INTERVIEWEE: DON HUMMEL (TAPE #2)

INTERVIEWER: JOE B. FRANTZ

January 13, 1969

F: This is the second tape with Mr. Don Hummel in his office in Washington. The interviewer is Joe B. Frantz.

Mr. Hummel, when the last unfortunate tape was concluded, we were talking about the period during which you had been mayor of Tucson and also about the fact that you'd been chairman of the United States delegation at the Inter-American Municipal Congress. We wanted to pick up the fact that you had, why you went to the Congress, and what you did.

H: Well, I was chairman of the Congress primarily because I was the President of the National League of Cities and the U.S. official delegation to the Congress. The purpose of the Congress, of course, is to discuss mutual affairs between municipalities in South and Central America and the United States. My primary role was one of discussing some of the approaches to solutions to problems as we faced them in the United States. It was one of those general conferences and similar to the one that followed at a later time of which I was also chairman of the U.S. delegation, and that was the International Congress of Local Authority which met in Tel Aviv, Israel in 1960. I led a U.S. delegation, and we joined with the Canadian delegation, went to Tel Aviv and had the opportunity to see the tremendous development that had taken place in that country, and to discuss various municipal problems and approaches to solutions of those problems. That, in effect, covers in a succinct manner my role in international congresses.

F: Quite apart from your political and your legal career, you have been very active in the concessions business which has brought you, of course, into contact with the Department of Interior particularly. How did you get into the concession business?

H: Well, that's a long and interesting story and primarily a personal one, I guess.

F: I don't want to pry too closely on this, but--

H: No, it's not personal in the fact that I've told the story thousands of times. I was attending law school and was helping to provide the resources to go to school by working as a ranger in the National Park Service, first, in Grand Canyon National Park in Arizona, and subsequently in Lassen Volcanic National Park in California. There were no concession operations in Lassen Volcanic National Park at the time. And on one occasion while patroling the road in Lassen, I had given away quite a bit of gasoline that day to enable people to leave the park who had come up with insufficient fuel thinking that there was ample opportunity to buy gasoline in the park. Half jestingly, I suggested to a ranger naturalist, whom he and I had at the end of the season joined to prepare our evening meal together rather than separately, that we ought to put in for the concession in the park.

To make a long story short, we got enthused about it and made an application for the concessions and submitted it; neither of us had much in the way of financial resources. In fact I was working in the summer and was head waiter at the University of Michigan Law School and signing notes for all my tuition. He was even a little worse off in that he'd had to borrow money from his fiance to buy his uniform to take the job.

We said we had sufficient financial resources to enable us to take on this contract, and it was some time later that I got a wire from the National Park Service asking for a more definitive statement of our financial position. At this stage of the game, I brought in a chap I had got to know and worked with closely in law school--Dallas Dort, who was a member of the Dort family of the old formation of General Motors in the early days in Flint, Michigan.

Well, that afternoon we sent off a wire giving Dort's financial position, and that was the beginning of the Lassen National Park Company and my entry into the concessions business. Subsequent to that in about 1967, the government asked me if I would undertake the operation in McKinley National Park, Alaska as that operation had not done well financially. The hotel had been built by the Alaska Railroad, which is a subsidiary of the federal government and after attempts to operate it as a government operation, it was finally decided to give a concessions contract. A contract was given and the man went into bankruptcy, leaving the government with the necessity to find some other way of operating it.

F: You said '67. You're about a decade ahead, aren't you?

H: '57, yes. The government decided to hire a management consultant and they paid the deficits for three years until it was offered to me in 1957. I established the McKinley National Park Company and have operated the facility under this government contract ever since that time.

F: You're also in Glacier?

H: Yes. During my last term as mayor of Tucson, and while I was president of the American Municipal Association--now the National League of Cities--I was called by officials of the Great Northern Railroad, advising that

they wanted to get out of the operations in Glacier National Park and wanted to know if I was interested in purchasing their interests. As you know, the financial resources to build the facilities for the accommodations of guests in the national park are all private investment, but made on government land. After negotiating with them, I decided to take over the operation and set up the company, Glacier Park Incorporated. I had some difficulty raising the money in that many of my friends thought I had lost my marbles in that the operation of Glacier had been entailing losses up to $580,000 a year. In fact, the last three years of operations had been entailing losses up to $570,000, a $580,000 loss, and a $310,000 loss. I took that over in 1960 and have been operating it ever since. That, in brief, is my--

F: But not with that kind of losses?

H: Without losses, I might say. Any single kind of loss of that kind would have been the end of my career.

F: One reason for going into this is that this has brought you into very close contact, of course, with the Department of the Interior.

H: Yes.

F: And I was wondering if you have been in a position, as a kind of close outsider, to discern any difference between the Department of the Interior under Mr. Udall, under the Administrations of Mr. Kennedy and then later under Mr. Johnson. Have you noticed any changes one way or another?

H: Well, as I've indicated, I've had close association and a great affinity for the National Park Service and the concept of preservation. In fact, I think the consession system has provided a continuity that even the government service didn't provide, in that an expanding service with people being moved from one place to another, the real continuity of

operation has come largely from the fact that the private investment in these things continue. And most of the people in the concessions business have had the same goals and concepts as the career government employee of providing the proper service within the context of not infringing upon the national secne and government's desire to preserve this in their natural state. There has been a fairly consistent development, as far as the park service is concerned. I would say as to the Interior Department on the whole, there has been a rapid expansion really under Secretary Udall, first of the number of areas under the jurisdiction of the Interior Department in the establishment of new national parks, new wilderness areas, and so forth.

