projects

Estimated Gross Expenditures for Revitalization of Areas of 2,000,
12,000, and 24,000 Households
Assuming medium Costs and Clearance
(Amounts in Millions of Dollars)

<u>Types of Cost</u>	<u>Number of Households Affected</u>		
	<u>2,000</u>	<u>12,000</u>	<u>24,000</u>
<u>Housing</u>			
Acquisition	11.7	70.0	140.0
Demolition	.2	1.0	2.0
New housing to replace demolished units	2.0	12.0	24.0
Rehabilitation of remaining units	7.0	42.0	84.0
<u>Community facilities</u>	4.5	27.0	54.0
<u>Social programs</u>			
Community participation and organization (including staffing of facilities)	1.0	3.3	5.0
Programs-education, vocational training, etc.	.8	4.8	9.5
<u>Relocation</u>	1.0	6.0	12.0
<u>Planning and administration</u>			
"Seed money" for qualifying cities (Including expenses for approximately double the number of cities to be finally selected)	.1	.2	.3
Planning and administration in demonstration cities	3.0	5.0	7.0
TOTAL	31.3	171.3	337.8

Table III

Central City Demonstration Projects

Summary of Gross Costs, Receipts and Net Cost by Years for all Projects
(Amounts in Millions of Dollars)

<u>Year</u>	<u>Gross Cost</u>	<u>Receipts</u>	<u>Total Net Costs</u>
0	13.2	---	13.2
1	772.7	15.8	756.9
2	1027.4	241.5	785.9
3	1687.8	798.0	889.8
4	884.3	859.6	24.7
5	920.6	1071.0	-150.4
Total	5306.0	2985.9	2320.1
Federal Share (80 percent)			1856.1
Average Federal Share Per Year (Fiscal 1967-1972)			371.2

THE BENEFITS

The cities qualified in the final stage of the selection process would receive two types of Federal assistance:

---the complete array of available grants and urban aids now existing in housing, renewal, transportation, education, welfare and other related programs, to the maximum extent authorized by existing legislation, and allocated on a priority basis similar to that presently used in programs of the Office of Economic Opportunity.

---supplemental funds at a ratio of 80% federal -- 20 % local funds, representing the differences between the allowances available under existing aid programs and the demonstration program cost; subject to a maintenance of effort provision in which the fiscal effort of the community should not be less than 105% of its customary expenditures in the categories of aids required in the program, taking average expenditure of the three years immediately preceding as the base.

ADMINISTRATION AND FINANCING

To assure effective program execution and timely federal assistance, for each demonstration program

---a Federal coordinator should be assigned to the city to bring together and make available in coordinated fashion, all the relevant Federal aids.

---these funds, once authorized by the Federal agencies involved, should be made available in a common account drawn on at the discretion of the community in conformance to its program requirements and by certification of the expeditor.

---the Federal share in total aids should be on an incentive basis: geared to increase as program performance indicates success in achieving or exceeding goals in unit cost reduction and not obligated to carry costs in excess of original program estimates (in effect reducing the Federal share of total costs in these instances).

DEMONSTRATION PROJECTS IN METROPOLITAN PLANNING

Although the Task Force believes the Demonstration City Program is the most effective way of accomplishing the urban turnabout, it is highly conscious of the geographical and jurisdictional constraints under which these programs will initially operate. We have already made clear some of the complications of large demonstrations that involve issues of rebuilding, relocation, and changes in population composition. Some of these problems will ultimately only be solved in the context of metropolitan areawide strategies.

Accordingly, the Task Force desires to encourage the many metropolitan planning agencies that, with the assistance of recent Federal legislation, have taken the first steps in fashioning these strategies. It believes effective metropolitan planning will increase the benefits of the Demonstration City Program; ease the tasks of the new Department at the regional level; and strengthen emerging intergovernmental collaborative arrangements vital to the orderly development of our large metropolitan areas.

The Task Force recommends a demonstration project in metropolitan planning in which the most advanced approaches and techniques would be employed including

---balanced consideration of physical and human development programs.

---coordinated treatment of alternative modes of regional transportation planning.

---technical innovations in metropolitan data banks, systems analysis and other new social science methods, and new educational and training programs.

---new arrangements for coordinating the developmental decisions of the different governments.

We propose six to ten planning demonstrations undertaken in a variety of metropolitan areas of differing locations and sizes. These demonstration projects should work closely with HUD in their contract consultants, review committees and central research programs to develop specialized personnel, methods and techniques.

The Task Force estimates the cost of developing this strategy at \$650,000 per demonstration, for a total sum of \$6,500,000 for the initial demonstrations. This figure is based on the experience of metropolitan planning studies presently funded by government departments, and constitutes, in our opinion, a most justifiable level of expenditures. The cost of this program would be spread over a three-year period.

ADVANCES IN CIVIL RIGHTS

In its organizational recommendations, the Task Force took note of the need to bring together and improve the operation of many of the programs concerned with securing the civil rights of all our citizens. We believe a further immediate step should be taken:

--- the extension of the Executive Order barring discrimination in housing, to cover all housing that is legally subject to Federal direction. It is clear that at the present time there are continuing efforts to avoid the requirements of nondiscrimination by employing special routes of financing. These efforts not only impair the effectiveness of the total civil rights program but they place serious secondary economic and social barriers in a constructive urban development process, imposing unnecessary public costs and frictions.

NEW APPLICATION OF TECHNOLOGY

Major breakthroughs in construction technology and its application are essential corollaries to the demonstration cities. Accordingly, the Department should institute a program to provide incentives needed to stimulate research and development in the housing field by industries and universities. The program should stress the application of advanced techniques and new materials and products and the development of a sustained market in sufficient volume to realize the economies and cost reduction of mass production.

It could proceed through regional centers patterned after agricultural experimental stations with the cooperation of industry and builders to test products, methods and total structures.

OTHER LINES OF ATTACK FOR FUTURE STUDY

The demonstration programs the Task Force recommends are conceived as keystones of a new approach to urban development -- first priority items. By and of themselves, however, they cannot achieve

the complete policy redirection present urban programs require. They should be accompanied by changes in existing programs that strengthen our total national effort and that are consistent with the organizational arrangements of the new Department. In our judgment, at least seven major steps are appropriately among the first items of business for the Secretary's attention:

---comprehensive analysis and appraisal of the role of the Federal government in assisting the building of entirely new urban communities as alternatives to the unplanned development at the fringe of our metropolitan areas.

---inauguration of major research and development activities focused on innovations in technology and management in urban design, data processing, planning, and construction, including tangible encouragement to communities that adopt and apply advanced techniques.

---preparation of a new grant-in-aid program to meet the needs for increased operating expenditures in the cities.

---reformulation of policies in housing credit and insurance to deal more effectively with special categories of housing needs.

---preparation and application of a metropolitan "workable program" to offer a consistent, comprehensive guide for Federal aid programs that have a major influence on the pattern of urban development.

---a program of short-term options for advanced land acquisition by public agencies to combat speculative escalation of urban land prices.

---careful examination of new alternatives in the field of civil rights and housing to expand the nation's efforts in this vital area.

---renewed attention to the urban transportation programs, including the preparation of a new program for the coordination of transportation facilities into integrated, modern, complete transportation systems.

1. New Communities

Our existing urban centers, however revitalized and rebuilt, cannot

accommodate all the urban Americans of the next generation. Even if present migration trends are stabilized, the Task Force does not recommend a return to the high densities and congestion of cities of the past. With three million new residents added each year to our present urban population, new communities and new patterns of land use are inevitable.

To provide an alternative to suburban sprawl, entirely new concepts of community design are required. Prototypes of these "new towns" are now coming into being, as in Reston, Virginia and Irvine, California, promising changes of such magnitude so as to

---enlarge the entire scale of the building process, providing new homes and jobs for hundreds of thousands of people.

---make possible efficiencies in construction, land development, and municipal services heretofore unrealized.

---alter the entire composition of an urban community by offering a variety of homes available over a wide range of incomes and creating balanced resident and employed population.

---assure new achievements in environmental design, with integrated transportation systems, and open spaces free from pollution.

On the basis of staff analysis, the Task Force believes that the private sector should continue its prominent role in new town development. But our survey of present ventures indicates that there are certain "threshold" problems and costs which may appropriately fall to the public sector. These may include:

---assistance in land assembly and the provision of capital requirements particularly in community facilities and initial land purchase.

---assistance to local governments in the areas involved, by planning in anticipation of the impact of new towns, and assuring that the new communities are consistent with relevant metropolitan plans.

---encouragement of heterogeneous population composition and the fostering of intergroup relations.

---help in the solution of marketing problems, by coordinating the locational requirements of government installations

and assuring adequate economic bases for the communities.

---protecting the economic position of the urban core by encouraging the central city to participate in the development of new communities, providing for the decentralization of low-income families, and by strengthening the economic vitality of the city.

The Administration has already given careful consideration to the appropriate role of the Federal government in such enterprises, including making available credit and loans. Other alternatives should be considered including:

---establishment of state and federal development corporations to solve some of the more difficult problems of land assembly and reduce the possibility of unwarranted land speculation.

---technical assistance in planning to assure the best quality of design and execution now available.

---deferred interest charges on loans to reduce the critical "get-going" costs of such enterprises.

---special arrangements for the timely provision of community facilities aid under existing grant programs.

---Federal promotion of an independent and complete urban center, with all requisite industrial, commercial and cultural facilities. In this case, the city should be promoted as a part of an overall regional development program on a scale appreciably larger than a typical satellite community -- perhaps 200,000 to 500,000 people. Its establishment could serve to promote extensive new industrial development in a previously depressed area such as Appalachia, using available public land with structures in public or private ownership. Or such a city could relieve population congestion in a densely occupied zone such as the Northeast Corridor. For whatever purpose, this city could serve as a yardstick for performance for "new communities", a place of experimentation in planning and construction. Such a project could be undertaken almost immediately and at very low cost to the Federal government.

All these possibilities should be actively explored by the Secretary to make sure that constraints of capital and pressures of time do not reduce the scale of the new communities, or cheapen their quality.

2. Research and Development

The 1964 Task Force report emphasized the paucity of research funds expended in the housing industry -- a rate six to ten times below that of the nation's growth industries. Subsequently the Administration proposed the establishment of a National Institute for Urban Development.

Now we believe first priority should be given to exploring the means by which large new markets in housing and urban development can be created and systems analysis and management carried out on a scale that results in sharply reduced unit housing costs. One way to accelerate this new approach is for the Institute to work directly with the new Commission on Codes, Zoning, and Development Standards in encouraging expanded research in this area. Another is to provide incentives for direct local action. After the first demonstration program is underway, cities could be invited to present programs utilizing systems analysis and proposing total treatment of the development process. Block unrestricted grants for such planning and experimental programs, under a flat ceiling limitation could be made available.

3. Block Grants for Municipal Operating Expenditures

One of the critical problems facing local governments is the shortage of operating funds. The Task Force believes careful consideration should be given to a block grant program for localities on a matching basis. The program should take into account both local need and capabilities and emphasize assistance to core cities and inner suburbs where operating funds are most urgently required. It would make assistance available on a non-categorical basis, and thus leave decisions as to priorities among operating needs in the hands of the local government.

Feasible ways to construct genuine equalization formulas are now available, as evidenced by the research of the Advisory

Commission on Intergovernmental Relations. For example, one formula attractive by its precision and simplicity would allocate funds on

---a need basis related to the average per capita expenditure for urban social services in cities of the population class to which a given city belongs, with a sliding scale fixed according to the specific relative position of the city to the average.

---modified by a fiscal capability basis related to the average per capita expenditure of cities in the same per capita income class within its population class.

---the allocation being the difference between need and effort so established; the dollar amount for any city being a percentage of the total program funds available.

The elaboration and refinement of such a program was not possible within the time and resources available to the Task Force. Further, we recognize that grant-in-aid revisions need to be viewed in the larger context of general fiscal policy and possible reform of categorical grant policy. However this technique may prove to be a powerful tool in assuring immediate responses to pressing urban public needs and guaranteeing effective use of Federally assisted facilities. We urge the Secretary to give it high priority among possible recommendations for legislation.

4. Policy Changes in Existing Credit Programs

The Task Force shares the view of its 1964 predecessor that substantial modifications of Federal mortgage and guarantee programs are in order, to redirect these instruments to contemporary needs. Further, we believe the reorganization of constituent agencies formerly in HHFA in the new Department makes such adjustments especially appropriate at this time.

We urge, therefore, for the Secretary's attention:

---increased emphasis on the special-purpose programs now authorized in the Federal Housing Administration and the Federal National Mortgage Association to encourage

specialized entrepreneurs in the low-income housing markets such as cooperatives and non-profit housing corporations.

---continued exploration of alternatives beyond rent supplements in moderate-income housing financing, including variable direct interest subsidies, subordinated Federal loans, direct capital grants, and temporary direct loans.

---a close relation between conventional FHA activities and the special assistance programs, including assurance that the total program in a given community overcomes the unbalanced housing accommodations that result from special FHA policies particularly in the suburbs. In this respect, the availability of FHA financing in Section 207, 203 and 213 might be related to workable program requirements to assure production of low-income housing as a prerequisite to the Federal support of middle and upper income mortgage markets.

Changes such as these would greatly improve the effectiveness of our credit programs in meeting current urban needs and, in the long run, promoting the reduction of housing costs.

5. A "Workable Program" for Metropolitan Areas

The present uncoordinated and at times contradictory impact of Federal aid programs on the growth pattern of individual metropolitan areas is a major handicap to the total approach the Task Force envisages. Although considerable progress has been made in recent years in keying transportation, open space, and housing assistance to comprehensive metropolitan planning, further steps are now appropriate. Especially with the inauguration of demonstration planning grants, the Secretary should move through the Council on Interdepartmental Coordination recommended in our organizational proposals to assure that the majority of Federal aid programs are contingent on the existence in metropolitan areas of:

---a comprehensive planning process dealing with

---development projects clearly regional in nature, such as water and sewage facilities, highways, airports, open space, recreational projects, large-scale housing and industrial developments.

---including areawide standards of development control mechanism and relocation procedures.

This requirement, even if gradually applied, would stimulate cooperative arrangements among urban governments in a metropolitan area to identify mutual areawide problems, develop collaborative action programs, and strengthen the exchange of information and liaison. It would encourage already existing positive trends toward interlocal cooperation now represented by regional planning agencies, councils of governments, the transportation planning projects required in the 1962 Highway Act, and the quasi-public, quasi-private regional development associations.

The first phase of implementing a workable metropolitan program should be by a Federal cash contribution of unearmarked aids to provide incentives to metropolitan agencies, with appropriate provision for local maintenance of efforts.

