INTERVIEWEE: ROBERT A. LEVINE (Tape #1)

INTERVIEWER: STEPHEN GOODELL

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G: This is an interview with Mr. Robert A. Levine, formerly the Assistant Director for Research Plans, Programs, and Evaluation of the Office of Economic Opportunity. Today's date is ebruary 26, 1969.

Mr. Levine, I'd like to begin by providing a little biographical background information that I have. Then if you feel there are any gaps, please feel free to fill in.

Originally you're from Brooklyn, New York, as I understand it. You attended the Brooklyn public schools, and then in 1950 graduated from Harvard with an A.B., Magna Cum Laude, Phi Beta Kappa. In 1951 you got your Master of Arts in Economics from Harvard. Then you went to Yale, and in 1957 you had a Ph.D in economics.

Your previous positions, as I have them recorded here, include research associate at Harvard Center for International Affairs from 1961 to '62. At that time I think you were on leave from RAND Corporation. You worked briefly as an economist for the Conference on Economic Progress in Washington, D.C., and that would have been with Mr. Leon Keyserling. You were a senior Fellow in the Nationl Securities Studies Program at UCLA--this is not in order. You were a teaching assistant in the economics department at Yale from 1955 to 1956. You've been a senior economist in the logistics department for RAND Corporation from 1957 to 1965. And then in 1965 you went to OEO, and was it in 1965 or '66 that you became the associate director?

L: It was in 1966.

G: My first question is a general one. How is it that you happened to become acquainted with, and how did you specifically become involved in, the program of OEO?

L: Almost casually. I was getting kind of worn out at RAND. I happened to be in Washington and started looking around in the government in 1965 for a job. At that time an old friend of mine from RAND, Joe Kershaw, had just taken on the job of Assistant Director of OEO for Research, Plans, Programs, and Evaluation. He was in town, and I called him, and he said, "Come over." We talked awhile, and he offered me the job which at that time was not as deputy, but it was the head of one of the two divisions under him, in charge of Research and Plans--essentially in charge of the economists and the conceptualizing portion of the office.

G: Was RPP&E a separate entity at that time?

L: Yes.

G: Did it begin as such?

L: It began as such. Shriver had taken the advice he had gotten from the Pentagon, among other places, that he needed a facility like the one that Charlie Hitch and Alain Enthoven ran at the Pentagon--a program planning facility. He looked around for someone to head it up, settled on Joe Kershaw, got as Kershaw's deputy the Air Force Division Budget Officer, Leon Gilgoff, which meant that Kershaw was an economist and Gilgoff was the budget bureaucrat who complemented him. This was, then, the initial idea for the OEO so far as I know.

G: What was your knowledge or familiarity with the OEO program at the time? Had you studied the legislation or gone through the hearings--?

L: Almost nil.

G: Almost nil?

L: I had heard from informed citizens, idea of what the war on poverty was, period. I was interested in the idea, but I hadn't followed it. At RAND I had been working on international and military and arms control matters. I was feeling stale there. That's one of the reasons I was looking for a change. At that time, in 1965, the war on poverty was something very new and very exciting.

G: What were your impressions generally either after you came on or when you began to familiarize yourself more specifically about the program?

L: A good deal of excitement; a good deal of attention; and a good deal of chaos. It was something that got very big very fast. I was not initially in the center of everything that was going on, but I had a feeling at least for the confusion it caused. And the way we took as our initial mission at RPP&E to try to pull out of this a program line, a philosophy, and a rationale for doing things.

G: Was the emphasis in RPP&E, when you came on, along those lines or more specifically in terms of evaluation?

L: Initial emphasis was not in terms of evaluation. Let me define what I mean by evaluation which is an after the fact look at what has happened--a measurement of what has happened against certain standards. The feeling in the early years of OEO was that there were not results of a new program to evaluate. In part, in retrospect, this was a mistake. Not that it was a mistake we couldn't do evaluation early--in fact, we couldn't do evaluation in the early years. But we were too casual about setting up systems in the early years because we had not

built evaluation in.

G: That sort of anticipates a question I was going to ask later on. In a way, I think you've answered it, but perhaps you could elaborate on it, too. That is, at the beginning stage when the programs had been set up, were there model designs, which would lend themselves to the kind of evaluation which was necessary, implemented at the beginning of programs?

L: No.

G: And you say that hurt later.

L: Yes, it did. You see, what we thought at the beginning was that ongoing data systems would provide lots and lots of numbers which all we had to do when the numbers were around in sufficient quantity and in a steady state where they sort of did represent the program rather than just the build-up phase, that we'd be able to use these number in evaluative systems. Well, the damned numbers never materialized! Nobody gathered them and when they did materialize, they were just inappropriate for the purposes. They did not create themselves, ongoing data systems did not get started, had not gotten started as far as I know in any meaningful way in 1969. And I think it's in the nature of the program that these ongoing systems, where they existed at all, and they existed very seldom, were not very useable for evaluation. Evaluation has got to be a separate effort, and what we should have done, in retrospect, and what is being done now, is to build in early special sampling data efforts for evaluation with some idea of how the data are going to be used. This is nice to know from hindsight.

G: Do you find this to be the case generally in government--a program that

is conceptualized and put together and drafted in legislative form by a task force, for example, as was the OEO program, doesn't provide for this kind of measurement technique?

L: So far as I can see, no other program aside from the OEO program has yet started to think about evaluation in any meaningful systematic sense. There's some, you know, that have picked up on particular projects, particular programs, picked up some evaluative direction, but for the most part it's not merely that the task force hasn't thought of building in evaluation. It's that no government program, aside from the OEO programs, have really tried evaluation at any stage along the line.

G: And so OEO is not unique?

L: Yes, it's unique in that it has tried.

G: But not unique in that it didn't have it at the beginning?

L: That's right.

G: You mentioned briefly some of the duties that you undertook when you came on. What was your mandate? Did Kershaw outline them to you, or did you talk to Shriver?