There has also been an expansion in that there is a far greater and more active interest in developing wilderness areas and wildlife preserves--game preserves, fish and wildlife, and attempts not only just to set aside national park areas for maintenance in their original state, but maintaining the wildlife of our nation. I think there has been on the whole a very healthy attitude towards extending the concepts of wilderness areas and also in recognizing that conservation is not just limited to one small area designated as national parks or wilderness areas, but conservation is a fundamental concept of our present-day living. Rather belatedly we recognized how profligate we had been in the handling of our national resources. And I think under the Interior Department under the Kennedy and in the Johnson, and I think it got real impetus in the Johnson Administration, we have come a long ways in building conservation into the everyday concept and consciousness of the people of the United States.

F: Let's get back now to politics per se for a moment before we get into your work. Did you work at all in the campaign of 1964?

H: Oh, yes. I worked very actively in the campaign on behalf of the Democratic candidates.

F: Did you have any contact with Mr. Johnson at all in this period of the 1960's, either as Vice President or as President?

H: Not too much direct contact until my appointment as Assistant Secretary in the Department of Housing and Urban Development. I'd had some previous association with Mr. Johnson when we had invited him to come to Arizona as a speaker in the Adlai Stevenson campaign, and had had some association with him at the national Democratic conventions when I was a delegate from Arizona. But after that time, I had no real close personal association until my appointment.

F: How did you come to the attention of Secretary Weaver?

H: I'm not exactly certain, except that when I was the president of the American Municipal Association--now the National League of Cities--I made the first presentation to President-Elect Kennedy for the establishment of a new department which we referred to as the Department of Urban Affairs. I represented the American Municipal Association and Dick Dilworth, the mayor of Philadelphia, represented the U.S. Conference of Mayors. We met with President-Elect Kennedy in New York prior to his Inauguration, requesting that this department be established.

Then Dick Dilworth resigned to run for governor of Pennsylvania, and Dick Lee, the mayor of New Haven, Connecticut and I made a presentation to President Kennedy to see if we couldn't get this department established. As you know, the department was presented by President Kennedy, but no action taken, or at least no successful action taken by the Congress. And it was not until President Johnson assumed the

Presidency that there was an effective presentation and a creation of the present Department of Housing and Urban Development.

As an active mayor, I had been appointed first by President Eisenhower when the Advisory Commission on Intergovernmental Relations was established. As you know, that commission calls for four mayors in the United States to serve on this commission to represent the municipalities' interest in an attempt to maintain a proper balance between divided levels of our federal system, the national, state, and local. When I went out as mayor of Tucson, not having run after my third term, I was appointed by President Kennedy as a public member and Vice President of the Advisory Commission on Intergovernmental Relations. During that period of time, Secretary Weaver was appointed to this commission, and I had an opportunity to work with him in that period. It's also my understanding that there were a number of mayors in the United States whom I had been associated with who presented my name as a potential Assistant Secretary, or some other position with the department. And I assume that it was out of that recommendation that the President subsequently appointed me to this position.

F: There was a hiatus in there between the formation of the department and the appointment of Secretary Weaver which undoubtedly started the department off with some confusion. Did you run into any particular problems other than the normal ones of a new department?

H: No, I wouldn't say that I ran into any particular problems other than what would naturally follow from the position that I was assigned to. As you know, I was made Assistant Secretary for Renewal and Housing Assistance, and both Urban Renewal Program had been an independent agency

and subsequently put under the Housing and the Home Finance Agency, and the Public Housing Administration had also been an independent agency incorporated under Housing and Home Finance Agency. And by bringing these two together, I had the problem of two semi-autonomous agencies operating independently with their own support and appointments directly by the President of the United States before the creation of this department. And the bringing together into a harmonious--in effect, one agency, presented some problems. They each one had independent approaches to their particular problems which arose out of legislation which had been enacted for their particular agency, and when it was decided that the urban problem would be best served by a combination of these two units, they felt so strongly about this that they put it under one assistant secretary, even though this made for a disporportionate assignment of program within the Department of Housing and Urban Development. I don't know what percentage I have but based on money I have the allocation of something over sixty percent of the total funds of the department.

F: Were you given pretty much of a green light in your reconciliation problem to work it out according to the line that seemed best to you, or was the formula provided for you; how did you move into that situation?

H: No, and that is the one thing that I'm eternally grateful to Secretary Weaver for. He gave me the program responsibility and he gave me the authority. And he was consistent throughout the time of my service with him that he never interfered with my administration; if he had problems, he took them up with me. Of course, he was vitally interested. In the last analysis, he was the one that was responsible for what come out. But I was given almost a completely free hand in ascertaining the

approach to the problem, within of course the guidelines of some very distinct feelings that the Secretary had on the general policy. To name one, for example, the departure in the case of renewal from grand total clearance project of rebuilding to more emphasis on rehabilitation; more emphasis on the needs of the people living in these areas; the need to provide a greater number units of housing for low and moderate income families. And the fact that he wanted greater recognition of the impact of these programs on the lives of the people most vitally affected in these areas--the poor people living in the slum and blighted areas of the--

F: Now, Housing and Urban Development so frequently is thought of as being concerned with the problems particularly of the Eastern Seaboard where you have a great concentration of people in the industrial North, and yet here you come from the Southwest. Do you think that the fact that your city has a strong Mexican-American minority played some role in your selection?

H: I really don't know.

F: It has been helpful to have that background though, hasn't it?

H: Yes, and there was a separate investigation made, I was informed, in addition to the regular FBI clearance investigation of my association with and my attitude toward the minority problems that existed in the Southwest, as there was a feeling that if for any reason you couldn't work with the minority elements of your community, you probably would be in the wrong place in this position.

F: Let's talk a little bit about your program. What have you tried to do?