6. Combating Speculative Escalation of Property Values

Disclosure that government intends to acquire real property in a particular area often triggers a speculative bidding up of property values, with the result that ultimate acquisition cost is substantially inflated. We urge that study be given to an arrangement under which the Congress would appropriate a sum of money to the President used to finance the purchase by private agents of short-term options on real property in advance of disclosure that public purchase may occur. These funds could be used in connection with prospective property acquisitions of any agency of the Federal government, or they could be used for confidential grants to state or local governments to finance the optioning of property which may be needed to carry out a federally supported program. The President would make an annual detailed report to the Congress on the use of these funds.

7. Renewed Attention to Urban Transportation Problems

In recent years, the Federal government has explicitly recognized the strategic role of transportation in guiding future urban development. Highway funds are now contingent upon the preparation of metropolitan plans. Research, development and demonstration funds are available for urban mass transportation. Taken together

with commuter rail systems, these two components constitute the elements of a coordinated transportation program to serve the present needs of a community, provide choice of conveyance, and work in the direction of a rational land use distribution. While the primary responsibility for capital requirements for public transportation appropriately rests with local areas, supplementary Federal assistance is needed in the form of loans, grants, and research and development projects. The mass transportation program authorized by the Act of 1964 is scheduled to expire in June, 1967.

8. New Alternatives in Civil Rights and Housing

The close relation between the availability of housing accommodations and the progress on the civil rights front is now obvious in every large American city. Indeed, the growing problem of de facto school segregation stems directly from artificial barriers imposed on the choice of housing by Negro citizens. Unless this aspect of the housing program is attacked vigorously and imaginatively, surface tensions and stresses are bound to multiply.

The Task Force believes that the establishment of the new Department provides an unparalleled opportunity to develop new techniques to assist the goal of fair housing and open occupancy. It urges the Secretary to give high priority to the development of such a comprehensive and imaginative program.

615

DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT

Proposed Plan of
Organization

ADMINISTRATIVELY

CONFIDENTIAL

TASK FORCE - FINAL
December 14, 1965

DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT

Proposed Plan of
Organization

ADMINISTRATIVELY

~~CONFIDENTIAL~~

TASK FORCE - FINAL

December 14, 1965

Prefatory Note

The Proposed Plan of Organization submitted herewith is the Task Force Subcommittee draft of November 26, revised to meet the views of the Task Force as expressed at the Washington meetings of November 26 and 27, December 4, and December 12.

**Proposed
 Plan of Organization
 for the
Department of Housing and Urban Development**

TABLE OF CONTENTS

	<u>Page</u>
I. Conclusions and Recommendations.....	1
A. The Organization.....	1
1. Basic Objectives.....	1
2. The Secretary.....	2
3. Headquarters Structure.....	2
4. Field Structure.....	3
5. Staff Organization and Personnel System.....	3
B. Transfer and Coordination of Federal Programs.....	4
1. Transfers into the Department.....	4
(a) Community Action Programs.....	4
(b) Veterans Administration Mortgage Guaranty and Direct Loans.....	5
2. Transfers out of the Department - College Housing..	5
3. Special Functions.....	5
(a) Metropolitan Transportation Planning.....	5
(b) Clean Air, Clean Water and Solid Waste Disposal.....	5
4. Coordination of Federal Programs.....	6
II. The Plan of Organization - Headquarters.....	6
A. The Secretary.....	6
B. The Council on Interdepartmental Coordination.....	6
C. The Under Secretary.....	7
D. The Deputy Under Secretary.....	7

TABLE OF CONTENTS
(Contd.)

	<u>Page</u>
E. The Assistant Secretaries	8
1. Assistant Secretary-Financial Assistance	8
2. Assistant Secretary-Physical Facilities	8
3. Assistant Secretary-Community Action Programs	9
4. Assistant Secretary-Intergovernmental Cooperation ..	9
5. Research	9
III. The Plan of Organization - Field	9
A. The Regional Administrator	9
B. Regional Office for Coordination of Departmental Programs (Coordinators Geographically Assigned)	10
C. Assistant Administrators	11
*The Plan of Organization Charts	
The Headquarters Organization Chart	Sheet 1
The Field Organization Chart	Sheet 2

**Proposed
Plan of Organization
for the
Department of Housing and Urban Development**

I.

Conclusions and Recommendations

A. The Organization

1. Basic Objectives

The establishment of a new Department provides an unique opportunity to create an organizational structure specially designed to enable the Department to fulfill its basic tasks and mission.

The organization of the Department of Housing and Urban Development must be shaped to give the best possible administration to the specific programs entrusted to the Department, and to be resilient enough to flex and grow as new programs are confided to it, or old ones expanded and modified.

The Organization Plan must enable the Department to provide for full and unified consideration of the needs and interests of the Nation's communities and of the people who live and work in them. Among other things, this means that it must recognize the integral relationship of the physical and social environments. At the same time, the Organization Plan must enable the Department to assist the President in achieving that essential coordination of Federal activities which materially affect urban, suburban and metropolitan development. The form of organization must be creatively fashioned to be hospitable to inter-governmental cooperation and to local and private action helpful in solving problems of housing, urban development and mass transportation, and, of course, the form of organization must be such as to encourage a vigorous private homebuilding and mortgage lending industry.

The attainment of these objectives will require a reshaping of existing administrative patterns.

2. The Secretary

The proposed organization establishes a "strong" Secretary exercising unified control over his Department. He is provided with a strong staff structure which should enable him to perform effectively all essential management functions, including such vital ones as policy formulation and control, program evaluation, development of standards and procedures, budgetary control and research.

In view of the importance of the Under Secretary and the Assistant Secretaries, it would assist in attaining the objective of unified control if the Secretary were given a significant voice in the making of these appointments.

3. Headquarters Structure

Careful consideration has been given to the respective merits of a "functional", as contrasted with a "divisional" (regional) type of organization. In the first, authority runs along functional lines from several headquarters chiefs to their program counterparts in the field. Such an organization is reminiscent of operations under HHFA. In the divisional organization, headquarters units would be utilized primarily as staff with responsibilities which would include policy formulation, program evaluation, development of standards and procedures, budgetary controls and research. Responsibility for the day to day carrying out of programs and policies would be vested in strong Regional Administrators reporting directly to the Secretary through the Under Secretary.

Consideration was also given to a part "functional", part "divisional" organization in which certain Assistant Secretaries would have line responsibilities reaching into the field operationally along functional lines, while other Assistant Secretaries would have staff responsibilities only. Such an organization has been discarded as depriving the Secretary of necessary staff at the Assistant Secretary level. In addition, such an organization would blur lines of command in that the Regional Administrator, and those under him, would receive directives from more than one source.

The proposed Plan accepts unqualifiedly the concept of a strong regional organization with a direct line of command running

from the Regional Administrator to the Secretary through the Under Secretary. This is most consistent with a strong unified Department with ultimate power and responsibility resting clearly in the Secretary. It will relieve headquarters units generally of responsibility for day to day operations and provide the time and responsibility for vital staff functions. Moreover, as will appear, such an organization will put the answers into the field where they belong.

4. Field Structure

Day to day operations will be unified under a number of Regional Administrators. The Regional Administrator will be responsible for the effective administration of Departmental policies, functions and programs in his region.

The Regional Administrator should be well paid and competent. He should have understanding of and sympathy with the programs and policies entrusted to him, and should have proved administrative ability. He reports to the Secretary through the Under Secretary. (See p. 9)

5. Staff Organization and Personnel System

Unification of control and decentralization of day to day operations will require maximum consolidation of similar staff functions. Sound administration will create one unified Departmental career system to replace the four or more separate and distinct "career ladders" now existing (FHA, PHA, FNMA and OA, including URA and CFA).

There will be significant opportunities for economy and efficiency as like technical staffs are consolidated for recruitment, training, promotion and operational purposes. The careful reexamination of differences in techniques between similar programs will be a very important consequence of this consolidation.

Even more important, however, will be the effect of staff consolidations in breaking down now obsolete loyalties to narrowly defined existing programs. It will become clear to Departmental staff that their personal horizons have been broadened rather than endangered by the basic reorganization recommended.

B. Transfer and Coordination of Federal Programs

The transfer of a program or a function into the Department is not recommended unless control (as distinguished from coordination) is viewed as being important to the achievement of the Department's mission. Where such a program or function is severable, only that part is transferred into the Department as relates directly to the Department's mission. The transfer out is recommended on the basis of reverse criteria. From time to time, other Federal programs and functions should be reviewed to see whether they should be transferred into HUD, including a careful analysis of the many components of the Civil Rights programs.

Since a Plan of Organization must follow substantive programs and functions, decisions on the recommendations will shape the form of the organization.

1. Transfers into the Department

- (a) Community Action Programs. We must recognize that the social problems of the cities have led to turmoil, strife and great dangers. Many of these problems are inextricably tied to the physical environment. In the judgment of the Task Force, they should be treated together.

Community Action Programs of the Office of Equal Opportunity deal directly with the social environment of the City. Such programs could and would add important "human" dimensions to a Department that would otherwise be preoccupied with the physical environment alone. Moreover, the Department with its funds, programs and new status would lend needed strength to the Community Action Programs. This would tend to make them more successful and meaningful and to give them essential continuity.

It is believed that the OEO programs must soon find permanent homes in Executive Departments. A number already have. In the judgment of the Task Force the Community Action Programs are vital to the performance of the new Department's total responsibilities and should be transferred to it.

The Plan of Organization insures that Staff responsibilities for CAP are given to an Assistant Secretary. These will be his principal duties. When transferred, the announcement should make clear that in the President's view the transfer

is positive and necessary to the performance and long range success of CAP and to make our cities truly livable.*

- (b) Veterans Administration Mortgage Guaranty and Direct Loans. The functions of the Veterans Administration with respect to Veterans Mortgage Guaranty and Direct Loans should be transferred to HUD. This function is still substantial (\$3 billion in 1963, of which \$2 billion was old and \$1 billion was new), and will grow. It is parallel to the functions performed by FHA. While leaving the eligibility certification with the Veterans Administration, this transfer will insure continuity of the Veterans Administration's Guaranty and Direct Loan Programs and will make them more efficient and helpful to veterans. It will assist the builder in that it will provide a one-stop service.

2. Transfers Out of the Department - College Housing

This is more suitably assigned to HEW.

3. Special Functions

- (a) Metropolitan Transportation Planning. Orderly urban growth must take into account and deal effectively with the 3 R's of transportation--Road, Rail, Rapid Transit. Unless planning extends to all three, no serious planning can be undertaken. In this case, coordination is a poor substitute for unified planning.

It is therefore recommended that the policy determination of whether and where such roads should be located in the metropolitan area should be a responsibility of HUD. The Bureau of Public Roads would retain all construction and engineering responsibilities, as well as the funds.

- (b) Clean Air, Clean Water and Solid Waste Disposal. Clean air and clean water are essential to a modern metropolitan community. Water supply and sewage lines shape future suburban, and hence future metropolitan, development. HUD now has some responsibilities for sewage and drainage programs. Air pollution has its principal impact in urban areas.

* One member, Mr. Kermit Gordon, dissents from this recommendation for reasons that he submitted to the Task Force in writing.

While it is recommended that other Departments have, and should continue to have, responsibilities in these areas, planning responsibilities with respect to metropolitan clean air, clean water and solid waste disposal should be discharged by HUD.

4. Coordination of Federal Programs

All other Federal activities affecting housing and urban development shall be coordinated under the leadership of the Secretary of HUD at the direction of the President. This shall be done through a Council on Interdepartmental Coordination. The President will no doubt wish promptly to issue an appropriate directive to the Secretary of HUD and to the Secretaries and Heads of other affected departments and agencies. It would be appropriate for the directive to stress the importance of responsible Departmental and Agency participation and to require a section on coordination of such activities to be included in the Secretary's annual report.

II.

The Plan of Organization-Headquarters

A. The Secretary

1. The Secretary, as Head of the Department, has all of the ultimate responsibility and power that that implies. The proposed organization is designed to enable him to be the Head of the Department in fact, as well as in name.
2. Attached to the Secretary's office is a cluster of general Staff functions: General Counsel, Office of Congressional Relations; Office of Public Information, and Assistant Secretary for Administration. The Office of Congressional Relations should be an effective vehicle for translating Departmental policies and programs into meaningful Congressional and Legislative terms.

B. The Council on Interdepartmental Coordination

As already stated, it is proposed to establish a Council on Interdepartmental Coordination to enable the Secretary to carry out his leadership responsibilities in coordinating Federal activities

affecting housing and urban development. The proposed Council will be principally at the Secretarial level and will consist of: Chairman: Secretary, Department of HUD; Members: Secretaries of Defense, Interior, Commerce, Labor, and Health, Education and Welfare. The Council should also include the Heads of the FAA, GSA and HLBB.

The Director of the Office of Economic Opportunity is not included since it is proposed to transfer the Community Action Program to HUD. If this should not be accomplished, the Director should be on the Council.

The Director of Urban Program Coordination (established by the law) shall head the Secretariat of the Council.

C. The Under Secretary

1. The Under Secretary, subject to the direction of the Secretary, is the Chief Operating Officer of the Department. All Regional Administrators will report to him and he will be responsible to the Secretary for the achievement and coordination of policies, functions and programs that are operational. Through the field forces, the Under Secretary must be responsible for the coordination of HUD programs and coordination between HUD programs and the programs of other Federal, State and Local agencies in the field. Although the certification and annual recertification of basic plans, including workable programs, will be decentralized to the Regional Administrator, the Under Secretary will have supervisory responsibilities with respect to this important control.
2. Because of the inherent nature of a "one over one" type of organization, the Secretary should have a significant voice in the selection of the Under Secretary.

D. The Deputy Under Secretary

1. The Deputy Under Secretary shall be responsible for policy formulation, special demonstration projects and program evaluation. Since these responsibilities are vital both to future and existing programs, and since these responsibilities relate to the functions and programs of the entire Department, it is felt that they should be lodged in one who is not on an organizational level with the Assistant Secretaries. The Deputy

Under Secretary should, if possible, be paid as much or slightly more than the Assistant Secretaries and should be appointed by the Secretary after being personally satisfied of his fitness and qualifications for the position.

2. Reporting to the Deputy Under Secretary shall be the Committee on Research which shall consist of the three Directors of Research who head the three Research Offices. The Committee on Research is primarily a research coordinating group. (See p. 9) The Institute for Urban Development will also report to the Deputy Under Secretary.

E. The Assistant Secretaries

The Assistant Secretaries, together with the Deputy Under Secretary, should, together, constitute a strong, dynamic staff group. For the reasons stated in Article I, the Plan of Organization confers no line responsibility upon them. Within the programs and responsibilities delegated to them, or specially assigned by the Secretary, there is no aspect of the Secretary's broad policy making responsibilities which should be immune to their searching inquiry. Ideally, they should be regarded as a unified staff with close professional relationships under the leadership of the Secretary. If at all possible, the Secretary should have a significant voice in their appointment.