L: In talking to Kershaw, I got a feeling for what he wanted, then I outlined it. And it was basically to set up a scheme for what kinds of things we were planning for, in what kinds of categories were we planning, what kinds of programs we'd be looking for, how should we be looking for and at these programs--all future or tentative. It didn't have anything to do with evaluation which we've been talking about, which is in the past already. And then to get all these concepts in a row and ordered as well as we could so that the program analysis division could then work on these and translate

these into concrete programs and budgets.

G: You worked for Kershaw until he left?

L: That's right.

G: And then you became the director?

L: That's right.

G: The Associate Director for RPP&E?

L: That's right.

G: So in other words you expanded your functions, and you were involved with more than simply putting together the figures, but then you became involved in the planning of programs, is that right?

L: No. I started out on the planning of programs. The two divisions initially were called Research and Planning on the one side, and Programs and Evaluation on the other side. Well, the Programs and Evaluation division was the one that made concrete numbers out of the planning and said, "This means 200,000 NYC kids and 50,000 Job Corps kids, and this is what it will cost; and this is how we do it," and that sort of thing. That was the other division.

My division said, "For kids of a certain type, we think there are so many, and programs of the following type are the kind of thing that will be useful." That was the initial division.

Those two division were the initial structure, and it remained pretty much that way until 1967. I'm not sure whether it was 1967 or 1968. It must have been '67 when the Evaluation division was carved out as a third division, which was a recognition of the fact that even under our previous understanding that evaluation had to wait, that the time had arrived for a special effort on evaluation. The Evaluation division was carved out by that time. I had already

become Director of the overall office.

G: When was it, in 1966 that RPP&E assumed the whole budgetary process of OEO?

L: Either late 1966, or early in 1967. I'm not sure.

G: What was the reason for that?

L: Purely a reason of convenience really; in a lot of agencies with the program budgeting thrust, there was a tension built up where the budgetary decisions or the primary budgetary advice was to come from, whether it was the program budget or the old line budgeting people. This was never the case in OEO. It was always clear that the primary substantive advice on the budget and everything else was to come from RPP&E, not from the Budget division which was stuck into the Office of Management. By late 1966 it became more convenient and more saving of personnel to unite the budget with the program budgeting function, even though this meant cutting the budget off from some of the accounting functions and audit functions and so forth. So this was done, but it was a convenience matter. It was not a matter of high policy change, or decision-making focus, or anything like that.

G: At that time, and I guess dating back to 1965, RPP&E had been charged with construction of the so-called Five Year Plan or the National Anti-Poverty Plan and in the incorporation of the budget process within your division as well. Did these two have any relation?

L: No. The Five Year Plan was first done in 1965, and it has been done annually every year since. All the incorporation of the budget process did was to make it a little easier because the same people were doing both. The Five Year Plan, as you know, was across all agencies.

The OEO portion of the Five Year Plan was always reflected in the OEO budget request.

G: So it's not a question of the cart before the horse?

L: No. It was really just a matter of sort of not repeating certain kinds of work twice, once in the Budget division and once in the Program Budget division.

G: I take it then from what you've been saying that RPP&E had a great deal to do with the policy of OEO. Is that correct?

L: Yes, I think so.

G: Could you elaborate on that--I mean in terms of policy changes or criticisms of policies and so on?

L: RPP&E from the beginning--not from the beginning. I'm sorry. You have to understand that the first budget for OEO was drawn up in 1964 before there was an OEO. The first budget was for the fiscal year 1965, ending on July 1, 1965. The second budget for the fiscal year 1966 was essentially drawn up before RPP&E existed except on paper. There was Joe Kershaw coming down from Williamstown once a month, and Leon Gilgoff and a staff of five people or something. So this was drawn up in the Budget division in the administration office.

The first program budget was for the fiscal year 1967 which was drawn up initially in the summer of 1965. Starting then OEO had a good deal of influence on the budgetary kind of policy decisions, the allocation kind of policy decisions. Now, you've got to realize, particularly under Shriver, there were an awful lot of factors and influences. I'm not saying that the RPP&E kind of analysis determines or anything like that. It had an influence on it--that's all.

Second of all, starting with the congressional season of 1966, OEO had a good deal to do with preparing and arguing the congressional justification for the authorization for the budget, and then for the appropriation of the budget. And this, again, particularly under Shriver, was a very central sort of thing.

Third, a lot of policy was made just by what Shriver would hear and say, and Joe Kershaw, and later myself, pretty well had Shriver's ear. This increased over the years so that by the time I left we had a good deal to do with a wide variety of day-to-day policy. Up until now, RPP&E has never had anything to do with day-to-day operations--you know, what's going to happen in Chicago or exactly how much money should we give them, and Litton Job Corps Center, how do we adjust whatever is going into that! It has never been of that, nor should it. Last year there was a question and probably a question again this year about cutting down on Job Corps. How shall we cut it down? Shall we cut it down by cutting kids out of centers? By cutting out centers? That kind of day-to-day policy, all kinds of day-to-day policy, RPP&E has played a major role in, I think.

G: If RPP&E, for example, in the evaluation of a program and given the uncertainty of criteria that you use--and I think one of your articles that I read stressed that point--RPP&E would then determine, I hesitate to use these words, success or failure or the setbacks and so on of programs. But what I'm getting at, if RPP&E does this in OEO, and let's say Shriver is the one to make that decision in OEO, does he make it on the basis of your recommendations, or does he put together all sorts of factors?

L: He makes it on the basis of what he believes. If our recommendations are convincing, then he decides it on the basis of our recommendations. If our recommendations are either not convincing, or if they're outweighed by other considerations which are outside of our scope--political considerations for example--then he doesn't make it that way. The decision-making process, as such, is necessarily a balancing one, a political one. This is an input, and how strong the input is depends on how much faith the decision-maker has in the people making inpnt and how good the input is.

G: Shriver, of course, was ultimately responsible for taking OEO's post case, whether it be for justification of a program, expansion of its authorization, or what have you, to the Congress. But did your office or did anybody in your office ever go to the Hill for that sort of thing, too?