H: Well, as a preface to that, I think I should first of all just give you the area of my responsibility, and then tell what I've tried to do in

the principal programs. As I've said, my assignment was as Assistant Secretary for Renewal and Housing Assistance. Now, under the renewal side of this program, there is the general, referred to in government jargon, the Title I which is the section of the act which provides for all the renewal services. That's clearance and redevelopment, rehabilitation, and so forth. This includes such things as the concentrated code enforcement programs, the grant of funds for demolition of buildings that have been declared unsafe and must be removed; it covers the area of rehabilitation, loans and grants. I might just add at this stage that the code enforcement in localities is good in theory, but highly questionable in practice if you're not careful on how it is administered. Many of the areas that need services most are occupied by people who have the least resources to respond to those needs. And so a city government is constantly faced with the fact that they have a code to maintain, but if the individual occupying the house doesn't have the resources to bring it up to code standards, the local official is faced with the problem of what do you do. You can't just throw them out on the streets because even if the house is substandard, it's better to have them occupying a substandard house than no house at all.

So the rehabilitation loans and grants program became the effective means to implement many of the code enforcement programs of localities which had been neglected for this very reason over the many years. The loan program in substance is for providing a low rate of interest--three percent--the funds necessary to bring a house up to the urban renewal or the code standard. The grant is a further extension by recognizing that some people can't afford a loan. They already have one, two, three,

and four mortgages and requiring another loan would have the effect of eviction. So that the Congress passed laws that if a person had income of three thousand dollars or less per year and were required to rehabilitate their facilities, the federal government make an outright grant up to one thousand five hundred dollars to bring the house up to standard. This has increased in the act to three thousand dollars.

I also had the responsibility for the Community Renewal Plan, or the CRP, as it's referred to, which is a grant of funds for the local community to survey their problem areas, ascertain what resources they had to respond to them, and then provide a planning means whereby they assign priorities to particular areas in the community for renewal processes.

In addition to that, I had the responsibility for the Neighborhood Facilities grant, which is a fifty percent grant to a community to provide a multi-purpose neighborhood center. The purpose of this is to bring down to the neighborhood level the services that are provided by federal, state, or private resources which many of the poor people do not realize exists and do not take advantage of them because they do not know how to go through the vast bureaucracy of the city government nor are they conversive with city hall. And this program is designed to bring those services to the neighborhood level. I also had that part of the Open Space Program concerned with the establishment of urban parks in the central city, and I was responsibile also for the beautification program that exists through this department.

Now on the housing assistance side, which is the other major arm of my responsibility, I had the old Public Housing Program which is now

called the Housing Assistance Program. This calls for the construction of facilities for low-income people, or the acquisition and rehabilitation of existing facilities and of recent vintage the leasing of apartments or total facilities through local housing authorities for use of low-income families.

F: Do you concentrate primarily on low income always? Don't you get into some relationships with, say, colleges and groups like that?

H: Yes. One of the other programs--

F: Maybe I'm anticipating what you're going to tell me.

H: --was the College Housing Program. In other words, this was about a three hundred million dollar a year program of grants to colleges to provide housing facilities so as to keep rents low, that a great number of students could afford to go to college.

F: Are these programs supposed to be self-liquidating or--

H: Yes, there are self-liquidating except that they'se subsidized to the extent that it's a direct loan from the federal treasurer at three percent where they couldn't get that kind of interest rate directly. I also had the Housing for the Elderly Program, referred to as the 202 Program, which was also a self-liquidating loan program designed to provide housing facilities for the elderly, which has been identified as people sixty-two years of age or older. Now, this program was directed to people with incomes that were about the Public Housing Program, but below their ability to pay the economic rents in the community.

And then I had responsibility for the Alaska Housing Program which is a statewide program designed to provide housing in remote areas for the Alaska natives. In addition to these two principal things, I had

department-wide responsibility for the administration of the workable program. The workable program is a statutory requirement that communities in many of our programs have to establish their component or way of approaching problems, of eradicating slums and blight, and planning their own community. This initially was requested so that the government would not be coming in and eradicating slums in one locality while the community was establishing future slums in another. I also have the department-wide responsibility for the administration of the Improvement of Urban Design in Cities. And in addition to that, the responsibility for the establishment and the enforcement of social goals in all of the programs within the department.

F: Let's talk very briefly about that, if I may interrupt. In urban design and in social goals, you come in with a fixed situation of cities that are long in existence and have already set up their society and set up their design, haphazard though it may be. How do you take over a situation that's already going to pieces on you and make something out of it?

H: Well, like so many of these things, you can only make piecemeal contributions to it, but the fact that a city grew like Topsy withou any basic established plan is no reason to continue that forever because cities develop, grow, decay, and die by segments of its community. And if you establish some planning concepts and some goals for that community, you can make a contribution. It's a long time in coming, but it will make a contribution to it.

And the last area that I have department-wide responsibility for is the area of relocation; setting the conditions and terms and policies

for implementing the relocation facilities for all the programs in the department. That in effect is a resume of the areas of my responsibility. Now, I'd like to talk briefly about two main programs that I have and what we have tried to do since I've been here. The first is the Renewal Assistance Program. When I arrived in the Department, I found of course an ongoing program--

F: Incidentally, let's fix the time of your arrival.

H: I was sworn in and took over the responsibility on May 24, 1966. I found an ongoing program with a reservation of about seven hundred and twenty-five million dollars a year. This sounds like a sizeable program, but I also found, as I analyzed the past administration, that the reservation system that prevailed in allocation of funds to community for urban renewal assistance resulted in a rather poor use of the funds. Take, for example, there had been committed about seven billion dollars since the Urban Renewal Program was first funded in 1950. During this time only two and two-tenths billion has been disbursed by the local communities. Now, this isn't a completely accurate index in that the communities' operating funds come out of sale of temporary notes which are guaranteed by the federal government, so that in addition to the actual disbursal there were a great many millions of dollars that were being actively used and allocated by the borrowing of funds through these temporary notes. But the principal fact remained that the federal government having committed seven billion dollars and the communities thus far had only disbursed two and two-tenths billions plus the funds that were in active operation meant that very poor use of these funds were being made. I asked the reason for this, and they said it was the desire of

the communities to be sure that when they started an urban renewal program that it would be fully funded. In my analysis, however, I found that while they were laboring under the impression that it was fully funded, this was not the case. For example, it showed that--rather, any analysis of the projects that had come in showed that there was a seventy-four percent increase between the time of the first reservation at the survey and planning stage and the part one stage; the part one being the federal approval of the program that was submitted after the federal government gave them planning funds so that they could go back and get more definitive figures on what had to be done and how costly it would be to do the project. So that communities who thought they were fully funded when we reserved the funds found that they were seventy-four percent short when they came in with the more definitive figures. And then in addition to this, we found that through normal escalation costs and changes that exist in the program plus actual figures on condemnation of property or negotiation of property added another thirty-four percent. So the result was--

F: Excuse me. You have an inflationary problem there too between the time something is authorized and the time that you can close contracts, do you not, that is tentatively figured?