1. Assistant Secretary - Financial Assistance. The Assistant Secretary - Financial Assistance is also the FHA Commissioner. Under the Assistant Secretary are clustered the staff responsibility for the FNMA, the Office of Mortgage Insurance (includes the FHA and the mortgage insurance functions of the Veterans Administration) and the Office of Credit Policies. The Office of Credit Policies has staff responsibility for the programs shown on the Organizational Chart (Sheet 1). These are primarily direct payment programs. It should be noted that the functions of the Public Housing Authority have been separated and that staff responsibility for the financial aspects has been placed in the Office of Credit Policies under the Assistant Secretary - Financial Assistance.
2. Assistant Secretary - Physical Facilities. Under this Assistant Secretary have been clustered staff responsibility for those programs and functions relating primarily to physical environment, including large scale subdivisions and new developments. Sheet 1 of the Plan of Organization sets out the details.

3. Assistant Secretary - Community Action Programs. This Assistant Secretary has staff responsibility for all Community Action Programs (proposed to be transferred from the Office of Economic Opportunity). Because the problem of Civil Rights is central to the reconstruction of cities, the Assistant Secretary must give it special attention and close liaison with agencies and units charged with responsibility in this area. There is also the Office of Intergroup Relations and the Office of Relocation Assistance.
4. Assistant Secretary - Intergovernmental Cooperation. Under this Assistant Secretary are several offices dealing with intergovernmental cooperation, including notably the Office of Technical Assistance and Information, which includes the clearing house functions of the Department.
5. Research. A separate Office of Research has been established under each of the first three Assistant Secretaries. It is believed that the functions and programs of these three Assistant Secretaries are sufficiently disparate so that it will not be duplicitous to have three such offices. Indeed, it would be inevitable for the three Assistant Secretaries to have their own Research Assistants, whether expressly so designated or not. However, to insure coordination between such offices, and to make certain that such facilities as a research library, for example, exist in common, the Directors of these three offices are brought together as a Committee on Research directly under the Deputy Under Secretary.

III.

The Plan of Organization - Field

A. The Regional Administrator

1. The Regional Administrator reports to the Secretary through the Under Secretary. He is, therefore, the Chief Operating Officer for the Region. All policies, programs and functions of the Department that are operational in his Region are unified under him. This would also include special demonstration projects.
2. Clustered under him are such positions as Regional Program Budget Officer; Regional Assistant for Public Information, and Regional Assistant for Administration.

3. The ideal Regional Administrator will maintain close and effective relationships with Senators, Members of Congress, and State and Local Government officials from his Region. It would be expected that by virtue of his character and ability and the delegation of power to him, he would be able to take responsible action in the great preponderance of instances without resort to Washington.
4. Under a divisional Plan of Organization, the operational success of the Department will depend principally upon the quality of the Regional Administrator. He should be well paid and carefully selected on the basis of high qualification standards. His appointment should be at the discretion of the Secretary and excepted from career service classification in order to permit the Secretary maximum flexibility in selecting the most outstanding candidates from within as well as without the federal service. The policy formulations at Headquarters should of course be sufficiently detailed so as to insure relatively uniform application nationally. However, uniformity should not be obtained at the expense of the judgment and discretion of the Regional Administrator. It will be the responsibility of the Secretary to make certain that the natural inclination of Headquarters Staff to control operations through overly-detailed policy formulations is not given such scope as to deny to the Regional Administrator the responsibility and opportunity to exercise judgment and discretion.
5. Considerable authority will be vested in him through the power which he should possess to certify and annually to recertify basic plans, including workable programs. His exercise of this power is of course subject to policies to be given him and to the supervisory responsibility of the Under Secretary.

B. Regional Office for Coordination of Departmental Programs (Coordinators Geographically Assigned)

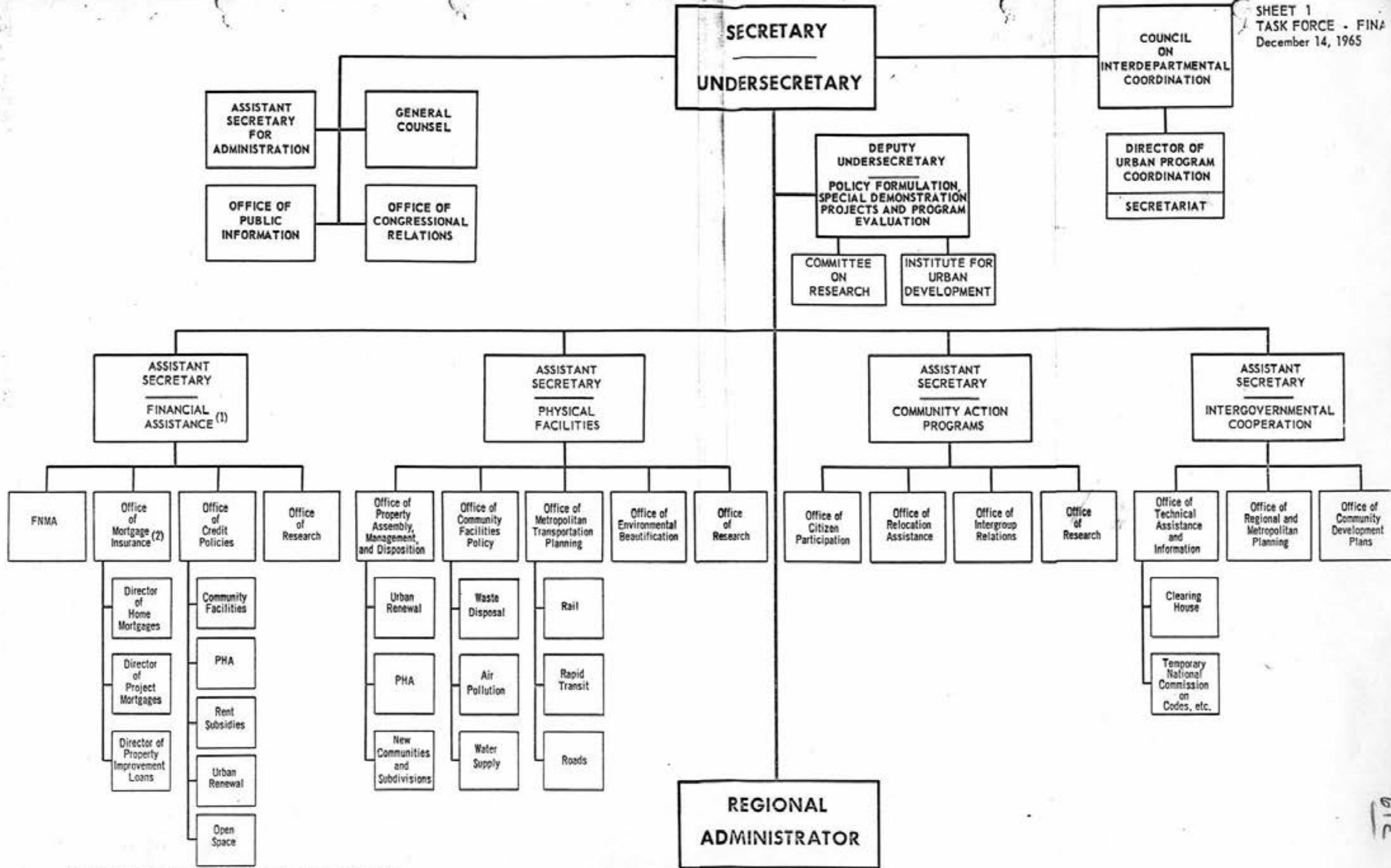
Attached to the Regional Administrator is the Office for Coordination of Departmental Programs, with the Coordinators being geographically assigned. Every local community having a HUD program will be served by a Regional Coordinator. He is the point of contact between the Regional Office and the metropolitan area, including the local communities within the metropolitan area. From the drawing up of required plans, to the preparation of applications, to expediting their review by the Regional Office Staff, to checking on the execution of projects, the Coordinator advises, guides and stimulates the local community into taking advantage of Federal urban programs. At the same time, he assists these communities in meeting requirements for such Federal aid.

Although based physically in the Regional Office, the Coordinator will spend a good deal of time in the metropolitan area or areas he serves.

C. Assistant Administrators

Four of these Assistant Administrators are the program and operational counterparts of the four Assistant Secretaries. The fifth Assistant Administrator carries out in the field the interdepartmental coordination functions discharged at Headquarters by the Council on Interdepartmental Coordination. He undoubtedly will be assisted in this by the Director of Urban Program Coordination, who heads the Secretariat to the Council.

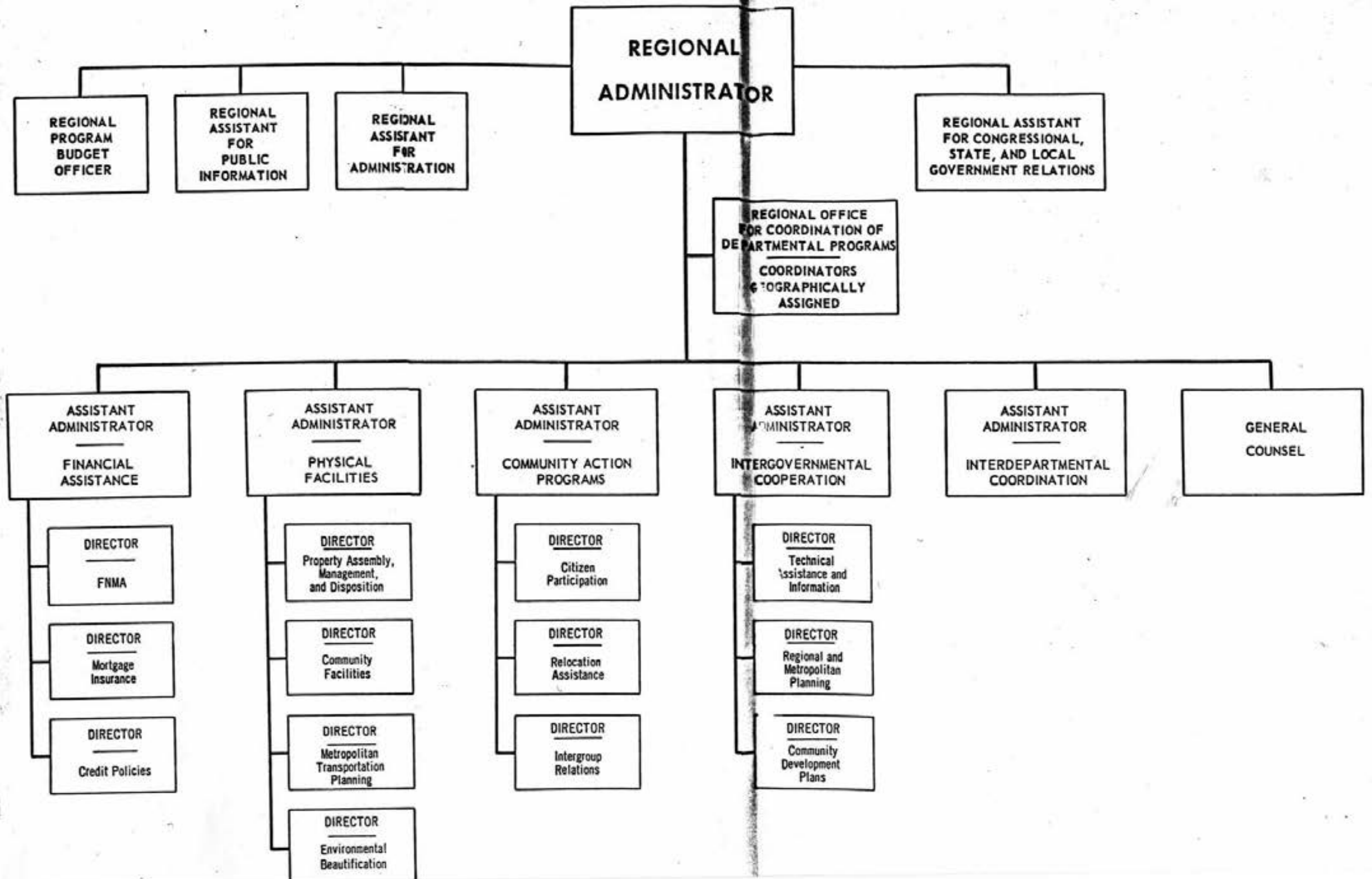
It will be kept in mind that other Federal programs will be in Departments or Agencies where decision making will not be as decentralized as is proposed here. Hence, Regional representatives of such Departments and Agencies will be referring coordination matters raised by the Assistant Regional Administrator to Washington for decision. It is important that this not be permitted to recentralize HUD functions in Washington and that HUD decisions are kept in the field.



(1) This Assistant Secretary is also the FHA Commissioner as required by law.
 (2) This is also the Federal Housing Administration as required by law.

ADMINISTRATIVE COPY

612



REPRODUCTION COPY

ADMINISTRATIVELY CONFIDENTIAL

Statement by Kermit Gordon

I regret that I cannot join the majority of the Task Force in recommending that the Community Action Program of the Office of Economic Opportunity be transferred to the Department of Housing and Urban Development. I owe it to the other members of the Task Force to provide a written statement of my reasons for demurring on this recommendation. This statement will supersede the brief provisional statement which was distributed at the December 12 meeting, and which is hereby withdrawn.

As our discussions made clear, all members of the Task Force feel strongly (a) that the Community Action Program needs to be preserved and strengthened, and (b) that HUD must deal more effectively with the human problems raised by its own programs than did its predecessor agency. The majority, though recognizing risks with respect to (a), concluded on balance that both purposes would be served by transferring CAP to HUD. I assessed the risks somewhat differently, and concluded on balance that the transfer is not likely to strengthen CAP, and may even weaken it.

In the view of the majority, incorporation in HUD will provide to CAP added security, prestige, and technical resources. I am more

impressed, however, with the fact that CAP is now lodged in an agency which is institutionally capable of single-minded dedication to the cause of the chronically poor, whereas transfer of CAP to HUD would add the poor to a lengthy roster of HUD clientele groups with whose interests the needs of the poor will sometimes conflict.

The Task Force recognizes that CAP must be more aggressive in pressing other federal agencies to coordinate their existing categorical aid programs with local community action programs, and the majority believes that transfer of CAP to HUD would facilitate this. It is my judgment, however, that this difficult objective is more likely to be realized if CAP is lodged — as at present — in an independent agency headed by a Special Assistant to the President. It must be remembered that the most important of these established categorical aid programs are administered, not by HUD, but by HEW and Labor, while other significant aid programs are lodged in Agriculture, Commerce, and Small Business Administration.