L: Oh yes. I sat at the table for hearing that arose as Associate Director of OEO. As a matter of fact, I spent more God-damned time at the table then he did. When the thing got boring, he'd wander out and go see a senator or something. There'd be somebody testifying and I'd be sitting there with them.

G: Are you convinced that the people in Congress or the Congress generally--

L: Excuse me. You've got to realize, by the way, that the hearing at table is making a record, and the crucial process is a private one in the back office. That's the one Shriver did himself--or with his political people.

G: What is your impression of the general understanding of OEO by congressmen? In other words, you were talking about the decision-making

process, and obviously some scientific evaluation has to go into whether a program is to be phased out or continued or expanded and so on. There are also political considerations as well. Since Congress is the watchdog and has the ultimate authority, are you convinced that the Congress does have an understanding?

L: Not fully. Not bad, depending on who is the Congress! There are some congressmen who have a very full understanding. I think most of the members on both sides, to some extent, of the two substantive committees--the House and Senate labor committees--have a pretty good understanding of a lot that goes on. The average run-of-the-mill congressman doesn't, nor does the average congressman have a deep understanding of anything except the things his own committee controls. No one man can understand that much.

G: How do you coordinate with other departments within OEO? In other words, are there certain departments you work more closely with than others? Let me give you a case example: How would RPP&E for example affect the program operations of, say, Community Action?

L: Again, the day-to-day operation is not involved. The policy type of operation, what shall the CAP policy be toward--most of that sort of thing--the most important of those things requires approval by the Director of OEO, and the Director of OEO on almost anything relevant required sign-off by the Director of RPP&E. Now even on some things where the determination was by the Director of CAP, RPP&E was asked for comment. In one specific field, the whole research and demonstration program, although the CAP Director had the right to sign-off, I had the right to non-concur and present my non-concurrence on a formal basis.

But on an informal basis, and not just myself, the whole staff--they had a very good staff, and they were consulted very frequently as individuals because they had a knowledge that was appreciated by people in the other programs.

G: In the evaluation of programs, one of the things that you do then is to recommend its expansion or recommend that it is simply not doing the job in terms of--I guess, the single criteria is in helping to eliminate poverty.

L: That would be nice to do in terms of that single criteria. In fact, that single criteria is so tough to measure on very many times that it's on the base of, is it doing what it's supposed to be doing. You know, is a health program curing the health of people? This sort of thing. Yes, that's sort of the basis for our recommendations on budget allocations. That's one basis. The other basis is sort of smooth process where you don't frivolously put things on a roller-coaster. You try to keep them fairly level. And that's pretty important. So you're talking about recommendations that change at the margins rather than cutting one thing back 50-percent in order to increase another thing 25-percent.

G: Could you point to any one particular program administered by OEO in which you've been--again, I am using this word cautiously and in a relevant sense--successful?

L: Oh yes. I would argue that the Community Action Program has been very successful. I'm probably in a minority in that argument, but I would argue it. I think it has changed the institutional structure in city slums and ghettos drastically and favorably. I think this is necessary for a complete war on poverty. I think the JOBS program, which is

mostly OEO funded but not OEO run--again we've had some influence on it, but it's not OEO run--I think the JOBS program has been--although it's still early in the case, it's only a year old--quite successful.

G: Are you referring to the concentrated employment?

L: No. I'm referring to Job Opportunities in the Business Sector Program, JOBS, run by the National Alliance of Businessmen.

G: How do you evaluate Community Action?

L: There are three ways you evaluate it. One is that it's a bundle of services, and they can be evaluated as services: What is the health program doing today, what is the legal program doing--this sort of thing. Second of all--and by and large these evaluations were pretty good--it can be evaluated administratively. How does the machinery work, how is it coordinated and other things. And by and large these evaluations would look pretty poor.

The third thing, and I think the most important, the most different impact of Community Action is on the building of institutions in the community--particularly the black communities--and the changing of the institutional structure in which these communities are embedded to more favor the poor communities and the poor.

How is this evaluated? Well, until now we've evaluated it largely anecdotally, but the evaluation staff at OEO now is starting, or getting quite deep into, a project to quantify some of this institutional change. What sorts of things have been happening, how have they been happening. And to make institutional change is inherently a qualitative aspect. That's to say--an apple is inherently not quantitative--but you can count apples. So you can count

institutional changes in detail, kinds of changes, causes of changes, and so forth. They're doing this now, and that's the best way I think we've come across to try to really evaluate Community Action.

G: Although, you told me before the tape was on that you had reviewed Moynihan's book, I wonder if you would like to put on tape some comments about it, because he takes a contrary position.

L: It's not clear he does take a contrary position. It's a very fuzzy book. Why don't you just take the review I wrote and show it in the record! Why don't you do that?

G: I'll make a note of that.

L: Having said earlier it's a very fuzzy book, I think what he means I'm not too much in disagreement with, but it's tough to say what he means.

G: I think one of his criticisms that he made was simply that it was not clear at the very beginning what was meant by Community Action. I'm going back to an earlier article of his, in "The Public Interest," where he points to four theories of Community Action.

L: It's not clear to me that Community Action only has to have a single theory. I think he's quite right in delineating these four theories, but if you think of them as four components instead of four mutually exclusive theories--in the Public Interest article he did say essentially they're mutually exclusive. I think he was wrong on that.

G: I think he said they were imcompatible.

L: I think he said they were imcompatible. Damned if I see where they are! There's some tension between them, but I don't see where they're necessarily incompatible.

G: It seems as though he's taking the position that the conflict and

aggravation in Community [Action], or the so-called theory of confrontation, doesn't have healthy results; and that instead of having a positive effect you get the sense of powerlessness or ennui on the part of the children, or ghetto residents or so on, and it has the effect of aggravating or exacerbating it.