H: Right. In other words, that gets to the very point that these projects which would take about ten years from initiation to completion--we have neither the figures nor the capacity with the changing conditions that exist to really actually know what the project is going to cost us. And as these figures have shown, while the communities thought they were fully funded, they were really just about fifty percent funded.

Well, another thing that I found was that communities were in effect banking projects because of the long delay between starting a project and the final funding of it because inadequate money was set aside by the federal government to fund each of those that were presented; that communities would start several programs. And I found quite a number of communities that had six, seven, and eight projects with reservation and some of them hadn't even started their planning; many of them were just dallying along from day to day, not actually prosecuting the program as it was intended.

F: You mean, they would get authorization just to have it in hand, but with no clear-cut plan for getting the job done?

H: Exactly. So, I initiated a program that if a project, after we reserved funds for a given project, if they were not ready to present the project to go into execution, at the end of the three years the funds automatically were retrieved. The normal time of planning has been about twenty-six months. This also was a bad feature of their renewal project because when a community announced their project, all normal activities ceased; even the private investment quit. If this area is going to be subject to a renewal process, the individual didn't want to fix up his house or didn't want to improve his business; or if he lost a tenant, his tenant didn't want to continue, he'd look elsewhere. All of these things had a tendency and can be summed up as the deterrents to the program and called the deadening hand of renewal. I retrieved some one hundred and fifty million dollars in the first year in this way, called them back from communities, and then reallocated them to other communities.

F: The way you were going, you could have tied up an entire budget with

nothing moving, couldn't you?

H: The fact of the matter is that it had almost gotten that bad, because out of the seven hundred and fifty million dollars that started the second year I was here as appropriation, four hundred million dollars of it was going into amendatories of existing projects which gave us only about three hundred and fifty million dollars to take on new projects. And then the Congress was constantly adding to our responsibilities, like picking up additional relocation payments, going into code enforcement, community renewal plans, and rehabilitation, but giving us no more money. So that the program was rapidly approaching a point where we would have had no forward motion whatsoever.

Also, I felt that there was a--and I'll come back to what I've done about this later--I felt that with the critical shortage of housing and the fact that the housing of our low and moderate income families was really a prerequisite and essential to any solution to the urban problem, we established national goals for urban renewal to get a redirection of the renewal process. As I indicated in the past, most urban renewal programs were complete clearance programs and completely new redevelopment. And most of the communities started with their central business district, an attempt to rehabilitate and revitalize their central business area, and to rebuild their tax base. Now, let me say that I think this was essential; I think it's still essential for communities to do this. But in view of the critical shortage of housing and the increasing criticism that urban renewal process because of its impact on the people who were living in these downtown areas, on old converted commercial buildings or old residences that had been abandoned as the more affluent moved out

to the suburbs, it was essential to build the tax base of the community. But many programs had not made adequate provision to take care of the people who were displaced by this process, so you had a rising objection at the community level among the poor people who were being vitally affected. And you had such terms as "Negro removal" coming in because many of these slum areas were occupied by people of the Negro race.

F: Well, now you have a charge made by opponents to renewal that this is all just a means of enriching the local real estate association, that they're moving out substandard housing so that they can come in and handle a lot of better property. How do you answer this charge?

H: Well, I'd say in the first place the fact that the private sector couldn't package these programs and pull together these areas that were blighted, and the fact that your local government was having to subsidize these areas because in their deteriorated condition they didn't produce enough money to support the local services that were essential, so that you were in effect subsidizing slums by taking tax dollars from other parts of the city to maintain reasonable services in these areas, that something had to be done. And I think it was not the movement of the real estate people but the movement by responsible public officials that some process had to be brought in to redirect and reestablish the vitality of these areas. So that while it assisted in some cases the more affluent, the fundamental process is in my opinion a sound one.

F: You couldn't coordinate on an individual basis really.

H: No, right. And the fact that the subsequent legislation and the subsequent policies that have been enunciated recognized the harsh impact on these people, and we had such things as the payment of the cost of

relocation, the demand that you provide adequate facilities before you could relocate a family. You couldn't throw them out in the street unless they had a place to go, a standard facility to move into, and a price that they could pay.

F: You have changed your basic concept of paying what it is worth to someone who is being relocated and instead absorbing if necessary the increased cost of the relocation?

H: Yes.

F: This is where a person moves from a blight neighborhood to an improved neighborhood, and his house is going to cost him more than he's going to receive for what's condemned.

H: Yes. Now, that process has taken several steps. First, we required the payment of the moving cost. And then we required the fact that the locality have a service to help the people to find the facility to move into before he could be evicted from the blighted area. And then finally the Housing Act of 1968 recognized that even paying the economic value of a house that was taken over by a person living in this area would not replace that facility in kind because of the escalation of costs. So that the latest law permits the payment of up to five thousand dollars over and above the economic value of the facility that has been acquired in renewal to replace that in kind in some other locality. This has fallen heavily particularly on older people whose income is minimal at best and who are not in a position to increase their earnings. To have a relatively debt-free house and to all of a sudden be put out of that house, and now either has to become a renter or he would have to go into debt, and he can't absorb the debt. So it's the government's recognition

of responsibility to those people who are being moved as a result of government action.