Although my misgivings about the proposed transfer of CAP to HUD are based mainly on the considerations outlined above, I am also concerned that the transfer will lead to an undesirable duplication of functions and segmentation of programs. Since most CAP funds are used to provide educational, health, and welfare services, HUD

will probably develop specialized staff skills paralleling those of HEW. Also, since 40 percent of all persons living in poverty reside in rural areas, the transfer of CAP to HUD will invite a campaign to establish a separate CAP for rural areas in the Department of Agriculture; such a splitting up of CAP would be an unfortunate development.

Kermit Gordon

December 20, 1965.

The cities group recommends the inclusion of the following in H. U. D.:

- 1) Community Action Program
- 2) Veterans direct and guaranteed loan program, with eligibility determination remaining in VA.
- 3) Policy determination over highways in urban areas -- whether and where they should be built.
- 4) Programming responsibility for clean air, water, and waste disposal in urban areas.

On the other hand, college housing would be vested in HEW.

The majority of the group is particularly strong for the inclusion of C. A. P. They give two reasons:

- 1) the necessity to deal more effectively with the human problems raised by slum housing and Federal attempts to rebuild it
- 2) the necessity to give C. A. P. strong backing and support by its inclusion within a major department.

The majority feels that without C. A. P., the traditional concerns of Federal housing programs, especially of FHA, will prevail without challenge.

Kermit Gordon dissents. He believes C. A. P. would probably be swallowed in H. U. D. Transfer to H. U. D., he says, would "add the poor to a lengthy roster of H. U. D. clientele groups with whose interests the needs of the poor will sometimes conflict." He supplies additional objections in the attached memo.

As to veterans housing, the entire task force believes its inclusion in H. U. D. would make it a more coherent program. Builders and bankers could receive single-stop service for both FHA and VA in the field. Eligibility determination would remain in VA.

Recommendations:

- I. That the proposed organization plan be recommended to the new Secretary as generally sound in principle.
- II. That the VA transfer be discussed with Chairman Teague at the earliest opportunity. It makes sense.
- III. That the C. A. P. question be kept open for a while. The character of the new Secretary and the views of Congress, a number of mayors, and civil rights leaders should be determined before a change is made. At the moment Whitney Young favors the move if one of the Assistant Secretaries will have C. A. P. as his chief responsibility.

Harry

Harry C. McPherson, Jr.

Attachments

62a

PROPOSED
PROGRAMS
FOR THE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TABLE OF CONTENTS

	<u>Page</u>
THE PROBLEM: (1) The Character of the Challenge.....	2
(2) The Inadequacy of the Present Response.....	3
THE PRESENT SITUATION.....	4
A NEW APPROACH.....	5
THE DEMONSTRATION CITY PROGRAM.....	6
THE GENERAL NATURE OF THE PROGRAM.....	7
CRITERIA.....	9
COSTS.....	13
THE BENEFITS.....	18
ADMINISTRATION AND FINANCING.....	18
DEMONSTRATION PROJECTS IN METROPOLITAN PLANNING..	19
ADVANCES IN CIVIL RIGHTS.....	20
NEW APPLICATION OF TECHNOLOGY.....	20
OTHER LINES OF ATTACK FOR FUTURE STUDY.....	20
1. New Communities.....	21
2. Research and Development.....	24
3. Block Grants for Municipal Operating Expenditures..	24
4. Policy Changes in Existing Credit Programs.....	25
5. A "Workable Program" for Metropolitan Areas.....	26
6. Combating Speculative Escalation of Property Values..	27
7. Renewed Attention to Urban Transportation Problems	27
8. New Alternatives in Civil Rights and Housing.....	28

PROPOSED PROGRAMS FOR THE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

1966 can be the year of the urban turnabout in American history.

In the last fifty years as this nation transformed itself from a rural to an urban society, we have given sporadic and piecemeal attention to the problems of planning, development, and redevelopment of our cities. But we have never undertaken a comprehensive and coordinated effort, involving both the public and private sectors of the economy, to build the best city this nation can. To date, we have failed to make the task of building cities a top priority item on the national agenda.

Last year the legislative program of your Administration laid the essential foundation for such an undertaking in the Housing and Urban Development Act of 1965 and by the establishment of the Department of Housing and Urban Development. This year, in the judgment of the Task Force, we can begin in earnest.

In the pages that follow the Task Force

---recites briefly the dimensions of the urban problem including those that are visible and commonplace and those that often pass unrecognized.

---proposes a new line of attack whose principal feature is a new national program of demonstration cities dramatic in impact but selective in application, carefully tailored to lead to successive stages in development.

---describes supplemental and supportive programs aimed at meeting our most pressing urban needs, proposed for the immediate study of the new Secretary and including demonstration projects in metropolitan planning. These programs are predicated on the organization of the Department along the lines recommended in our companion document.

THE PROBLEM: (1) The Character of the Challenge

One way to define "the urban problem" in the United States is in the conditions of life of our urban residents. Stating the problems in this way has been done many times before. They were the subject of last year's Task Force report that traced

---the great dimensions of unmet housing needs: some 7 million urban families live in homes of such disrepair as to violate housing code standards of major cities.

---the growth of population: 2 million new units of housing are needed each year for the foreseeable future -- an increase in the volume of production 25% greater than has ever been achieved before.

---the chronic inability of the country to provide low income housing of adequate quality at a reasonable price: we have failed to bring to housing efficient production methods now possible through technological and managerial advances, modern building codes and up-to-date work practices.

---the special problem of the poor and the Negro unable to move freely from racial ghettos and subject to heavy exploitation in the costs they pay for the necessities of life: 3 out of 10 slum houses are now occupied by Negroes, and at high rent levels the proportion of Negro families living in substandard housing is six times greater than that of white families.

---the inability of metropolitan areas to deal with the movement of people and goods, in particular the failure to provide adequate mass transportation for families who do not own an automobile or where use of private vehicles is unnecessary, uneconomical or socially undesirable.

---increasing pressures in municipal costs especially in the central cities in our metropolitan areas: between 1960-63 per capita expenditures for cities 1 million and over increased 36.3 per cent, compared to an average rise of 25.5 per cent for all American cities.

---unnecessary and unwarranted restrictions for the suburban American as well -- expressed in uniformity in housing choices, excessive costs of community facilities and services, gross deficiencies in recreation and leisure time opportunities.

---for all metropolitan residents, urban and suburban alike, unnecessary costs imposed by lengthy journeys to work, growing dangers from water and air pollution.

These "challenge" problems of the conditions of urban life are well-known. Their full dimensions are catalogued in the staff documents that accompany this report. Taken together, they rob Americans of freedom in everyday urban living. They restrict freedom of choice in residence, in environment, in use of time, in equal opportunities for the urban newcomer and the disadvantaged. They impose high costs in crime, delinquency, welfare loads, disease and health hazards. They prevent achieving the goal of "open options" in a great society.

THE PROBLEM: (2) The Inadequacy of the Present Response

A second set of problems, however, are of the "response" character: less visible and more operational, but just as important to recognize. It is on these problems that the Task Force has focused, for it is persuaded that despite the many benefits in the array of urban programs now authorized, they are inadequate to the present challenge.

---the size and scale of urban aids have been too small and too diffused to have guided the process of urban development: they proceed with too little consideration given to the impact on our natural environment, to the costs placed on governments, to the windfalls accruing to the few, and to the public interest of the metropolitan community at large.

---the benefits and efficiencies that can accrue from metropolitan planning and development programs are still unrealized in too many of our large urban regions.

---funds for metropolitan transportation planning and demonstrations are inadequate and about to lapse.

---present aid programs have often had the effect of entrenching archaic and wasteful practices in real estate taxation, building codes, construction technology and contractor and building trades practices.

---the administration of the programs has been too much oriented to specific functions, leaving gaps in urban needs for which no effective response exists.

---the effectiveness of the programs that do exist is impaired by division of authority among many agencies and many levels of government and by the failure to build Federal field structures equipped with adequate authority and competence.

---inadequate resources, ineffective organization and management arrangements unduly protract the time of execution of many projects and programs, further impairing their effectiveness in meeting the challenges of urban growth.

---most serious of all, the goals of major federal programs have often conflicted and been unreconciled in their application to the individual metropolitan area, some working to the revitalization of the central city, some accelerating suburban growth, some encouraging new urban clusters, all making difficult the development of a clear national strategy for city building.

THE PRESENT SITUATION

The pressing^e new needs of urban life, and the inadequate responses, often produce frustration and stalemate in our efforts to guide urban growth. Without discounting the substantial specific accomplishments of particular urban programs, any serious analysis exposes some major dilemmas of public choice.

---efforts to rebuild and renew blighted areas of the central core on a project-by-project basis have caused in many instances substantial relocation of the poor, resulting in unnecessary hardships in changing the composition of neighborhoods.

---efforts to improve the conditions of established neighborhoods and low-income families, chiefly through rehabilitation, have failed

to alleviate racial ghettos and consequent de facto segregation, and have provoked predictions of a future central city overwhelmingly composed of low-income families, surrounded by economically well-to-do, politically indifferent suburbs.

---efforts to relieve traffic congestion have accelerated the diffusion of urban households and jobs, increasing private costs of commuting and public costs in community facilities and services.

---efforts to mount comprehensive attacks on air and water pollution, health problems indigenous to urban areas, have been blunted by the autonomy of local governments, some the generators of pollution, others the hapless recipients.

---efforts to involve urban residents in genuine participation in the process of development have cost heavily in time, as the great tide of urban growth rushes on.

---efforts to respond to immediate needs by known techniques of city-building have precluded consideration of available innovations in construction, financing, management, and building practices.

---efforts to build beautifully have been thwarted by those who lack the imagination to build both with beauty and economy.

So, citizens and public leaders alike have difficulty in grasping the total task involved in city building. Nor can they readily visualize the potential that now exists if our resources were effectively, forcefully, and imaginatively employed.

A NEW APPROACH

Given this situation, at a critical moment of urban life, the Task Force believes that a dramatic new approach is required built on three principles:

---the concentration of available and special resources in sufficient magnitude to demonstrate swiftly what qualified urban communities can do and can become.

---the coordination of all available talent and aid on these targets in a way impossible where assistance is provided across the board and men and money must be spread thin.

---the mobilization of local leadership and initiative to assure that the key decisions as to the future of American cities are made by the citizens who live there, and to commit local leadership both public and private to a comprehensive attack on urban problems, freed from the constraints that have handicapped past efforts and inflated their costs.

The Task Force believes such an approach is fully consistent with national capabilities and will generate a new level of effort in the next five years that can resolve the dilemmas we have outlined. It escapes the limitations of piecemeal responses to the series of urban crises in race relations, the improvement of the environment and the provision of essential facilities and services. It will lead in three stages of a national program, to decent housing and neighborhoods for all our urban citizens by 1980 at a program cost to the Federal Government of \$370 million per year in the first five years.

THE DEMONSTRATION CITY PROGRAM

The principal application of these principles, the Task Force believes, is by the inauguration of a national program in city-building in which specially qualified communities execute plans of such size and scale that

---transform existing urban complexes into tangible modern new cities

---tie together both physical and human resource programs that too often have been handled separately

---develop and test methods and programs capable of extension throughout the United States

---bring to bear all the techniques and talents of which our technology is capable.

THE GENERAL NATURE OF THE PROGRAM

We propose a program that would select on the basis of criteria outlined below 6 cities with populations over 500,000, 10 cities with populations between 250,000 and 500,000, and 50 cities with populations below 250,000

---The number of cities recommended was determined to assure a competition open to all communities, and an appropriate distribution of those finally selected by size and region, within cost estimates that are reasonable in terms of the nation's present gross national product and size of the Federal Budget.

---The selection process would proceed in two stages. First, all American cities would be invited to make general proposals for action programs designed to have a major impact on the living conditions of their citizens. Second, after the most promising of these programs had been determined by a special Presidential commission, the communities so qualified would prepare more detailed proposals, supported in part by Federal planning grants in the amount of \$3 million proportionately advanced to selected cities.

To make sure that the programs proposed are sufficient to achieve our basic purpose of substantial impact these minimum standards are recommended.

For cities over 500,000 the program would provide decent housing for a minimum of 5,000 families now living in substandard dwelling units, rehabilitating and refurbishing other marginal housing to affect an estimated total of 15,000 families or approximately 50,000 people. (The Task Force estimates a typical program would involve a total of 24,000 units or 80,000 people.)

For cities between 250,000 and 500,000 the program would rehouse at least 2,500 families now in substandard units, and involve a total of 7,500 households or 25,000 people. (The Task Force estimates a typical program would involve 12,000 units or 40,000 people.)

For cities under 250,000 percentage estimates would apply, starting with a minimum of 25% of total substandard units. (In the case of a city of about 100,000 this might involve rehousing 1,000 families now in substandard units, and treating a total of 3,000 units affecting 10,000 people.)

The objective is to completely eliminate blight in the designated area and to replace it with attractive, economic housing in a neighborhood with amenities essential to a full life. The techniques can be all embracing, including clearance, rehabilitation and combinations of both.

For example, in Washington, D. C., where 23,000 out of a total of 260,000 units are substandard, a typical program would affect 1/3 of the total number of families living in slum dwellings, have a decisive impact on 10% of the total housing supply and change the face of an area approximately two square miles.

But more than housing is involved in the transformation of a city. At least three other key components are required:

---a change in the total environment of the area affected, with ample provision of public facilities: schools, hospitals, parks, playgrounds, and community centers.

---concurrent attention to human needs, utilizing concepts and methods tested in the Community Action Program and providing for the participation by people affected in demonstration areas, the character of population to be attracted, and for those who might move elsewhere. Depending on the character of the housing stock of a particular community, a competition program might link two cities in a common endeavor, in which a central area makes provisions for middle-income households now excluded by high costs, while an adjacent suburb could provide more heterogeneous accommodations to the benefit of each.

---provision to assure the economic stability and vitality of the community by including commercial and industrial elements that provide jobs and services for central city residents.

Thus the demonstration program differs sharply from the present package of programs such as urban renewal by stressing:

---massive additions to the total supply of low and moderate-cost housing, providing decent housing for families now living in substandard conditions,

---a total approach combining physical rebuilding with human concerns and social programs,

---increased flexibility for local governments to operate outside existing administrative structures and other customary constraints.

---willingness to change traditional patterns of building regulation and trade practices.

CRITERIA

The Task Force does not believe that substantive standards as to specific program content should be established -- percentages of housing units to be demolished or rehabilitated, for example, or the number of school classrooms or hospital beds a given population requires. It does believe that certain criteria respecting the scope, broad character, organizational, financial, and administrative arrangements are necessary.