L: Carrying it to an extreme, it does. I think that not carrying it to an extreme it has a very favorable effect. And I think what our evaluations of CAP have indicated is that mostly it's not carried to an extreme; that it has adapted the power structure and affected the power structure. It's not a system of confrontation. His examples in his book are examples from either before the Poverty Program or from 1965, and he takes no account--It's not true that he takes no account of what happened afterward; he cites it occasionally, but then doesn't really use it. That's why it's so fuzzy. You can read anything you want into that book. It's like the Bible.

G: You suggest a couple of questions to me in what you're saying. I'm thinking back to I think it was 1967 when the testimony before the Green Amendment was ever raised. And I think Mr. Kershaw either had a written statement put in--I don't know if he testified--

L: It was a written statement. I know the one you're referring to.

G: I think one of the things he said was--

L: It was the one about Ken Clark.

G: Right. And I think he said, if my memory serves me right, that where Community Action boards are in reality a coordinating agency, that is, to bring in local government and have ghetto residents and private representatives of the community, where this coordination is good, then the program will be effective. But where it's lacking, or in

other words, I think by implication saying where the Community Action agency is outside local government, that by and large it's ineffective. Could you agree with that?

L: Yes. I'd also add to that that where it's too inside it's also ineffective. I think that Chicago, for example, where it's owned by Mayor Daley, is not going to be terribly effective. And the old Syracuse program that Moynihan criticizes is not going to be effective, but there's a very broad range in between. Where it's part in, it's part of a coalition.

G: I think even Moynihan points to Chicago, and I think approvingly, where he says that in the tradition of the best old sense of a political structure of boss politics that Daley makes the decisions for the poor. In other words, the services go to the poor, but they don't make the decisions themselves.

L: I don't remember having seen that. Is it in the book, or where--?

G: Yes, I think that was in it.

L: I don't remember that. Well, if he does say that, I disagree with him on that.

G: Are you suggesting that the broad range of Community Action agencies in the country do fall between those two?

L: Oh, hell, yes!

G: Do you think this was the fact or the case before the Green Amendment, or has this been an evolutionary thing?

L: It has been an evolutionary thing, and the Green Amendment has made some difference at the margin in essentially the balance of bargaining power between the official and the Community Action agencies. But I think the trend was quite clear long before. This really began by early to mid-1966. In 1965 the mayors of the country descended

on Vice President Humphrey--who was sort of the ambassador to the mayors--and said, "This kind of thing can't go on." This was communicated in no uncertain terms to Shriver. In fact, it did begin to change then. So that 1966 politically was an ambiguous year. By 1967 when the new Congress came in, they were predicting that OEO would be thrown out. Shriver was able to use the mayors on his side to help preserve OEO, and that change took place that sharply.

G: I read history in the same way that you do. Going back to '65 when the mayors were against, and then in the space of two years, seemingly they were overwhelmingly in its favor, I was wondering--This is to speculate outside the range of this interview which is the Johnson history, but there was some speculation during the campaign that Community Action was a controversial program, and that it might--

L: You mean during the '68 campaign?

G: Yes. I was wondering--do the mayors still support Community Action? If the Nixon Administration were to eliminate Community Action, what would be the response?

L: It's a little more complicated now because of the growth of Model Cities. If the Nixon Administration were to very definitely subordinate Community Action to Model Cities to the point where essentially it was a component at the control of the mayor, I think initially a lot of the mayors might like the idea. I think they'd also grow to rue the day because, in fact, there are groups in their city that they'd like to have this other safety valve for.

I had an experience in one city--I won't tell you which one--but

in which at the time of the Green Amendment determination, there was a big fight, there were hearings, and the mayor saying, "We're going to run it ourselves," and the Community Action agency was fighting. There was revolt. It was one of the more radical Community Action agencies that was in one of the more conservative cities. They were head-to-head and so forth and so on. During this period I happened to be in that city, and I talked to the mayor's special assistant. He said, "Hell, no, we don't want it. We've got to make the record look like they forced us not to take it, but we want to stay a little bit outside." And I think that may be a typical pattern. This was a fairly smart politician where if we have a dumb politician, he may try to really absorb it, and he may suffer for it because he's not really going to have the power that exists only in Chicago. I think that's the reason why the Green Amendment hasn't had more effect, and I think it's likely to continue.

G: To change the topic a bit, but again going back to Moynihan--he does write in this book that Viet Nam made the War on Poverty untenable. From your experience in RPP&E and OEO, would you want to comment on that subject?

L: In part it's certainly true. What happened was, in the fall of '65 the war budget really suddenly went up, thus cutting back the expected budget for OEO and all the other poverty programs very sharply and very unexpectedly, thus cutting those budgets back. And at the same time, the mayors came in and got the President pretty damned upset. Those two things made a change in the future of OEO, there's no doubt. Whether both these factors were necessary, or whether it would have happened with the mayors anyhow, or whether it would have happened with

Viet Nam without the mayors anyhow, I don't know. You can't separate these out. I suspect that either one would have had a lot of effect, but the two of them together had a traumatic effect--changing OEO from something which fiscally and psychologically was in a rapid growth curve to something which remained an important factor. But for a year after that became a factor among many factors, and then years after that, was in some trouble. Now we're in the next phase where I think the trouble is beginning to level off a little anyhow. It has died so many times in people's predictions, and nobody has killed it.

G: I guess going back to those early years again--I think it was in 1966 that Shriver said poverty could be abolished within ten years. It's my understanding, although I may be wrong, that to some extent that was based in part on the recommendations included in the National Anti-Poverty Plan.

L: It was based entirely on that.

G: Again, it's my understanding that he was not making that prediction on the basis of what OEO could do, but on the total anti-poverty effort.

L: That's right. It was based on the total anti-poverty effort; it was based specifically on what Joe Kershaw told him he legitimately could say from our plan.

G: That, of course, is administratively confidential and has never been made public, is that right--the Five Year Plan?

L: The Five Year Plan has never been made public. If that fact that was rather the basis of the plan had not been made public before, it is now, which is the paper I submitted to the joint committee in OEO

planning.