Now, the establishment of the national goals were--there were three goals. One, we would give priority to those urban renewal programs which either preserved or expanded the supply of housing for low and moderate income families. As I said, this was our critical need so we gave priority to those projects that had a rehabilitation program and a program of providing housing for low and moderate income families. The second goal was one that would provide job opportunities for the people in these areas--for the unemployed and the under-employed. In other words, those projects which in their redevelopment provided opportunities for unskilled and semi-skilled people were given priority. It's one thing to put a roof over a man's head; it's another that he has the financial resources to maintain himself under that new roof. And the third one that we gave priority to was those areas of urgent and critical need that--In other words, the deterioration had gone so far that you just couldn't delay any longer the eradication of these slum conditions.

And as sort of a wrapup on this, we provided that a community that come in with a project that didn't meet these goals, but in effect balanced their program--if they had been doing mostly housing programs and now came in with a revitalization of a business district, we shouldn't count him out at that stage if he was balancing his community's program. And we also exempted from the national goals those communities that had never had an urban renewal project before and had in good faith gone ahead on their program. We thought they were entitled to consideration on what they had already prepared for us, so we gave them an exemption.

F: Do you have any minimum limit on the size of a community that can qualify for a renewal project?

H: No. Any community can qualify--

F: It can be from a hamlet to New York City?

H: That's right. Exactly. And we have both. Now, another thing that I did was to issue instructions or a policy directive which recognized as part of the cost of the project the providing of additional services to the people living in these communities during the time of the execution of the project. There was a tendency in an urban renewal area to slow down many of the normal services of the community to that area. And as these projects take a number of years to complete, the people who were living in these areas were finding that they had less of the normal services than they usually received. For example, they didn't repair the sidewalks, or they didn't keep up the parks, or they didn't provide the same sort of sanitation and recreational services and so forth. So we instructed that they must maintain the normal services, and those normal services could be part of the project cost. This was a further attempt to humanize the process and to lessen the adverse impact upon the people that are dwelling in these areas.

Now, let me go back briefly to an attempt that we made, and I think successfully, to meet the difficulties that I discussed with the reservation system. We had enacted in the Housing Act of 1966 a new approach to renewal. This is called the Neighborhood Development Program. In other words, we tried to take this off of a project-by-project basis and make it more nearly consistent with the normal development-capital improvement development programs of the locality. In other words, we allowed them first of all to take in much larger areas, and we allowed them to take in

non-contiguous areas. Then we said to the community: "We don't want you to plan down to the last degree, which had been taking from two-and-a-half to three years before the community would get to execution. By that time the plan was obsolete in many instances and the lack of progress had had disasterous impact upon the community. So we said, if you'll come in with a neighborhood development program, and I emphasize here program, not project, and you say to us, 'This is the area that we plan to do some work in. We expect to provide detailed planning of the areas but at the same time we know now that we need land to develop low and moderate income housing for relocation resources for other parts of the project.' With this new approach we permitted them to start buying the land immediately. In other words, we allowed them to go into execution simultaneously while they were completing their planning. This saved years of time.

We immediately picked up almost three years of time. This, of course, is a great advantage to the community in that they can get action immediately. The one disadvantage of the program, or possible disadvantage, is the fact that there's no promise by the federal government that the total program is going to ever be completed. But to be practical, and I think the communities are practical, these programs will continue just as long as we have these problems and Congress will continue to appropriate the money. The federal government is in these programs from now on and will continue to participate in them. The fact that the community can lay out a program for one year and we approve their budget for the first year and give them a tentative earmarking of funds for the second year gives them some assurance that the federal government is planning this on a continuous basis.

This new NDP has the additional advantage for the federal government in that it controverts the old argument by the communities when they say that we don't give them money enough to do the job. This program provides for a reevaluation of what actually has been done at the end of each year. And if a community has not completed its yearly program and spent the money that was set up for it, there should be no argument as to whose failure it is. It's not the federal government's failure; we often are the alleged culprits, as it is a common excuse to say "We could have done it if the federal government had just given us more money." By this new approach we get an automatic evaluation of their program every year. And another real advantage is that we get on a cash basis. The amount of money that the Congress appropriates for the program actually goes into action in communities now, and they're not tied up for an indefinite number of years through the old reservation system of earmarking funds before they are needed. I might say that this has been enthusiastically accepted by the communities. I believe that we can now move forward at a tremendous pace except for the control exercised by the Bureau of the Budget's control over the spending level.

F: How does that work?

H: Well, we go through the process of making a presentation to the appropriate Congress legislative committee to get authorization; then we go before an appropriations committee to get the appropriations. And then having done all that which would normally establish the policy, the Bureau of the Budget comes in and apportions your funds. In other words, they cut down and say, "You can only spend so much during this period of time." And this is done, of course, under the theory that as representatives of the

President, they are reflecting the Executive's attitude. As a practical matter, what it amounts to is a career Civil Service employee with maybe a greade twelve, thirteen,oor fourteen, overruling the Secretary of HUD, the Congress, and the administrative body responsible for the program. It is done in the President's name, but the President obviously cannot know all of these factors. I feel strongly about this, as this is a threat to good, responsible, democratic action. Decisions are being made in the Bureau of the Budget with no practical way to call them to account.

F: I have wondered whether this doesn't have the inherent danger of becoming kind of a faceless and a leverless sort of organization that you can't get at, but that makes in effect the decisions. Of course, policy comes back to money.

H: Exactly. And that's exactly--And that's why I've used such strong terms in referring to the Bureau of the Budget. I say it's the most undemocratic system of our whole federal government. Because this is a faceless bureaucracy making decisions without having to account to anybody. The Secretary is in a difficult position as he can't appeal each of these decisions to the President. The President can't get into all of these details, nor should he. And the result is that in our case we have a program called the Neighborhood Development Program, which promises to revolutionize urban renewal only to have the Bureau of the Budget's civil servants say, "You can only put a hundred million of the seven hundred fifty million into this program." And they have even gone further and said, "You can't convert the existing money that's already been authorized except at the rate of two hundred forty million dollars for this fiscal year." I say that is wrong.