To assure effective execution, it proposes these guidelines:

1. The demonstration should be of sufficient magnitude in both its physical and social dimensions so as to

---arrest trends of blight and decay in entire neighborhoods,

---have a substantial impact on the total development and environment of the city.

2. The demonstration should contribute directly toward closing the gap between the living and housing conditions of disadvantaged and minority groups and the rest of the community. This means

---measures to eliminate social and racial segregation, including assurance of equal opportunity in housing with appropriate financial aids such as rent supplements,

---a system of social services, with specific attention to quality education for youth and adult alike,

---major additions to the supply of community facilities and sound housing,

---maximum opportunities for employment of residents of the demonstration area in all phases of the program.

3. The demonstration should establish appropriate mechanisms to foster development of local leadership and widespread citizen participation

---in the planning and execution of the program

---with special emphasis on participation of people in the areas concerned

4. The demonstration should assure significant reductions in cost without reduction in quality by evidence

---that the structure of real estate taxation will not constitute a substantial deterrent to rehabilitation or new construction

---that building codes and other regulatory practices will be revised to modify any provisions which unnecessarily inflate costs

---that new cost-reducing technologies will be incorporated in construction to the maximum extent consistent with maintenance of quality

---that building trades contractors and workers will correct any existing policies or practices which reduce efficiency and raise costs.

5. The demonstration should make major improvements in the quality of the urban environment by encouraging

---a high quality of design of new buildings and improvements to existing structures

---strategic placement of parks, playgrounds, trees, land-scaping, malls, and other open space throughout the demonstration area

---the improvement and redesign of streets, parks, and public areas

---preservation of structures of historic interest or architectural merit, and careful attention to the blending of new and old structures

---the design of facilities and services to make the area a desirable place of residence for a broad cross-section of the population.

6. The demonstration should include a plan that demonstrates important advances in programs for the satisfactory relocation of people, businesses, and institutions displaced by actions, direct and indirect, taken in the demonstration program, where such relocation is an integral part of the total program and necessary. The components should include

---relocation housing available at costs commensurate with the incomes of displaced people.

---relocation housing in a variety of forms and financial frameworks, including small public housing projects, both of ownership and rental type, private housing with rent supplements, low-rent renovated buildings, and federal mortgage loan assistances.

---relocation assistance to include counseling services and payments for moving expenses, loans to small businesses, assistance in job placement and retraining where necessary, and income maintenance for persons temporarily unemployed.

7. There should be established in each demonstration city an appropriate development authority and administrative mechanism, not necessarily a formal unit of government, to arrive at maximum participation of broad community leadership and commitment of resources, both public and private, for the planning and implementation of the program. This to be evidenced by

---a serious commitment to the demonstration program on the part of the mayor, the city council, and where their operations are relevant to the demonstration, the state government and major independent local governmental units.

---intergovernmental agreements negotiated to facilitate joint action of central cities and neighboring communities where required to deal with problems such as relocation, mass transit, and recreation facilities.

---assurances of full participation and representation on the part of private leadership groups in business, labor, welfare agencies, and citizen organizations.

---land assembly and compensation powers adequate for the effectuation of the program.

8. The demonstration should show that the program has available adequate financial resources, including assurances of

---maintenance of the quality and scope of municipal services, both in the project area and in the remainder of the city.

---adequate appropriations to meet the city's share of the program's expenditures.

---commitments or market feasibility studies of the availability of anticipated private investment.

---maximum use of existing local, state, and federal programs.

---maximum inducement for private participation.

9. The demonstration should be programmed to:

---maintain or establish a predominantly residential character in the area selected.

---facilitate the transfer of new and rehabilitated housing to resident owners, cooperatives, and non-profit groups.

---extend for an initial five-year period, with provision for significant achievements within a two-year period.

---where appropriate, provide for phasing beyond the five-year period.

10. The demonstration should take into consideration and be consistent with

---existing general plans for the communities and metropolitan areas involved.

---transportation plans dealing with coordinated use of all appropriate modes of city and regional transportation, linking residents with other sectors of metropolitan areas.

COSTS

The Task Force has estimated the Federal subsidy needed for the demonstration programs on the basis of "unit blocks." That is, staff analysis has estimated the costs of treating a typical area containing a representative range of housing conditions in each of the three size categories of cities. Cost elements include physical improvements to housing, social programs necessary to achieve the human purposes of the demonstrations, and community facilities required for the improvement of the neighborhood.

These gross costs for a single demonstration unit are then totaled to estimate the gross costs of treating various areas in the three city categories, with only minor adjustments in some overhead items because of the change in scale. Estimated annual receipts from the sale of rehabilitated and new dwellings are then subtracted from these gross costs, and the extent of Federal subsidy is derived from this net cost figure.

The minimum and expected typical size of a demonstration area are shown for each size of city in Table I. Estimated gross expenditures for a typical demonstration in each size of city are shown in Table II. Annual outlays for the total program, minus annual receipts from the sale of housing, indicate an estimated total net cost of \$2.3 billion for five years, of which the Federal share is approximately \$1.9 billion (Table III).

In the first year the net cost to the Federal government will be \$13,200,000 -- the cost of the initial preparation for the qualifying cities (roughly double the number eventually selected for the demonstration). In the next three years the net project costs will range between \$757 and \$890 million, with the Federal share pegged at 80%. Net total costs drop to \$25 million in the fourth year. In the fifth year there is net income of \$150 million because of the excess of receipts over gross costs. Further details of analysis are provided in staff documents.

Table I

Central City Demonstration Projects

Estimated Number of Households Affected in Each City by City Size Group

<u>Population</u>	<u>Number of Demonstration Cities</u>	<u>Number of Households in Project in Each City</u>			
		<u>Minimum</u>		<u>Typical</u>	
		<u>Substandard : Total</u>	<u>Substandard : Total</u>	<u>Substandard : Total</u>	<u>Substandard : Total</u>
500,000 or more	6	5,000	15,000	8,000	24,000
250,000 to 500,000	10	2,500	7,500	4,000	12,000
Less than 250,000	50	500*	1,500	650	2,000

* No less than 25 percent of substandard units in city

Table II

Central City Demonstration Projects

Estimated Gross Expenditures for Revitalization of Areas of 2,000,
12,000, and 24,000 Households
Assuming medium Costs and Clearance
(Amounts in Millions of Dollars)

<u>Types of Cost</u>	<u>Number of Households Affected</u>		
	<u>2,000</u>	<u>12,000</u>	<u>24,000</u>
<u>Housing</u>			
Acquisition	11.7	70.0	140.0
Demolition	.2	1.0	2.0
New housing to replace demolished units	2.0	12.0	24.0
Rehabilitation of remaining units	7.0	42.0	84.0
<u>Community facilities</u>	4.5	27.0	54.0
<u>Social programs</u>			
Community participation and organization (including staffing of facilities)	1.0	3.3	5.0
Programs-education, vocational training, etc.	.8	4.8	9.5
<u>Relocation</u>	1.0	6.0	12.0
<u>Planning and administration</u>			
"Seed money" for qualifying cities (Including expenses for approximately double the number of cities to be finally selected)	.1	.2	.3
Planning and administration in demonstration cities	3.0	5.0	7.0
TOTAL	31.3	171.3	337.8

Table III

Central City Demonstration Projects

Summary of Gross Costs, Receipts and Net Cost by Years for all Projects
(Amounts in Millions of Dollars)

<u>Year</u>	<u>Gross Cost</u>	<u>Receipts</u>	<u>Total Net Costs</u>
0	13.2	---	13.2
1	772.7	15.8	756.9
2	1027.4	241.5	785.9
3	1687.8	798.0	889.8
4	884.3	859.6	24.7
5	920.6	1071.0	-150.4
Total	5306.0	2985.9	2320.1
Federal Share (80 percent)			1856.1
Average Federal Share Per Year (Fiscal 1967-1972)			371.2

THE BENEFITS

The cities qualified in the final stage of the selection process would receive two types of Federal assistance:

---the complete array of available grants and urban aids now existing in housing, renewal, transportation, education, welfare and other related programs, to the maximum extent authorized by existing legislation, and allocated on a priority basis similar to that presently used in programs of the Office of Economic Opportunity.

---supplemental funds at a ratio of 80% federal -- 20 % local funds, representing the differences between the allowances available under existing aid programs and the demonstration program cost; subject to a maintenance of effort provision in which the fiscal effort of the community should not be less than 105% of its customary expenditures in the categories of aids required in the program, taking average expenditure of the three years immediately preceding as the base.

ADMINISTRATION AND FINANCING

To assure effective program execution and timely federal assistance, for each demonstration program

---a Federal coordinator should be assigned to the city to bring together and make available in coordinated fashion, all the relevant Federal aids.

---these funds, once authorized by the Federal agencies involved, should be made available in a common account drawn on at the discretion of the community in conformance to its program requirements and by certification of the expeditor.

---the Federal share in total aids should be on an incentive basis: geared to increase as program performance indicates success in achieving or exceeding goals in unit cost reduction and not obligated to carry costs in excess of original program estimates (in effect reducing the Federal share of total costs in these instances).

DEMONSTRATION PROJECTS IN METROPOLITAN PLANNING

Although the Task Force believes the Demonstration City Program is the most effective way of accomplishing the urban turnabout, it is highly conscious of the geographical and jurisdictional constraints under which these programs will initially operate. We have already made clear some of the complications of large demonstrations that involve issues of rebuilding, relocation, and changes in population composition. Some of these problems will ultimately only be solved in the context of metropolitan areawide strategies.

Accordingly, the Task Force desires to encourage the many metropolitan planning agencies that, with the assistance of recent Federal legislation, have taken the first steps in fashioning these strategies. It believes effective metropolitan planning will increase the benefits of the Demonstration City Program; ease the tasks of the new Department at the regional level; and strengthen emerging intergovernmental collaborative arrangements vital to the orderly development of our large metropolitan areas.

The Task Force recommends a demonstration project in metropolitan planning in which the most advanced approaches and techniques would be employed including

---balanced consideration of physical and human development programs.

---coordinated treatment of alternative modes of regional transportation planning.

---technical innovations in metropolitan data banks, systems analysis and other new social science methods, and new educational and training programs.

---new arrangements for coordinating the developmental decisions of the different governments.

We propose six to ten planning demonstrations undertaken in a variety of metropolitan areas of differing locations and sizes. These demonstration projects should work closely with HUD in their contract consultants, review committees and central research programs to develop specialized personnel, methods and techniques.

The Task Force estimates the cost of developing this strategy at \$650,000 per demonstration, for a total sum of \$6,500,000 for the initial demonstrations. This figure is based on the experience of metropolitan planning studies presently funded by government departments, and constitutes, in our opinion, a most justifiable level of expenditures. The cost of this program would be spread over a three-year period.

ADVANCES IN CIVIL RIGHTS

In its organizational recommendations, the Task Force took note of the need to bring together and improve the operation of many of the programs concerned with securing the civil rights of all our citizens. We believe a further immediate step should be taken:

---the extension of the Executive Order barring discrimination in housing, to cover all housing that is legally subject to Federal direction. It is clear that at the present time there are continuing efforts to avoid the requirements of nondiscrimination by employing special routes of financing. These efforts not only impair the effectiveness of the total civil rights program but they place serious secondary economic and social barriers in a constructive urban development process, imposing unnecessary public costs and frictions.

NEW APPLICATION OF TECHNOLOGY

Major breakthroughs in construction technology and its application are essential corollaries to the demonstration cities. Accordingly, the Department should institute a program to provide incentives needed to stimulate research and development in the housing field by industries and universities. The program should stress the application of advanced techniques and new materials and products and the development of a sustained market in sufficient volume to realize the economies and cost reduction of mass production.

It could proceed through regional centers patterned after agricultural experimental stations with the cooperation of industry and builders to test products, methods and total structures.

OTHER LINES OF ATTACK FOR FUTURE STUDY

The demonstration programs the Task Force recommends are conceived as keystones of a new approach to urban development -- first priority items. By and of themselves, however, they cannot achieve

the complete policy redirection present urban programs require. They should be accompanied by changes in existing programs that strengthen our total national effort and that are consistent with the organizational arrangements of the new Department. In our judgment, at least seven major steps are appropriately among the first items of business for the Secretary's attention:

---comprehensive analysis and appraisal of the role of the Federal government in assisting the building of entirely new urban communities as alternatives to the unplanned development at the fringe of our metropolitan areas.

---inauguration of major research and development activities focused on innovations in technology and management in urban design, data processing, planning, and construction, including tangible encouragement to communities that adopt and apply advanced techniques.

---preparation of a new grant-in-aid program to meet the needs for increased operating expenditures in the cities.

---reformulation of policies in housing credit and insurance to deal more effectively with special categories of housing needs.

---preparation and application of a metropolitan "workable program" to offer a consistent, comprehensive guide for Federal aid programs that have a major influence on the pattern of urban development.

---a program of short-term options for advanced land acquisition by public agencies to combat speculative escalation of urban land prices.

---careful examination of new alternatives in the field of civil rights and housing to expand the nation's efforts in this vital area.

---renewed attention to the urban transportation programs, including the preparation of a new program for the coordination of transportation facilities into integrated, modern, complete transportation systems.

1. New Communities

Our existing urban centers, however revitalized and rebuilt, cannot

accommodate all the urban Americans of the next generation. Even if present migration trends are stabilized, the Task Force does not recommend a return to the high densities and congestion of cities of the past. With three million new residents added each year to our present urban population, new communities and new patterns of land use are inevitable.

To provide an alternative to suburban sprawl, entirely new concepts of community design are required. Prototypes of these "new towns" are now coming into being, as in Reston, Virginia and Irvine, California, promising changes of such magnitude so as to

---enlarge the entire scale of the building process, providing new homes and jobs for hundreds of thousands of people.

---make possible efficiencies in construction, land development, and municipal services heretofore unrealized.

---alter the entire composition of an urban community by offering a variety of homes available over a wide range of incomes and creating balanced resident and employed population.

---assure new achievements in environmental design, with integrated transportation systems, and open spaces free from pollution.

On the basis of staff analysis, the Task Force believes that the private sector should continue its prominent role in new town development. But our survey of present ventures indicates that there are certain "threshold" problems and costs which may appropriately fall to the public sector. These may include:

---assistance in land assembly and the provision of capital requirements particularly in community facilities and initial land purchase.

---assistance to local governments in the areas involved, by planning in anticipation of the impact of new towns, and assuring that the new communities are consistent with relevant metropolitan plans.

---encouragement of heterogeneous population composition and the fostering of intergroup relations.

---help in the solution of marketing problems, by coordinating the locational requirements of government installations

and assuring adequate economic bases for the communities.

---protecting the economic position of the urban core by encouraging the central city to participate in the development of new communities, providing for the decentralization of low-income families, and by strengthening the economic vitality of the city.