G: Again, two questions come to mind from this. The first is that Walter Heller agreed with Shriver that Americans should be ashamed that we never made this kind of commitment. Do you think the objective still stands, a ten-year effort?

L: I think it could be done in less than ten years. There has been a lot of progress in that time even though we didn't get the kind of programs we were asking for. In terms of the kinds of measures we used--gee, the time he said that we had about thirty-four million people in poverty, now we count about twenty-six million. There's some statistical erraticism in this kind of thing, but there has been a sharp drop.

G: What is it--from 34.1 to --?

L: 34.1 to 25.9 million. This later figure the census bureau made a mistake, and they changed that figure I think. But it's like that anyhow.

G: Are you referring to that ticker tape thing they have outside the OEO building?

L: I never look at it so I don't know. I know what you mean.

G: And the second question that that raised in my mind is back in 1964 during--I think it goes back even earlier than that--there were discussions and meetings and so on and evaluations going on which attempted to find what poverty was. And I think OEO goes on the basis of the Orshansky figure that a family of four, again, with all the other factors involved in it, for $3,200 a year--

L: It's $3,300 now. That's a price change.

G: What is your opinion about this figure? Is it useful; is it valid; is

it descriptive?

L: It's not valid, but it's useful. It's arbitrary. Nobody can say, "This is valid." It is a useful construct for measuring certain things, useful construct for measuring change. As long as it's adjusted for price change, numbers of poor are measured by this. It's useful for that, and it's valid to use it for that. It's useful for measuring the distribution of poverty--the racial distribution, the age distribution, and so forth.

G: But it's still arbitrary?

L: Oh yes, it's still arbitrary. What I'm saying is that the suggested changes in it--most of the suggested changes--would not drastically shift the rate of change or the intergroup distribution of poverty. It is not valid as an arbitrary cut off line for program eligibility. It is used as an arbitrary cut off line for program eligibility because something has got to be used, and there's nothing else available. So this is a misuse, but it is really a choice of what to misuse. If you didn't have some lid, then everything would float up to the top, and you'd have a poverty program for the well-off, the same as has happened to a lot of the New Deal programs. Farm parity used to be a poverty program.

G: Is the $33--or $3,200--that's not subsistence level, is it?

L: It has got a precise definition which--clearly people can subsist on less because of the 25,000,000-26,000,000 people below this line. They're not all right at the line and somehow they all live. Aside from the new starvation figures, most of the people are not literally starving to death. Some are apparently. So it's not subsistence level. You know the derivation of it--do you want me to--?

G: What I'm getting at is that making a qualitative analysis of poverty and those people that fall below that line, I'm wondering whether or not there should be a higher level. In other words, would you consider OEO to be a complete 100-percent success if OEO were to be able to bring that remaining 25,000,000 people above the $3,200 line--if the whole poverty program could?

L: Yes. It would not solve all the social problems of the United States. It would not solve the whole low-income problem, particularly in the time it's to be done; the remaining incomes over the poverty line would still be pretty low. It would not solve the closely related problem of inequality of opportunity, particularly racial, which I'm beginning to think is more and more very closely allied to the poverty program, and maybe it should be a second goal or the double goal of the poverty program. But just to bring these 25,000,000 people over would be such an achievement that I think you could say it's not a hundred percent success--because that's arbitrary too--but a fantastic success.

G: I guess what I'm getting at is that if they were all brought above that line, could you say that poverty was eliminated? What I'm getting at--if I could just add to that--I think it was in your article you said that poverty can be defined several different ways. It can be simply a quantitative figure, but it's also something else as well. I can't recall offhand exactly what you referred to, but there were social and human factors--

L: Some people think of poverty as being the culture of poverty with a whole bundle of attributes. There is no such thing as a correct definition. Definitions are definitionally arbitrary. But I think

that the income definition is fairly close to what was meant by poverty in the War on Poverty context. I think it is a fairly good expression of what was intended by the people who passed the law--most of the people who passed the law. That's about the best you can say. I think that they had in their minds pictures of inequality of opportunity, they had in their minds pictures of the culture of poverty, pictures in their minds of the slums, and pictures of Appalachia. All these existed, but I think the best summary concept was low income poverty, and the Orshansky definition was an adequate measure of that.

G: You just mentioned a moment ago that you were coming to the view that perhaps the racial problems were something that OEO should address itself specifically to--or at least the government and the administration.

L: The inopportunity problems on a racial basis--I don't know whether to say the opportunity basis of racial problems or the racial basis of opportunity problems. But a janitor or a dishwasher can probably make by steady work--and probably can have steady work--can make $4,000 a year, say, in our economy. If he has a wife and one kid, the poverty line for him is $2,500, I guess. So he's well above his poverty line making $4,000. Yet it is so clear that he has reached a ceiling that in terms of what the act means by opportunity, he should be a candidate for an opportunity program. That sort of thing I think is damned important.

G: There has been some comment, and I can't remember the author of the book offhand--he's an anthropologist--and he pointed out that there was some, at least in the public minds, impression of the confusions of purposes vis-a-vis the poverty program and the civil rights program simply because so many Negroes were involved in the poverty program.

Do you think that there was?

L: Yes, sure. I think for one reason, it has had this opportunity aspect and the people most obvious on equal opportunity in our country are the Negroes. So this immediately has colored it to some extent. Second of all, I think that the most visible part of the Poverty Program, the urban Community Action part, has been necessarily for slum areas of concentrated poverty, not just the poor people as individuals but for poor people in groups. And most of the urban poor people who live together in groups--rather than a case of poverty here, here, and here--are black, so the target areas for urban Community Action have been primarily, although not exclusively, black areas, and that's colored it. I think these are the two major reasons.

G: Do you think this has contributed then to a kind of resistance on the part of the local, if I can use the current phraseology, the local power structure which might perhaps be white and racially biased?