The Secretary and I as his delegated assistant, should be the ones to be responsible. If we overstep or commit the government beyond what it should be committed, then we should be held to account. But since it's our responsibility, we should have the authority to make the decision. Unfortunately a great part of the real advantage of the Neighborhood Development Program is going to be delayed because of the Bureau of the Budget.

Now, let us turn briefly to the other major program that I have responsibility for, and that's the Housing Assistance Administration. The Housing Assistance is just a new name for the old Public Housing Administration. This, as we've indicated, was established in 1937 as an independent agency. Here is an organization that suffers from the fact that it never ever has had full public support. This program was started to stimulate and provide housing during the depression, but has had considerable resistance at the local as well as the federal government [level]. And despite the fact that there is a tremendous need for low rent housing program. As a result, the people who stayed in the program were dedicated public servants who believed in the program, fought for the program, but because of lack of public support, grew defensive in their attitude. And I guess they had to to survive. And not only defensive, but as many of them stayed in and made it a career, and it was a program with aging personnel. So that when I came in, I found a true bureaucracy.

F: Sort of spirtless.

H: Exactly, spiritless, engrossed with process to the extent that it had almost forgotten what their objectives were, and that was supposed to be putting poor people into housing. The process had become so complicated; it had

become so bureaucratic; and the people in it looked at the program in its parts, a one-step-at-a-time process. They were measuring their progress on how far they had progressed on a particular stage of the process, rather than how many people they had put under a roof. As a result, production, with the lack of adequate appropriation and support, had dropped to around thirty thousand to thirty-five thousand units a year. This I felt was shameful, particularly when a commitment had been made of "a decent house and of a suitable living environment for every American" was made in 1949. When this act was first passed the Congress had talked in terms of eight hundred thousand units in a five-year period--here it was thirty years later and we had produced the magnificent sum of six hundred forty thousand dwelling units in a thirty year period.

F: You've started to accelerate that now?

H: That's right. It was obvious several things had to be done. First, we had to reorganize the department; we had to infuse some new blood; and we had to infuse some new vitality and enthusiasm in the program. I was delayed to some extent in this because I was too cautious. I didn't want to move too rapidly as this was a field in which Secretary Weaver had spent a good part of his life, and had a vital interest, while I had no real experience in the housing field. I felt reluctant to make too rapid and radical changes immediately. It also took me some time to convince Secretary Weaver that what I needed was not a person who knew housing, as they could learn the program--what I really needed was an administrator. Well, finally after several abortive attempts, I got Tom Fletcher who had been the city manager of San Diego. I tried to get Tom some eight-nine months before, but he had made a commitment to go into the private sector, and it was not until several months later that I learned this had not worked out to his

satisfaction. So I got in touch with Tom, hired him as my assistant to reorganize and handle the Housing Assistance Administration. The only trouble was the President heard of Tom Fletcher too, and I had him only four weeks when the President reached down and picked him out from under me and made him Deputy Mayor to Walter Washington in the District, and so I had to start all over again.

In the meantime our task force had come up with a reorganization plan. It provided two principal divisions. One, production: This streamlined the operation. This was necessary as we hoped to get in a position to develop one hundred fifty thousand or more units a year. This was essential if we were ever to solve the housing problem. In addition to emphasizing production, I took the turnkey process which had been devised here by Joe Burstine, but had never been implemented. In substance, it is a process which enables the local housing authority to make a contract with a local developer just as any private citizen or corporation could do. It avoided the cumbersome process of competitive bidding which had become so involved that it was taking forty-one months between application for housing and start of construction. This was one of the obvious areas that had to be changed if we were to step up our production. The turnkey process was put on a streamlined procedure, sent out to the field, and followed by a number of forum discussions across the country with home builders, real estate agents, locally interested citizens, bankers representatives, and so forth to get them to cooperate in this stepped up process. We got a tremendous response; the trouble was that as of that stage of the game, we ran out of adequate authority and we had to slow down the process. This didn't help

our credibility any with the private sector. We had paralleled this with the request to accelerate the authority that we had by allowing us to draw on the forty-seven million dollars that would not become available until the following year, but this died in the committee and we were unable to make good on our commitment.

Now, the turnkey process is not only faster (we reduced the time from forty-one months to seventeen weeks), but it put much greater reliance on the private sector and it brought to bear the drive and the potential of the profit motive. I thought this was essential if we were to really produce enough houses. Simultaneously with this, at the request of the President to increase production, we made a public pledge that we would produce seventy thousand units to be available for occupancy during the next twelve months period. This was met with considerable consternation within the Housing Assistance Administration. They didn't believe that it could be done and they weren't so sure that it should be done. Many were betting that we couldn't gear up to produce double the units of the year before or seventy thousand units of housing available for occupancy. The main concern was the requirement "available for occupancy." This was far more difficult than the criteria that the administration had been using--they usually called for production starts. Well, getting a production start is a lot simpler process than having that facility available for occupancy. But to make a long story short, we produced above the seventy thousand units in the year's period of time; we also got some enthusiasm for the leasing process which had been experiencing considerable resistance within the department before. I felt the leasing program was important for several

reasons. It contributes to the solution of some of the social problems that we were faced with by avoiding the concentration of too many people of one income level in one building or area. This program permitted the leasing of units in existing apartments and thereby integrated some of the poor families with those not on relief. The concentration of the poor in one building or one area brought on all kinds of social problems, and didn't help us in our public image. On the other hand, the leasing process was shorter, quicker, brought into availability facilities in smaller numbers so that we could disperse our low income in among the more affluent group of people and hopefully to give them more encouragement and a better example of what they could do if they put forth the effort. So we greatly expanded the leasing program. It has now been accepted, and is beginning to make a contribution toward the very objectives that we sought to--

F: Very briefly, how does it work?