The Administration has already given careful consideration to the appropriate role of the Federal government in such enterprises, including making available credit and loans. Other alternatives should be considered including:

---establishment of state and federal development corporations to solve some of the more difficult problems of land assembly and reduce the possibility of unwarranted land speculation.

---technical assistance in planning to assure the best quality of design and execution now available.

---deferred interest charges on loans to reduce the critical "get-going" costs of such enterprises.

---special arrangements for the timely provision of community facilities aid under existing grant programs.

---Federal promotion of an independent and complete urban center, with all requisite industrial, commercial and cultural facilities. In this case, the city should be promoted as a part of an overall regional development program on a scale appreciably larger than a typical satellite community -- perhaps 200,000 to 500,000 people. Its establishment could serve to promote extensive new industrial development in a previously depressed area such as Appalachia, using available public land with structures in public or private ownership. Or such a city could relieve population congestion in a densely occupied zone such as the Northeast Corridor. For whatever purpose, this city could serve as a yardstick for performance for "new communities", a place of experimentation in planning and construction. Such a project could be undertaken almost immediately and at very low cost to the Federal government.

All these possibilities should be actively explored by the Secretary to make sure that constraints of capital and pressures of time do not reduce the scale of the new communities, or cheapen their quality.

2. Research and Development

The 1964 Task Force report emphasized the paucity of research funds expended in the housing industry -- a rate six to ten times below that of the nation's growth industries. Subsequently the Administration proposed the establishment of a National Institute for Urban Development.

Now we believe first priority should be given to exploring the means by which large new markets in housing and urban development can be created and systems analysis and management carried out on a scale that results in sharply reduced unit housing costs. One way to accelerate this new approach is for the Institute to work directly with the new Commission on Codes, Zoning, and Development Standards in encouraging expanded research in this area. Another is to provide incentives for direct local action. After the first demonstration program is underway, cities could be invited to present programs utilizing systems analysis and proposing total treatment of the development process. Block unrestricted grants for such planning and experimental programs, under a flat ceiling limitation could be made available.

3. Block Grants for Municipal Operating Expenditures

One of the critical problems facing local governments is the shortage of operating funds. The Task Force believes careful consideration should be given to a block grant program for localities on a matching basis. The program should take into account both local need and capabilities and emphasize assistance to core cities and inner suburbs where operating funds are most urgently required. It would make assistance available on a non-categorical basis, and thus leave decisions as to priorities among operating needs in the hands of the local government.

Feasible ways to construct genuine equalization formulas are now available, as evidenced by the research of the Advisory

Commission on Intergovernmental Relations. For example, one formula attractive by its precision and simplicity would allocate funds on

--- a need basis related to the average per capita expenditure for urban social services in cities of the population class to which a given city belongs, with a sliding scale fixed according to the specific relative position of the city to the average.

--- modified by a fiscal capability basis related to the average per capita expenditure of cities in the same per capita income class within its population class.

--- the allocation being the difference between need and effort so established; the dollar amount for any city being a percentage of the total program funds available.

The elaboration and refinement of such a program was not possible within the time and resources available to the Task Force. Further, we recognize that grant-in-aid revisions need to be viewed in the larger context of general fiscal policy and possible reform of categorical grant policy. However this technique may prove to be a powerful tool in assuring immediate responses to pressing urban public needs and guaranteeing effective use of Federally assisted facilities. We urge the Secretary to give it high priority among possible recommendations for legislation.

4. Policy Changes in Existing Credit Programs

The Task Force shares the view of its 1964 predecessor that substantial modifications of Federal mortgage and guarantee programs are in order, to redirect these instruments to contemporary needs. Further, we believe the reorganization of constituent agencies formerly in HHFA in the new Department makes such adjustments especially appropriate at this time.

We urge, therefore, for the Secretary's attention:

--- increased emphasis on the special-purpose programs now authorized in the Federal Housing Administration and the Federal National Mortgage Association to encourage

specialized entrepreneurs in the low-income housing markets such as cooperatives and non-profit housing corporations.

---continued exploration of alternatives beyond rent supplements in moderate-income housing financing, including variable direct interest subsidies, subordinated Federal loans, direct capital grants, and temporary direct loans.

---a close relation between conventional FHA activities and the special assistance programs, including assurance that the total program in a given community overcomes the unbalanced housing accommodations that result from special FHA policies particularly in the suburbs. In this respect, the availability of FHA financing in Section 207, 203 and 213 might be related to workable program requirements to assure production of low-income housing as a prerequisite to the Federal support of middle and upper income mortgage markets.

Changes such as these would greatly improve the effectiveness of our credit programs in meeting current urban needs and, in the long run, promoting the reduction of housing costs.

5. A "Workable Program" for Metropolitan Areas

The present uncoordinated and at times contradictory impact of Federal aid programs on the growth pattern of individual metropolitan areas is a major handicap to the total approach the Task Force envisages. Although considerable progress has been made in recent years in keying transportation, open space, and housing assistance to comprehensive metropolitan planning, further steps are now appropriate. Especially with the inauguration of demonstration planning grants, the Secretary should move through the Council on Interdepartmental Coordination recommended in our organizational proposals to assure that the majority of Federal aid programs are contingent on the existence in metropolitan areas of:

---a comprehensive planning process dealing with

---development projects clearly regional in nature, such as water and sewage facilities, highways, airports, open space, recreational projects, large-scale housing and industrial developments.

---including areawide standards of development control mechanism and relocation procedures.

This requirement, even if gradually applied, would stimulate cooperative arrangements among urban governments in a metropolitan area to identify mutual areawide problems, develop collaborative action programs, and strengthen the exchange of information and liaison. It would encourage already existing positive trends toward interlocal cooperation now represented by regional planning agencies, councils of governments, the transportation planning projects required in the 1962 Highway Act, and the quasi-public, quasi-private regional development associations.

The first phase of implementing a workable metropolitan program should be by a Federal cash contribution of unearmarked aids to provide incentives to metropolitan agencies, with appropriate provision for local maintenance of efforts.

6. Combating Speculative Escalation of Property Values

Disclosure that government intends to acquire real property in a particular area often triggers a speculative bidding up of property values, with the result that ultimate acquisition cost is substantially inflated. We urge that study be given to an arrangement under which the Congress would appropriate a sum of money to the President used to finance the purchase by private agents of short-term options on real property in advance of disclosure that public purchase may occur. These funds could be used in connection with prospective property acquisitions of any agency of the Federal government, or they could be used for confidential grants to state or local governments to finance the optioning of property which may be needed to carry out a federally supported program. The President would make an annual detailed report to the Congress on the use of these funds.

7. Renewed Attention to Urban Transportation Problems

In recent years, the Federal government has explicitly recognized the strategic role of transportation in guiding future urban development. Highway funds are now contingent upon the preparation of metropolitan plans. Research, development and demonstration funds are available for urban mass transportation. Taken together

with commuter rail systems, these two components constitute the elements of a coordinated transportation program to serve the present needs of a community, provide choice of conveyance, and work in the direction of a rational land use distribution. While the primary responsibility for capital requirements for public transportation appropriately rests with local areas, supplementary Federal assistance is needed in the form of loans, grants, and research and development projects. The mass transportation program authorized by the Act of 1964 is scheduled to expire in June, 1967.

8. New Alternatives in Civil Rights and Housing

The close relation between the availability of housing accommodations and the progress on the civil rights front is now obvious in every large American city. Indeed, the growing problem of de facto school segregation stems directly from artificial barriers imposed on the choice of housing by Negro citizens. Unless this aspect of the housing program is attacked vigorously and imaginatively, surface tensions and stresses are bound to multiply.

The Task Force believes that the establishment of the new Department provides an unparalleled opportunity to develop new techniques to assist the goal of fair housing and open occupancy. It urges the Secretary to give high priority to the development of such a comprehensive and imaginative program.

626

DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT

Proposed Plan of
Organization

ADMINISTRATIVELY

CONFIDENTIAL

TASK FORCE - FINAL

December 14, 1955

DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT

Proposed Plan of
Organization

ADMINISTRATIVELY

CONFIDENTIAL

TASK FORCE - FINAL

December 14, 1965

Prefatory Note

The Proposed Plan of Organization submitted herewith is the Task Force Subcommittee draft of November 26, revised to meet the views of the Task Force as expressed at the Washington meetings of November 26 and 27, December 4, and December 12.

Proposed
 Plan of Organization
 for the
Department of Housing and Urban Development

TABLE OF CONTENTS

	<u>Page</u>
I. Conclusions and Recommendations.....	1
A. The Organization.....	1
1. Basic Objectives.....	1
2. The Secretary.....	2
3. Headquarters Structure.....	2
4. Field Structure.....	3
5. Staff Organization and Personnel System.....	3
B. Transfer and Coordination of Federal Programs.....	4
1. Transfers into the Department.....	4
(a) Community Action Programs.....	4
(b) Veterans Administration Mortgage Guaranty and Direct Loans.....	5
2. Transfers out of the Department - College Housing..	5
3. Special Functions.....	5
(a) Metropolitan Transportation Planning.....	5
(b) Clean Air, Clean Water and Solid Waste Disposal.....	5
4. Coordination of Federal Programs.....	6
II. The Plan of Organization - Headquarters.....	6
A. The Secretary.....	6
B. The Council on Interdepartmental Coordination.....	6
C. The Under Secretary.....	7
D. The Deputy Under Secretary.....	7

TABLE OF CONTENTS
(Contd.)

	<u>Page</u>
E. The Assistant Secretaries.....	8
1. Assistant Secretary-Financial Assistance.....	8
2. Assistant Secretary-Physical Facilities.....	8
3. Assistant Secretary-Community Action Programs....	9
4. Assistant Secretary-Intergovernmental Cooperation..	9
5. Research.....	9
III. The Plan of Organization - Field.....	9
A. The Regional Administrator.....	9
B. Regional Office for Coordination of Departmental Programs (Coordinators Geographically Assigned).....	10
C. Assistant Administrators.....	11
*The Plan of Organization Charts	
The Headquarters Organization Chart.....	Sheet 1
The Field Organization Chart.....	Sheet 2

Proposed
Plan of Organization
for the
Department of Housing and Urban Development

I.

Conclusions and Recommendations

A. The Organization

1. Basic Objectives

The establishment of a new Department provides an unique opportunity to create an organizational structure specially designed to enable the Department to fulfill its basic tasks and mission.

The organization of the Department of Housing and Urban Development must be shaped to give the best possible administration to the specific programs entrusted to the Department, and to be resilient enough to flex and grow as new programs are confided to it, or old ones expanded and modified.

The Organization Plan must enable the Department to provide for full and unified consideration of the needs and interests of the Nation's communities and of the people who live and work in them. Among other things, this means that it must recognize the integral relationship of the physical and social environments. At the same time, the Organization Plan must enable the Department to assist the President in achieving that essential coordination of Federal activities which materially affect urban, suburban and metropolitan development. The form of organization must be creatively fashioned to be hospitable to inter-governmental cooperation and to local and private action helpful in solving problems of housing, urban development and mass transportation, and, of course, the form of organization must be such as to encourage a vigorous private homebuilding and mortgage lending industry.

The attainment of these objectives will require a reshaping of existing administrative patterns.

2. The Secretary

The proposed organization establishes a "strong" Secretary exercising unified control over his Department. He is provided with a strong staff structure which should enable him to perform effectively all essential management functions, including such vital ones as policy formulation and control, program evaluation, development of standards and procedures, budgetary control and research.

In view of the importance of the Under Secretary and the Assistant Secretaries, it would assist in attaining the objective of unified control if the Secretary were given a significant voice in the making of these appointments.

3. Headquarters Structure

Careful consideration has been given to the respective merits of a "functional", as contrasted with a "divisional" (regional) type of organization. In the first, authority runs along functional lines from several headquarters chiefs to their program counterparts in the field. Such an organization is reminiscent of operations under HHFA. In the divisional organization, headquarters units would be utilized primarily as staff with responsibilities which would include policy formulation, program evaluation, development of standards and procedures, budgetary controls and research. Responsibility for the day to day carrying out of programs and policies would be vested in strong Regional Administrators reporting directly to the Secretary through the Under Secretary.

Consideration was also given to a part "functional", part "divisional" organization in which certain Assistant Secretaries would have line responsibilities reaching into the field operationally along functional lines, while other Assistant Secretaries would have staff responsibilities only. Such an organization has been discarded as depriving the Secretary of necessary staff at the Assistant Secretary level. In addition, such an organization would blur lines of command in that the Regional Administrator, and those under him, would receive directives from more than one source.

The proposed Plan accepts unqualifiedly the concept of a strong regional organization with a direct line of command running

from the Regional Administrator to the Secretary through the Under Secretary. This is most consistent with a strong unified Department with ultimate power and responsibility resting clearly in the Secretary. It will relieve headquarters units generally of responsibility for day to day operations and provide the time and responsibility for vital staff functions. Moreover, as will appear, such an organization will put the answers into the field where they belong.

4. Field Structure

Day to day operations will be unified under a number of Regional Administrators. The Regional Administrator will be responsible for the effective administration of Departmental policies, functions and programs in his region.

The Regional Administrator should be well paid and competent. He should have understanding of and sympathy with the programs and policies entrusted to him, and should have proved administrative ability. He reports to the Secretary through the Under Secretary. (See p. 9)

5. Staff Organization and Personnel System

Unification of control and decentralization of day to day operations will require maximum consolidation of similar staff functions. Sound administration will create one unified Departmental career system to replace the four or more separate and distinct "career ladders" now existing (FHA, PHA, FNMA and OA, including URA and CFA).

There will be significant opportunities for economy and efficiency as like technical staffs are consolidated for recruitment, training, promotion and operational purposes. The careful reexamination of differences in techniques between similar programs will be a very important consequence of this consolidation.

Even more important, however, will be the effect of staff consolidations in breaking down now obsolete loyalties to narrowly defined existing programs. It will become clear to Departmental staff that their personal horizons have been broadened rather than endangered by the basic reorganization recommended.

B. Transfer and Coordination of Federal Programs

The transfer of a program or a function into the Department is not recommended unless control (as distinguished from coordination) is viewed as being important to the achievement of the Department's mission. Where such a program or function is severable, only that part is transferred into the Department as relates directly to the Department's mission. The transfer out is recommended on the basis of reverse criteria. From time to time, other Federal programs and functions should be reviewed to see whether they should be transferred into HUD, including a careful analysis of the many components of the Civil Rights programs.

Since a Plan of Organization must follow substantive programs and functions, decisions on the recommendations will shape the form of the organization.

1. Transfers into the Department

- (a) Community Action Programs. We must recognize that the social problems of the cities have led to turmoil, strife and great dangers. Many of these problems are inextricably tied to the physical environment. In the judgment of the Task Force, they should be treated together.