L: I think it's far more complicated than racial bias. I think that it's a power question, and it's not, at least, on the part of the power structure--I don't think that it's because these people are black that they have problems. It's because these people have not had power and want power as a group that they have problems. I think that in parts of the white constituency it's a much more biased problem. I'd be willing to argue that. I doubt very much that Mayor Daley is biased. I think his main interest is keeping control of constituents, his program, his city, by whatever means he wants. And he would be bothered by the threat of independent community action as occasionally has occurred in some areas of Chicago. But I don't think he's racially biased. There's no doubt but that a lot of his constituency is

racially biased and he has this to contend with.

G: Again, to leap to another topic, in your experience, having been in OEO since 1965, how receptive is OEO or the administrative echelon--upper echelon--how receptive are they or how receptive is it, in terms of its organization structure, to critical evaluations of the sort that might either come out of your office or independent consultants, or even from the outside?

L: The very top structure, the director and the director's office, are very receptive. This was very much so under Bert Harding and was so, I think, under Shriver. But the people who are responsible for the programs are somewhat less receptive on being told their program is ineffective.

G: In other words, a change or an order might emanate from the top and yet just simply not be implemented because of resistance down the line.

L: There have been these conflicts and these orders have been implemented because the top of the structure is pretty tough.

G: Would this be in terms of the day-to-day thing, or would there be major policy redirections?

L: To some extent there have been major policy redirections.

G: Could you single out one?

L: Just the order to evaluate and, say, giving RPP&E the central responsibility for this was a major policy redirection directed from the top. On the timing of it, it was directed by Bert Harding with Sargent Shriver's approval when Bert was the deputy director. I think this was very major. In terms of actual program substance, I think that the top has made clear the Community Action program--that

national emphasis programs were a good thing and should be encouraged; that some of the brighter plans for obliterating all community initiative and local flexibility and so forth were not acceptable to the director, and the policy of Community Action was thus changed.

G: This is kind of an aside. Do you feel that the initiation or the gradual approach, if you can put it that way, of the national emphasis programs in any way has affected Community Action?

L: Oh yes, it's quite different from what it would have been.

G: There's a basic theoretical difference, isn't there, that for example if I could suggest that in the beginning communities were to put their programs together and submit those applications to OEO--

L: That is the case only in part. I think this is a basic difference. I think that if all money were local initiative money, first of all, some very popular and possibly effective programs like Head Start or Legal Services would never really have gotten off the ground. At least, there'd be much less of it throughout the country. Second of all, I think that it's tough to project what would have happened to local initiative. Does one assume that local initiative would have gotten two or three times as much money as it had; would it have been used in the same way, or do you assume that the local initiative bundle might have been fixed and the increments have been obtained politically because of the national emphasis programs! That's a little tough for me to puzzle out. If local initiative had had substantially larger amounts of money, in what pattern would they have gotten it? Would it have been all at once, or would it have been growth! If it had been all at once, I think it would have looked much like it does now, only far more chaotic. I think they have enough

trouble handling the amounts of money they have now, and to triple the amount in the same process would have been really wild. On the other hand, had they reached the level, say, of a billion dollars for local initiative which is roughly the total that CAP puts it now, gradually starting with where they were and over a period of years, then they might have been far more effective. There are too many variables and "might have beens" to really say too much on that.

G: Was there any relationship between OEO, or were there any contacts made between OEO and such organizations as the Council of Economic Advisers?

L: Sure.

G: What was the nature of them?

L: We met with them, talked with them in task forces occasionally, individually. This was mostly the Council of Economic Advisers--this was mostly through RPP&E because we had the OEO economists. Joe Kershaw and myself met with Gardner Ackley and Art Okun and members of the council and members of the staff both on a regular and irregular basis.

G: The reason I ask that is because I think at the outset OEO was charged with the responsibility of coordinating the whole total effort of the War on Poverty.

L: Legally, it still is.

G: Would you agree that it has?

L: No. I think the problem turned out to be what, again, everybody can recognize on hindsight, but not many people recognized at the time, that you can't both operate and coordinate other operators at the same time. So now it's pretty obvious that over a period of a year or so the coordination function was merely taken away from the

operational function rather explicitly.

G: Are you referring to the delegation programs?

L: No, the delegation is okay. But even including the delegated programs, OEO is still only less than 10-percent of the total War on Poverty. I'm referring really to the relationship to ongoing public economic policy, general economic policy, the relationship to Title I in the Elementary and Secondary Education Act, the MDTA Program, things of this nature.

G: So that OEO really then either has an equitable standing with HEW, labor, agriculture, and so on, and doesn't have that necessary elevation and status that it can organize, is that what you were getting at?

L: I think that's right, yes.

G: It was my understanding at the outset that one of the reasons for putting OEO as a separate executive cabinet-level agency was simply so it could coordinate.

L: I'm not sure of that. Another reason was, the setting up of an independent competitor seemed very important. In that, I think OEO has been as successful as it has been unsuccessful in coordinating.

G: May I ask you this then, have there been any differences of opinion? You referred to, I think it was back in '65 or '66, the White House was informed of the difficulties that were going on and the antagonism on the part of the mayors and so on, and this was made known to Shriver. Since you were there, have you seen any evidence of differences of viewpoints or policy between the White House and OEO?

L: It's quite clear there was some such hostility. There were elements in OEO, particularly in 1967, when we were battling for our life, who

felt OEO was not getting the cooperation from the White House that it should, or any cooperation from the White House. This feeling was strongest in '67 and persisted however in '68. On the other side, the quotation from President Johnson that OEO was run by "kooks and sociologists," from what I know, accurately expresses what he thought. OEO is a very complicated organization and thought different things of the White House at different times. And again, to my knowledge, toward the end of '68, whether because of or in spite of the President, there was a good deal of cooperation. But in '67, I have no firsthand knowledge, but from hearsay I gathered that there was just a hell of a lot of hostility.