H: It works in this way. The local housing authority may go to an apartment building owner and say, "We would like to rent, say, ten percent of the dwelling units in your apartment. We'll make a contract with you, you can select the tenants within the economic level that is eligible for public housing. These tenants will pay twenty percent of their income, and we'll make up the difference in a contract with you on an annual contribution." Or, the local housing can go to the owner of a facility that is deteriorated and agree to lease that facility if the owner will bring it up to standard. The Authority then assigns income people to it. There are many ramifications to it, but that in substance is the way it works.

Now, the other major need that I felt had to be emphasized and which had been completely neglected, was improving the living conditions in the housing projects that had been developed over the years. Many of these units had been built years ago, had not had adequate maintenance; nothing had been done to upgrade them and nothing had been done to solve the tenants problems. This is the real tragedy of the program, in my opinion. There has been a cavalier assumption that if you put a person in a better house, he automatically knew how to take care of the house; he would automatically now solve his problems and would now do better in the world. We didn't make a real effort to ascertain the basic or root causes of why this person was in need of the low rent housing program, or why he needed public assistance. I wanted to rectify this omission. I wanted to bring to bear the services that were available through all agencies of the federal government, the local government, private sources, etc. to try to solve the basic problems so that he could expand his economic capacity and get back into the mainstream of living.

We called this second main division of the Housing Assistance under the reorganization "tenant services." We had several goals: One, to find out what the root causes were that required the tenant to need public assistance, and try to bring to bear the services that were available to correct these. And a second major goal was to make this person feel that this was his home while he was living there, by having him participate in the decision making functions of running the project. In other words, instead of just seeting up a lot of rules like you would for your children, sit down and tell him what you were trying to do. This was done by having the Housing Authorities organize tenant councils to sit down with management and decide what should be done in eviction cases, and how to redress tenant

grievances--all of the kinds of things that normally arise in any organizational structure that would give attention to these things. We paralleled that with the issuance of what we called "the social goals" of the department. There had been an influx of social scientists in the department, but so often they were too theoretical. They talked in high flown terms and in general objectives, but were never able to get down to the hard facts of how do you implement social goals, or what kind of instructions should be issued to get a social component into the low rent housing program.

Well, I had these social scientists rewrite the social goals about five times and finally ended up by having to write them myself with the assistance of my immediate staff. They couldn't get down to the basic components. I told them there were two things that I wanted to do. One was to improve the living condition of the people while they are actually tenants of a local housing project; and secondly, I wanted to improve their opportunity to get out of public housing. In substance, those were our two principle objectives: How to break the cycle of poverty; and second, how to improve the conditions while they were living there.

As I indicated before, we brought to bear changes in management concepts. Instead of just setting out rules and getting the tenants to agree on a set of rules which were proper and a list of tenant services in upgrading the environment in the community, we involved the tenants. We also,went before the Congress and asked for money to implement the tenant services concept. We were given the authority to do so, but we were given no money to do it.

F: That's the hard way to do it.

H: Yes. The Appropriations Committee felt that we were trying to supplant the welfare program. They didn't give us a real opportunity to explain what we were really trying to do. We got started anyway. As I indicated, many of these housing projects were aging. They'd had inadequate maintenance; many of them had been built as temporary facilities during the wartime, and weren't adequately built or didn't have the adequate amenities. So I took ten million dollars a year that had been authorized and instead of going and getting additional units, I took these to authorize contracts to improve existing units. In other words, we adopted a modernization program. And in adopting that modernization program, we said to the locality, "You come in with a program as to what you want to do to modernize. At the same time, you come in to show what program you have initiated to upgrade your management approaches. Have you set up tenant councils? Have you set up provisions for child care? Have you set up Provisions of instruction as to what is acceptable housekeeping standards for the tenants? Have you set up what is acceptable sanitation standards? Have you given these people assistance in how to manage their budgets so that they get a balanced diet for their family? These are the kind of management functions we think essential if we're going to do a proper job. If you set up these new management approaches, we'll approve a modernization program for you."

This is how we implemented it. In this way, we started our social goals and social services programs. It has been accepted very, very well, and hopefully, this will provide the example to the Congress to show that this isn't a boondoggle; that this is a genuine effort to help people get out of the housing doldrums that they're in.

F: Really, long-range economy.

H: Economy, yes. I'd like to mention on housing just a few obstacles to production. One is the community opposition. Nobody wants a public housing program in their neighborhood, even though they think that the government does have an obligation and a right to spend money to try to provide decent housing for people who cannot provide it for themselves. "That's fine, provided you don't put it next to me." There's a great fear of undermining the economic value of their investment of their homes. This is probably the most difficult problem that has to be overcome if the low rent housing program is to succeed.

The other is escalating costs of land. While costs of construction are going up four to five percent a year, land in the critical areas is escalating at a far greater rate. It can price the low rent housing industry out of the market. This is a critical problem which must be solved in some way. I'll not try to go into what we've presented as possible ways of solving it at this time. The high cost of construction is made worse by the inflexible administration of the codes, many of which are archaic, obsolete, not based on performance standards, and do not permit the use of new technology or new materials.

F: Really, more of a medieval guild sort of approach, isn't it?

H: Exactly. And paralleling that and consistent with it is the restrictive lab or practices which has broken down the function of labor into the guild approach, the craft approach, instead of taking advantage of a general project approach.

Then there's a lack of incentive at the local level. We cannot start a single project as a federal agency by ourselves; we respond to a request by the local community. And many of your city governments have

completely ignored their responsibility in the housing field. And still another obstacle of production is the lack of real competition among the builders and the fact that the home builders in large measure is a group of smaller contractors and you don't have the big, well-financed, highly industrialized group of people in the homebuilding industry.