Community Action Programs of the Office of Equal Opportunity deal directly with the social environment of the City. Such programs could and would add important "human" dimensions to a Department that would otherwise be preoccupied with the physical environment alone. Moreover, the Department with its funds, programs and new status would lend needed strength to the Community Action Programs. This would tend to make them more successful and meaningful and to give them essential continuity.

It is believed that the OEO programs must soon find permanent homes in Executive Departments. A number already have. In the judgment of the Task Force the Community Action Programs are vital to the performance of the new Department's total responsibilities and should be transferred to it.

The Plan of Organization insures that Staff responsibilities for CAP are given to an Assistant Secretary. These will be his principal duties. When transferred, the announcement should make clear that in the President's view the transfer

is positive and necessary to the performance and long range success of CAP and to make our cities truly livable.*

- (b) Veterans Administration Mortgage Guaranty and Direct Loans. The functions of the Veterans Administration with respect to Veterans Mortgage Guaranty and Direct Loans should be transferred to HUD. This function is still substantial (\$3 billion in 1963, of which \$2 billion was old and \$1 billion was new), and will grow. It is parallel to the functions performed by FHA. While leaving the eligibility certification with the Veterans Administration, this transfer will insure continuity of the Veterans Administration's Guaranty and Direct Loan Programs and will make them more efficient and helpful to veterans. It will assist the builder in that it will provide a one-stop service.

2. Transfers Out of the Department - College Housing

This is more suitably assigned to HEW.

3. Special Functions

- (a) Metropolitan Transportation Planning. Orderly urban growth must take into account and deal effectively with the 3 R's of transportation--Road, Rail, Rapid Transit. Unless planning extends to all three, no serious planning can be undertaken. In this case, coordination is a poor substitute for unified planning.

It is therefore recommended that the policy determination of whether and where such roads should be located in the metropolitan area should be a responsibility of HUD. The Bureau of Public Roads would retain all construction and engineering responsibilities, as well as the funds.

- (b) Clean Air, Clean Water and Solid Waste Disposal. Clean air and clean water are essential to a modern metropolitan community. Water supply and sewage lines shape future suburban, and hence future metropolitan, development. HUD now has some responsibilities for sewage and drainage programs. Air pollution has its principal impact in urban areas.

* One member, Mr. Kermit Gordon, dissents from this recommendation for reasons that he submitted to the Task Force in writing.

While it is recommended that other Departments have, and should continue to have, responsibilities in these areas, planning responsibilities with respect to metropolitan clean air, clean water and solid waste disposal should be discharged by HUD.

4. Coordination of Federal Programs

All other Federal activities affecting housing and urban development shall be coordinated under the leadership of the Secretary of HUD at the direction of the President. This shall be done through a Council on Interdepartmental Coordination. The President will no doubt wish promptly to issue an appropriate directive to the Secretary of HUD and to the Secretaries and Heads of other affected departments and agencies. It would be appropriate for the directive to stress the importance of responsible Departmental and Agency participation and to require a section on coordination of such activities to be included in the Secretary's annual report.

II.

The Plan of Organization-Headquarters

A. The Secretary

1. The Secretary, as Head of the Department, has all of the ultimate responsibility and power that that implies. The proposed organization is designed to enable him to be the Head of the Department in fact, as well as in name.
2. Attached to the Secretary's office is a cluster of general Staff functions: General Counsel, Office of Congressional Relations; Office of Public Information, and Assistant Secretary for Administration. The Office of Congressional Relations should be an effective vehicle for translating Departmental policies and programs into meaningful Congressional and Legislative terms.

B. The Council on Interdepartmental Coordination

As already stated, it is proposed to establish a Council on Interdepartmental Coordination to enable the Secretary to carry out his leadership responsibilities in coordinating Federal activities

affecting housing and urban development. The proposed Council will be principally at the Secretarial level and will consist of: Chairman: Secretary, Department of HUD; Members: Secretaries of Defense, Interior, Commerce, Labor, and Health, Education and Welfare. The Council should also include the Heads of the FAA, GSA and HLBB.

The Director of the Office of Economic Opportunity is not included since it is proposed to transfer the Community Action Program to HUD. If this should not be accomplished, the Director should be on the Council.

The Director of Urban Program Coordination (established by the law) shall head the Secretariat of the Council.

C. The Under Secretary

1. The Under Secretary, subject to the direction of the Secretary, is the Chief Operating Officer of the Department. All Regional Administrators will report to him and he will be responsible to the Secretary for the achievement and coordination of policies, functions and programs that are operational. Through the field forces, the Under Secretary must be responsible for the coordination of HUD programs and coordination between HUD programs and the programs of other Federal, State and Local agencies in the field. Although the certification and annual recertification of basic plans, including workable programs, will be decentralized to the Regional Administrator, the Under Secretary will have supervisory responsibilities with respect to this important control.
2. Because of the inherent nature of a "one over one" type of organization, the Secretary should have a significant voice in the selection of the Under Secretary.

D. The Deputy Under Secretary

1. The Deputy Under Secretary shall be responsible for policy formulation, special demonstration projects and program evaluation. Since these responsibilities are vital both to future and existing programs, and since these responsibilities relate to the functions and programs of the entire Department, it is felt that they should be lodged in one who is not on an organizational level with the Assistant Secretaries. The Deputy

Under Secretary should, if possible, be paid as much or slightly more than the Assistant Secretaries and should be appointed by the Secretary after being personally satisfied of his fitness and qualifications for the position.

2. Reporting to the Deputy Under Secretary shall be the Committee on Research which shall consist of the three Directors of Research who head the three Research Offices. The Committee on Research is primarily a research coordinating group. (See p. 9) The Institute for Urban Development will also report to the Deputy Under Secretary.

E. The Assistant Secretaries

The Assistant Secretaries, together with the Deputy Under Secretary, should, together, constitute a strong, dynamic staff group. For the reasons stated in Article I, the Plan of Organization confers no line responsibility upon them. Within the programs and responsibilities delegated to them, or specially assigned by the Secretary, there is no aspect of the Secretary's broad policy making responsibilities which should be immune to their searching inquiry. Ideally, they should be regarded as a unified staff with close professional relationships under the leadership of the Secretary. If at all possible, the Secretary should have a significant voice in their appointment.

1. Assistant Secretary - Financial Assistance. The Assistant Secretary - Financial Assistance is also the FHA Commissioner. Under the Assistant Secretary are clustered the staff responsibility for the FNMA, the Office of Mortgage Insurance (includes the FHA and the mortgage insurance functions of the Veterans Administration) and the Office of Credit Policies. The Office of Credit Policies has staff responsibility for the programs shown on the Organizational Chart (Sheet 1). These are primarily direct payment programs. It should be noted that the functions of the Public Housing Authority have been separated and that staff responsibility for the financial aspects has been placed in the Office of Credit Policies under the Assistant Secretary - Financial Assistance.
2. Assistant Secretary - Physical Facilities. Under this Assistant Secretary have been clustered staff responsibility for those programs and functions relating primarily to physical environment, including large scale subdivisions and new developments. Sheet 1 of the Plan of Organization sets out the details.

3. Assistant Secretary - Community Action Programs. This Assistant Secretary has staff responsibility for all Community Action Programs (proposed to be transferred from the Office of Economic Opportunity). Because the problem of Civil Rights is central to the reconstruction of cities, the Assistant Secretary must give it special attention and close liaison with agencies and units charged with responsibility in this area. There is also the Office of Intergroup Relations and the Office of Relocation Assistance.
4. Assistant Secretary - Intergovernmental Cooperation. Under this Assistant Secretary are several offices dealing with intergovernmental cooperation, including notably the Office of Technical Assistance and Information, which includes the clearing house functions of the Department.
5. Research. A separate Office of Research has been established under each of the first three Assistant Secretaries. It is believed that the functions and programs of these three Assistant Secretaries are sufficiently disparate so that it will not be duplicitous to have three such offices. Indeed, it would be inevitable for the three Assistant Secretaries to have their own Research Assistants, whether expressly so designated or not. However, to insure coordination between such offices, and to make certain that such facilities as a research library, for example, exist in common, the Directors of these three offices are brought together as a Committee on Research directly under the Deputy Under Secretary.

III.

The Plan of Organization - Field

A. The Regional Administrator

1. The Regional Administrator reports to the Secretary through the Under Secretary. He is, therefore, the Chief Operating Officer for the Region. All policies, programs and functions of the Department that are operational in his Region are unified under him. This would also include special demonstration projects.
2. Clustered under him are such positions as Regional Program Budget Officer; Regional Assistant for Public Information, and Regional Assistant for Administration.

3. The ideal Regional Administrator will maintain close and effective relationships with Senators, Members of Congress, and State and Local Government officials from his Region. It would be expected that by virtue of his character and ability and the delegation of power to him, he would be able to take responsible action in the great preponderance of instances without resort to Washington.
4. Under a divisional Plan of Organization, the operational success of the Department will depend principally upon the quality of the Regional Administrator. He should be well paid and carefully selected on the basis of high qualification standards. His appointment should be at the discretion of the Secretary and excepted from career service classification in order to permit the Secretary maximum flexibility in selecting the most outstanding candidates from within as well as without the federal service. The policy formulations at Headquarters should of course be sufficiently detailed so as to insure relatively uniform application nationally. However, uniformity should not be obtained at the expense of the judgment and discretion of the Regional Administrator. It will be the responsibility of the Secretary to make certain that the natural inclination of Headquarters Staff to control operations through overly-detailed policy formulations is not given such scope as to deny to the Regional Administrator the responsibility and opportunity to exercise judgment and discretion.
5. Considerable authority will be vested in him through the power which he should possess to certify and annually to recertify basic plans, including workable programs. His exercise of this power is of course subject to policies to be given him and to the supervisory responsibility of the Under Secretary.

B. Regional Office for Coordination of Departmental Programs (Coordinators Geographically Assigned)

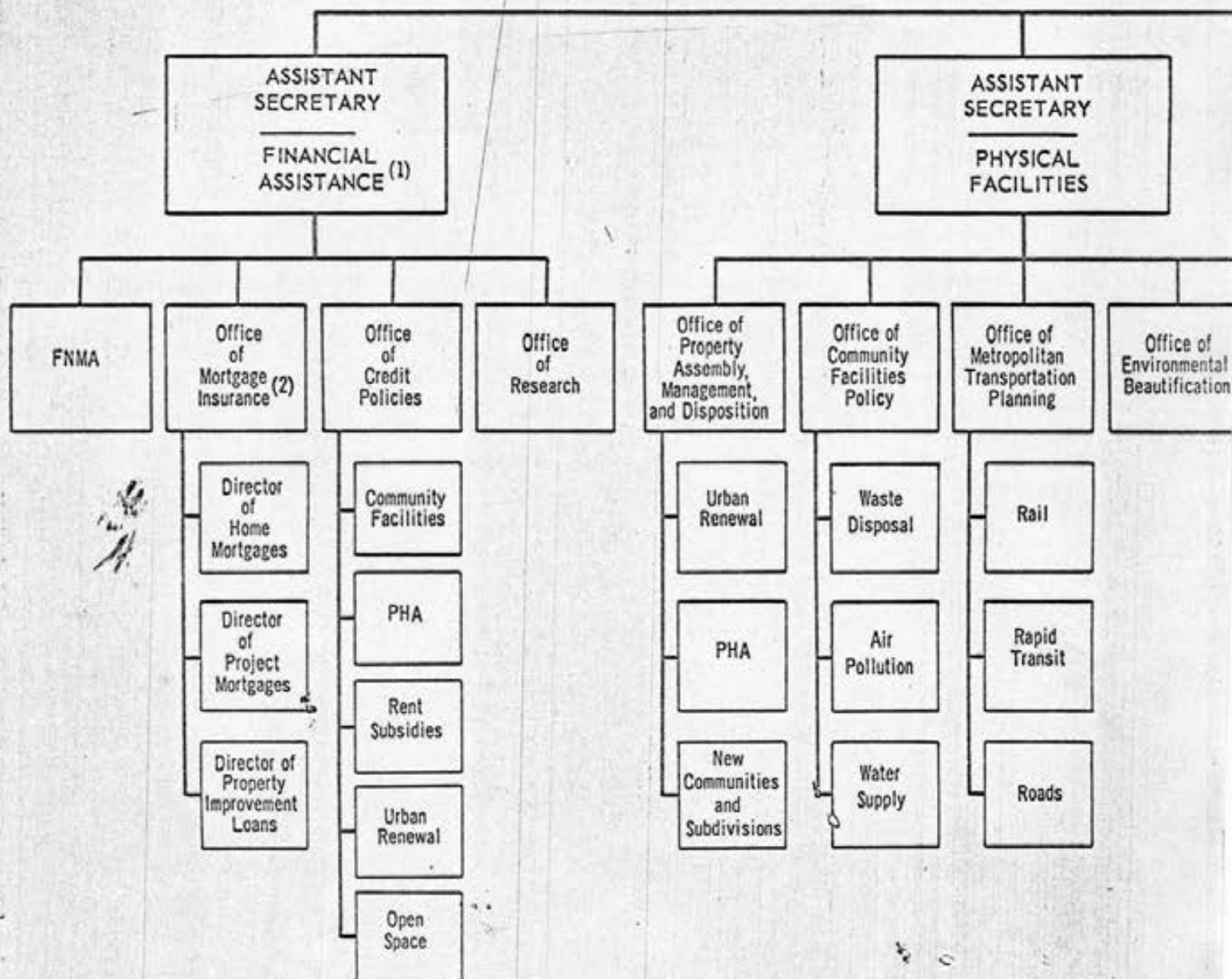
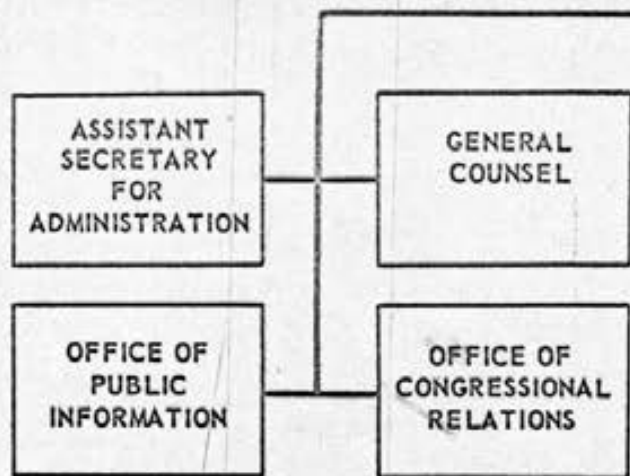
Attached to the Regional Administrator is the Office for Coordination of Departmental Programs, with the Coordinators being geographically assigned. Every local community having a HUD program will be served by a Regional Coordinator. He is the point of contact between the Regional Office and the metropolitan area, including the local communities within the metropolitan area. From the drawing up of required plans, to the preparation of applications, to expediting their review by the Regional Office Staff, to checking on the execution of projects, the Coordinator advises, guides and stimulates the local community into taking advantage of Federal urban programs. At the same time, he assists these communities in meeting requirements for such Federal aid.