G: I think it was 1967 that critics, not only of the administration but of OEO and the anti-poverty effort, pointed to the fact that the President--well, the administration bill and the statements that he made either in the State of the Union or his special message on unfinished business, whatever, or poverty, that the emphasis that he made was a negative one, and that there were problems and so on and so on and so on; that the bill itself didn't ask for much more than an administrative tightening up. And this, according to the critics, indicated some sort of--

L: I don't think that's really the case as it came out. I remember the way it came out it was not all the wholehearted healthy endorsement of OEO that we might have wanted, but it was an endorsement of OEO. And the budget requests for '67--I'm trying to remember the number, but I think it represented a $250,000,000 increase, which was about a 16-percent increase, which in the time of a very tight budget was

God-damned healthy. So although the hostility I think existed, I don't think it was expressed either in that rural and urban poverty message or in the budget.

If it existed, it was much subtler, and the kind of support OEO felt it was getting from the White House in bulling this thing through Congress, that was the crucial question, It was a below-the-surface feeling, and if it existed--and it's not clear that it did, this was paranoia on the part of OEO--if it existed, it was a below-the-surface phenomenon.

G: In retrospect then, the very fact that OEO came out intact, because at the beginning in the Republican opportunity crusade, statements were being made about the opposition that was going to come in the Congress. You could look back on that bill--the one that finally came out--as being evidence of success on OEO's part.

L: It's certainly fantastic evidence of political success nobody expected.

G: Did this have anything to do with the criticism that has been made, and even Adam Clayton Powell made it against Shriver, that he was a very bad administrator; that he was effective as a spokesman to the Congress and in other ways, as an enthusiastic man, as an innovator, a pusher, a man of ideas, and so on, of being able to bring people together, but as an administrator he was strongly criticized as I recall?

L: I should put into the record Shriver's reply to Powell's statement, but I can't quote it directly. It had something to do with somebody who managed his own affairs as badly as Powell could hardly be in a position of accusing other people of being bad administrators. And I don't think that the congressional troubles had much to do with the

quality--oh, it had something to do with Sargent Shriver's administration. No question but that he was not a superb administrator in the sense that Harding is a really good administrator. He had the good sense to let Harding administer the program for the year before he left.

G: Harding came on in '66?

L: Harding came on in '66, March or some time like that.

G: I think it was June.

L: I guess you're right. June of '66. In a sense, the first six months was a trial period, and then as the '67 congressional session began, Shriver devoted himself 100-percent to getting OEO through Congress; and through that year, and subsequently of course, Harding was really administering the programs. There were some basic decisions that Shriver reserved for himself. I don't know of any--Harding probably knows of some--where Harding made a strong recommendation and Shriver overrode him. So knowing who to delegate to is a mark of good administration on Shriver's part. He would never give that degree of authority to Bernie Boutin, I think, for good reason.

G: I wonder if you would comment on this statement I'm going to make. I've heard speculated that because Adam Yarmolinsky was taken out of the program so early that it left Shriver with nobody of that caliber, of that administrative resourcefulness, and so on; that it defused Shriver's energies. Had they had somebody like Yarmolinsky or Harding at the beginning of the program who could do the in-house work and leave Shriver to the other things, perhaps then it would have gone better for OEO.

L: There's no question that having somebody like Yarmolinsky or Harding--you know, having a full time director and deputy director--would have been

a lot different from having a half-time director and no deputy director. When the hell did Shriver leave the Peace Corps? That was in '66, too, wasn't it?

G: I'm not sure of the exact date. I think it was '66. They let him go on for awhile.

L: So it was really one-quarter which should have been available in terms of top administrative effort. Now it's tough to say exactly what differences it would have made. For example, if it had been either Yarmolinsky or Harding, I suspect that an early warning system would have detected this mayors' revolt, and the whole thing never would have come to that level. That would have made a large difference, I suspect. And I suspect that somebody would have talked Shriver out of trying to expand the Job Corps as fast as he did, and all the resultant bad effects and bad publicity. Things of that nature, I think, could have been very important. It just didn't happen with half of Shriver and no deputy. It was really more than half a Shriver, by the way, even though he was split. He was obviously spending more time with OEO.

G: Even though you weren't there at the time, or weren't a member of the task force when this whole thing was being put through--again, I guess it's Moynihan who made this statement, that the prime consideration for the passage of the bill and even putting together the program, such as the Job Corps and that Operation 10,000 or whatever it was in that first year, was it because the President wanted quick visible results? It was an election year, he had to get the program through, and in the first year of its operation he had to justify it by having something to show to people.

L: Without knowing anything about the facts firsthand, but knowing something about the way these things work in the government after a number of years, I'd say that that would very likely be true, that things would work that way, given Johnson and given Shriver and so forth, and given just the nature of politics.

G: Which, of course, poses a lot of problems when you do something like that.

L: Let's distinguish that, though. Now what Moynihan said, I think, is much less legitimate. He was talking about getting effect before the '64 election.

G: I think you're right.

L: And he said, "Chronologically that's bad. It's difficult to see how they're talking about this in early '64, how they can get a program up and passed by Congress. These guys were realists about how long it takes to get a program through Congress and get something effective before the '64 election." The way Moynihan worded that was particularly distasteful if you'll read the quote. But I think that in '65, I think that everybody was very anxious to get something visible going fast.

G: I think in '64 the President just wouldn't allow funding until after the election anyway.

L: I guess that's right.

G: I'd like to turn to the Job Corps again if I can. Again, from your position in RPP&E, there has been a lot of numbers, game playing, I think, in the Congress about this sort of thing. I wonder if you'd like to illuminate for posterity the issue of the Job Corps costs and the graduate placement in jobs and so on.

L: The Job Corps costs--first of all, I think the Job Corps had been basically accurate and the congressional critics and President Nixon during the campaign, I think they were both basically inaccurate and irresponsible. That is, the true average Job Corps costs have been, when they reached a steady state--and I'm not talking about the statutory costs which exclude something but the total costs--have been on the order of maybe $8,000 per man year. Actually since there are more than two men per year, it's less than $4,000 per man, which is high, but they're not the kind of costs that were cited. It's just completely illegitimate to count the cost of a man and a camp and then divide it by two for the first two or more that leaves, and a hell of a lot of that was done. And it's not legitimate to take the costs of camps that are phasing out or even the costs of high cost camps if you're discussing the total program. So I think that the Job Corps costs have been pretty much as the Job Corps stated them, and that nobody was--maybe in the early days--but basically nobody in recent years has played with phony numbers.