Now, I'd like to close with just mentioning one other thing that I think will make a tremendous contribution. If the NDP and the workable problem are carried out the way I envision them, I think I will have justified my two-and-a-half years in this job. The workable program was required by the Congress as a quid pro quo for federal assistance in many of these programs. In other words, they said to the local community, "If you want federal assistance, then you have to set up and show that you plan to help eradicate blight, remove slums, and start to plan your community." The general statutory enactment was quite general, but over the period of the implementation of workable program, it became a pretty precise, almost obstacle-jumping arrangement or requirement by the federal government which was imposed on communities regardless of the degree of their advancement and regardless of the degree of their needs. And it has become more restrictive each year. It has become an obstacle and a source of great resentment by the local community as they are required to have this program recertified every year.

I ordered our staff to reexamine the requirements and get a new approach. The new approach would in brief have this thrust. First, that each community would set up its own program, not what we said it had to have, but its own program; that they would analyze the problems of their community in the light of their state of development, their state of growth,

their particular problems. That they would then establish their goals for the next four or five years or ten year program. And then say to us how they expected to reach those goals; what sort of schedule they had; what they expected to do the following year and the following year and so forth. After they had established their goals and programs and we approved them as reasonable, then we'd say to that community, "Fine. We'll judge you by your goals and by your accomplishment on the basis of your objectives of what you say your goals are and how you expect to reach them."

Four areas were specified as being important to any well-balanced community in the process of eradicating slums. First of all, what were they going to do about building and housing codes? This was a statutory enactment, and couldn't be waived. We asked them to approve a model code and to limit restrictions which would prevent the use of new technology in building and housing programs. Another was, "What is your planning process?" The old requirement was the adoption of a general plan. This, more often than not, was a graphic plat that went on the shelf and that was the last that anyone heard of it. We said, "What is your planning process? How do you expect to implement it? How do you connect your planning process with your decision making of authority, so that you're not just planning but you're actually implementing these plans. Show us how you propose to do it."

And next we said housing. "Housing is essential to the solving of the urban problem. Have you made a housing inventory, and does this include an inventory of the availability of housing for low and moderate income families? If there is a gap between housing available and housing suitable for low income families, how do you propose to minimize that gap? In other

words, what programs do you have to provide additional housing?" Many programs result in dislocation and relocation of families. Many of our federal programs require certain relocation services before you can move a family. The community should look at all activities in the community that results in relocation. It can't just look at urban renewal programs or the HUD programs because a highway program can be just as disruptive and completely overtax the community's relocation resources. As a community, they should plan on the basis of community-wide displacement, whether it be by federal or local action and not just in connection with a given federal program. We asked them to set up a central relocation program that was community-wide in scope.

And finally, instead of requiring the appointment of an overall citizens' advisory committee, we say to the community, "How do you intend to involve your citizens in the decision-making process? Because it obviously will be different in a clearance program as distinguished from a housing program or in the highway program. And all we say to you is how do you propose to involve your citizens so that we don't get the criticism that the federal government through its financial assistance programs have displaced people that resulted from local programs." Well, obviously this approach to a workable program puts a great deal more responsibility on the community--it is much more difficult for us to administer; it's going to take much more intelligent administration, but we think the final vehicle will be a workable program which the local community can use to begin solving their urban problems.

F: Very quickly, did the open housing provisions in the 1968 Civil Rights Act affect you, or is your open housing situation so automatic that you never knew the difference?

H: Well, it will affect other parts of the department. In other words, we have an Assistant Secretary for Equal Employment Opportunity--

F: But that's not your primary purpose?

H: But that's not my--In substance most of the things that are required by that act we already have been doing as a part of federal assistance programs.

F: Does Model Cities come under you--. I know you're wrapped in it, but--

H: We're wrapped in it. In other words, I don't have the administration of the Model Cities Program, but I have the two major components of all Model Cities projects. In other words, I have the Housing and Urban Renewal; I still run those whether its in Model Cities or some other program.

F: Very briefly, are the colleges responding to--we haven't touched that--Are they responding to your program for them?

H: Very definitely. The fact is we can only meet about a third of the requirements of the requests for dormitory facilities for colleges. I have the responsibility of the college housing programs.

F: Have you run into any state-church problems with denominational schools?

H: We have not.

F: And finally, and you have been inordinately patient, can you tell me very briefly what you're doing toward the transition, because this has been of a concern for the whole Johnson Administration, I think, to a degree not practiced by any previous Administration.

H: Well, when the Secretary-designate came in, he met with all the Assistant Secretaries, the Secretary, and the Under Secretary. And we each briefly gave

the Secretary-designate our program area responsibllities. And after that, he asked us if any of us were willing to stay to help make a transition. His attorney stayed to talk with each of us and to see whether we would be willing to stay. I indicated that as I had no immediate demands on my time and was not looking for another job and I was willing to help make a transition; that I thought it was absolutely important--imperative because the real losers were going to be the localities that we were set up to serve. They thanked me and the next I heard was about two weeks later--the Secretary called each of us in and I was told that my services would no longer be needed at the end of two weeks. And I've had absolutely no contact with anybody; I haven't any idea who is to take my place. We're not in a position to brief anyone on the problems, the policies, or the background because no one has contacted us; and more unfortunately, I have not been able to assure many of the very fine and efficient employees that have been working for us in this program what their future is. It could hardly be called a transition.

F: Thank you, Mr. Hummel.

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F: The two interviews with Mr. Hummel ran into difficulties. In the first one after a very full interview, it was discovered that the machine had faulty batteries and most of the interview was not useable. The first one was made on October 22, 1968 and the second one was made the following January 13. The second [one] was interrupted by a death message in Mr. Hummel's family. That led to a number of telephone calls for airplane reservations, for visiting with his wife, for preparations to leave and so on, with the result that there is some disjointing in this, but the interview is presumably complete at this point.

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By Don Hummel

to the

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