Although based physically in the Regional Office, the Coordinator will spend a good deal of time in the metropolitan area or areas he serves.

C. Assistant Administrators

Four of these Assistant Administrators are the program and operational counterparts of the four Assistant Secretaries. The fifth Assistant Administrator carries out in the field the interdepartmental coordination functions discharged at Headquarters by the Council on Interdepartmental Coordination. He undoubtedly will be assisted in this by the Director of Urban Program Coordination, who heads the Secretariat to the Council.

It will be kept in mind that other Federal programs will be in Departments or Agencies where decision making will not be as decentralized as is proposed here. Hence, Regional representatives of such Departments and Agencies will be referring coordination matters raised by the Assistant Regional Administrator to Washington for decision. It is important that this not be permitted to recentralize HUD functions in Washington and that HUD decisions are kept in the field.



(1) This Assistant Secretary is also the FHA Commissioner as required by law.
 (2) This is also the Federal Housing Administration as required by law.

SECRETARY
UNDERSECRETARY

COUNCIL
ON
INTERDEPARTMENTAL
COORDINATION

SHEET
TASK
Dec

DEPUTY
UNDERSECRETARY
POLICY FORMULATION,
SPECIAL DEMONSTRATION
PROJECTS AND PROGRAM
EVALUATION

DIRECTOR OF
URBAN PROGRAM
COORDINATION
SECRETARIAT

COMMITTEE
ON
RESEARCH

INSTITUTE FOR
URBAN
DEVELOPMENT

ASSISTANT
SECRETARY
COMMUNITY ACTION
PROGRAMS

ASSISTANT
SECRETARY
INTERGOVERNMENTAL
COOPERATION

ASSISTANT
SECRETARY
TECHNICAL
SERVICES

Office of
Urban
Planning
Office of
Environmental
Beautification
Office of
Research

Office of
Citizen
Participation
Office of
Relocation
Assistance
Office of
Intergroup
Relations
Office of
Research

Office of
Technical
Assistance
and
Information
Office of
Regional
Metropolitan
Planning

Clearing
House

Temporary
National
Commission
on
Codes, etc.

REGIONAL
ADMINISTRATOR

SHEET 1
TASK FORCE - FINAL
December 14, 1965

COUNCIL
ON
INTERDEPARTMENTAL
COORDINATION

DIRECTOR OF
URBAN PROGRAM
COORDINATION

SECRETARIAT

ASSISTANT
SECRETARY
INTERGOVERNMENTAL
COOPERATION

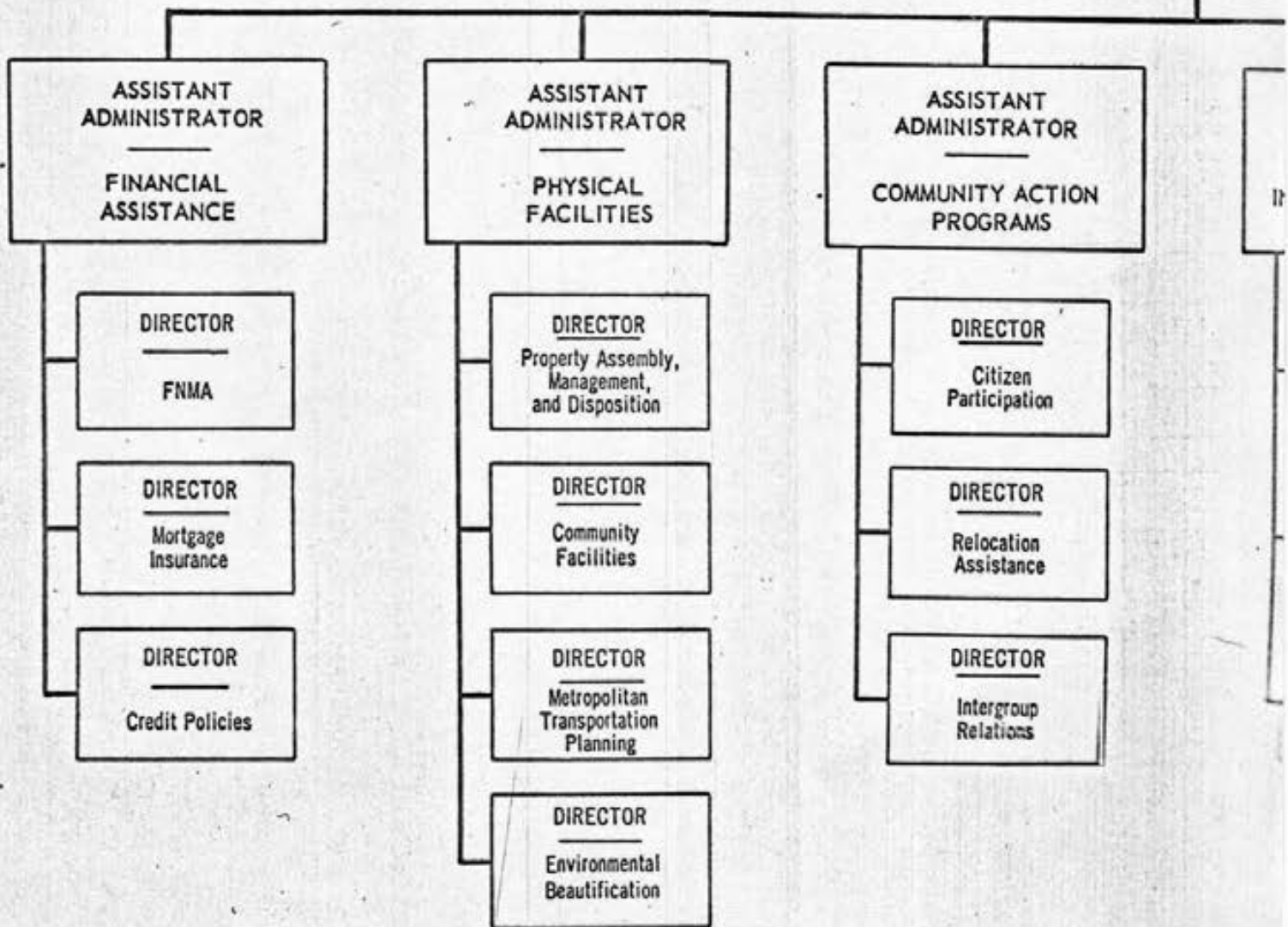
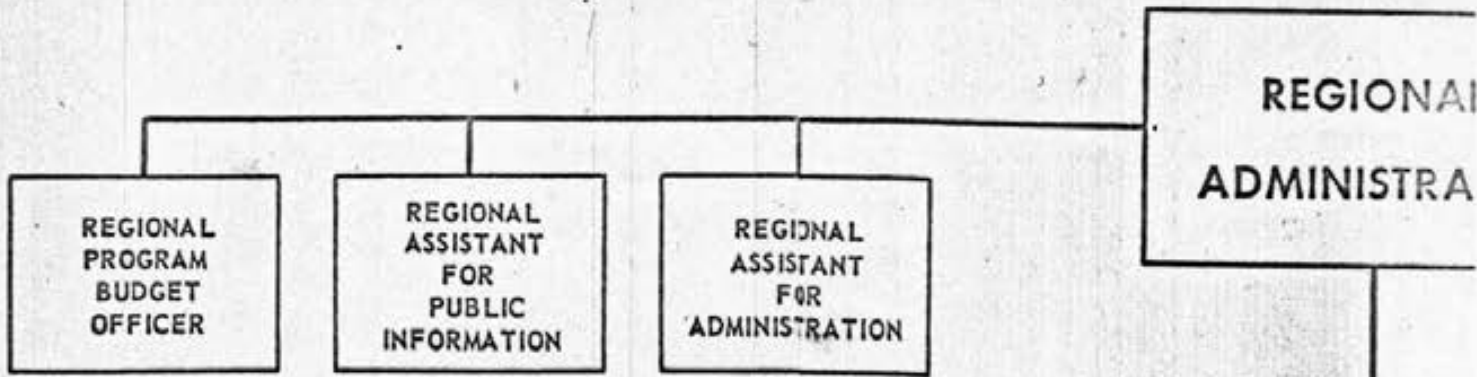
Office of
Technical
Assistance
and
Information

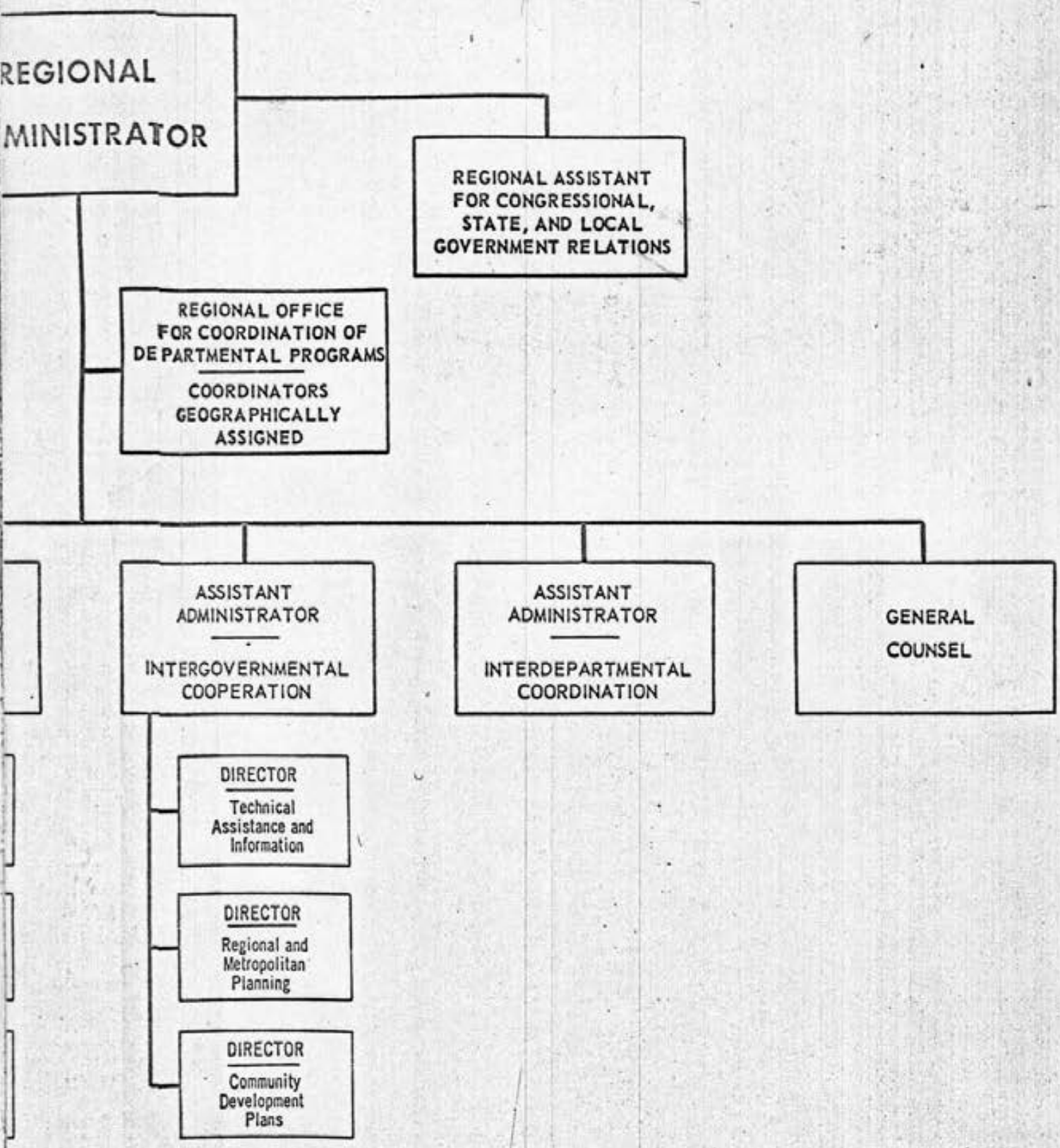
Office of
Regional and
Metropolitan
Planning

Office of
Community
Development
Plans

Clearing
House

Temporary
National
Commission
on
Codes, etc.





62c

ADMINISTRATIVELY CONFIDENTIAL

Statement by Kermit Gordon

I regret that I cannot join the majority of the Task Force in recommending that the Community Action Program of the Office of Economic Opportunity be transferred to the Department of Housing and Urban Development. I owe it to the other members of the Task Force to provide a written statement of my reasons for demurring on this recommendation. This statement will supersede the brief provisional statement which was distributed at the December 12 meeting, and which is hereby withdrawn.

As our discussions made clear, all members of the Task Force feel strongly (a) that the Community Action Program needs to be preserved and strengthened, and (b) that HUD must deal more effectively with the human problems raised by its own programs than did its predecessor agency. The majority, though recognizing risks with respect to (a), concluded on balance that both purposes would be served by transferring CAP to HUD. I assessed the risks somewhat differently, and concluded on balance that the transfer is not likely to strengthen CAP, and may even weaken it.

In the view of the majority, incorporation in HUD will provide to CAP added security, prestige, and technical resources. I am more

impressed, however, with the fact that CAP is now lodged in an agency which is institutionally capable of single-minded dedication to the cause of the chronically poor, whereas transfer of CAP to HUD would add the poor to a lengthy roster of HUD clientele groups with whose interests the needs of the poor will sometimes conflict.

The Task Force recognizes that CAP must be more aggressive in pressing other federal agencies to coordinate their existing categorical aid programs with local community action programs, and the majority believes that transfer of CAP to HUD would facilitate this. It is my judgment, however, that this difficult objective is more likely to be realized if CAP is lodged — as at present — in an independent agency headed by a Special Assistant to the President. It must be remembered that the most important of these established categorical aid programs are administered, not by HUD, but by HEW and Labor, while other significant aid programs are lodged in Agriculture, Commerce, and Small Business Administration.

Although my misgivings about the proposed transfer of CAP to HUD are based mainly on the considerations outlined above, I am also concerned that the transfer will lead to an undesirable duplication of functions and segmentation of programs. Since most CAP funds are used to provide educational, health, and welfare services, HUD

will probably develop specialized staff skills paralleling those of HEW. Also, since 40 percent of all persons living in poverty reside in rural areas, the transfer of CAP to HUD will invite a campaign to establish a separate CAP for rural areas in the Department of Agriculture; such a splitting up of CAP would be an unfortunate development.

Kermit Gordon

December 20, 1965.