On job placement and so forth, it is such a damned difficult technical problem--I've been looking at it a little lately--I don't know what the answer is. On the one hand, there is no good control group to say how much it would have been increased for that job just by the passage of time. From this fact you can get any kind of conclusions you want. And I've seen objective benefit-cost studies of the Job Corps with benefit-cost ratios that ranged from .5 to 5, and these were honestly done studies; and it just depends on the assumptions. I'm so damned confused I can't answer the question.

G: Was your office charged with the responsibility of evaluating that

program?

L: Oh yes. We did the first benefit-cost evaluation, and came out with benefits that justified the costs, and it's greater by a factor of perhaps up to two. But this depended on assumptions of our control groups and other people criticized this, and first of all, Job Corps did it with another control group assumption and got a benefit cost ratio of five. Then another analyst in our office a year or so later said, "Well, let's look at the sensitivity of this, and with small changes you can vary this all over the lot. It's just in the nature of a kind of analysis, and since our data are so inexact, we don't really know how it should be valued." But she thought it was in the nature of between two and five. Then the GAO--this is not for the record yet but will be on the record soon--the GAO contractors have come out with the study saying it looks to them like it's more like .5, because they find it tough to find the measureable gains associated with the Job Corps. Well, that depends on the control group. What would a similar group of kids have done without Job Corps! Find your similar group. They've been using no-shows to Job Corps--people have signed up and they didn't show up. Of course, there's a question of why the no-shows no-show! The no-shows in one city I've seen lately were making a lot more money at the time that the other kids began Job Corps than the Job Corps kids were, so maybe because they had better jobs and they didn't need the jobs as bad and maybe they were a higher cut of kids. You don't know what kind of control group that is.

We had a big project going with the, I think it was National Analyst Corporation, trying to get an overall youth control group at

one time that we could match against Job Corps and Neighborhood Youth Corps kids. We couldn't do that. There are some fantastically difficult technical problems, and anybody that sets out to prove anything can do it.

We got in with the earliest fair study, which has since been contradicted by other fair studies, and ours may be as right as the others.

G: Are you referring to the latest GAO report that has not yet been published, but has been broadcast by certain syndicated columnists in the newspapers?

L: Yes, that's right. I haven't seen these newspaper clippings, so I'd appreciate it if you'd keep it off the record until I get out of--

G: Sure, right.

L: I guess I did see something in A1. Misinterpreted, I think. That's the nature of the beast.

G: Again, going back to Job Corps, was it your responsibility to make recommendations on whether or not Job Corps should be transferred to another department, such as labor? Were you involved in that kind of decision-making?

L: Yes, but until the study mandated by the last Congress in 1968, there was no real serious consideration of transferring or delegating Job Corps, so that we certainly would have been involved had this come up. In fact, [we] were involved after it did come up in 1968. But we weren't involved before that because it wasn't seriously under discussion. Yes, that is the sort of thing we were involved in, to answer your question.

G: Would the same kind of measurement problems exist with programs like

Head Start?

L: Let me back off. The kind of thing we're doing on Head Start now--there is an evaluation in process which will be finished pretty soon done by a contractor, which by sampling picks out its own control group as a special study for the evaluation of Head Start. This gets back to something we were talking about much earlier. And I think it can be done, and Job Corps can be handled the same way; that is, go into Job Corps and pick out a carefully designed sample and find the matched kids and so forth. The trouble was that Job Corps to date has been evaluated not from careful sampling, but from ongoing operational data with all the flaws of these.

G: Did your office have anything to do with the initiation of a follow-through program?

L: To some extent. Realizing what would be the early evaluative results of Head Start--that other kids were catching up in school, we recommended it. But the real impetus, as far as I understand--I'm not completely sure of this, and you ought to ask somebody probably directly involved--was that Shriver had to say something in Milwaukee, so he said Head Start ought to be followed up. The President liked the idea, and that was the start of the program.

G: You mentioned that you had considerable contact with the Council of Economic Advisers. I suppose in another sense you had considerable contact with the Bureau of the Budget.

L: Oh yes.

G: I wonder if you'd like to make a comment or two about that.

L: That's kind of an unstructured question. They're very nice people. The Bureau of the Budget, I think, had some very competent people.

I think our first budget examiner, John Forrer, was one of the best and most perceptive people I've ever worked with. He was later Harding's special assistant when Harding came to the program. Basically, I think that the bureau did its job well. Sometimes it tried too hard to do the management of some of the things we were doing and there was some resentment. But I think overall our experience with the bureau was a pretty favorable one, not only with Forrer but with everybody from both the directors of the budget I worked with--Kermit Gordon was the director when I came in but I didn't know him--both Schultze and Zwick and the heads of our examining divisions, Cannon and Cary, and then the examiners themselves. I think we had lots of disagreements, but I think that this idea--if you're referring to the idea which you sometimes heard on the Hill from people like Senator Clark--that the bureau were the little money-grubbing people who were keeping the Poverty Program from doing what it should, that's not right. That's nonsense! The bureau did hold us down by presidential directive. This had to do with the war, the state of the budget, and the other factors we were talking about, and so forth. They didn't say, "No, let's keep this small," by their own initiative. The bureau to my knowledge fought consistently to make the OEO program larger.

G: They did?

L: Yes.

G: I have other questions related to us, but I recall going through working on the history of some correspondence, let's say, from the Director of VISTA, saying, "If you concede to the Bureau of Budget's latest figures," this being VISTA, "this will just emasculate or

a half billion dollars, on that order, and the Budget allowed for 1.75, I think--I'm not sure. There were those kinds of discrepancies consistently. Last year President Johnson's budget, which appeared last month, we asked for three billion dollars, and the President's request as I remember was 2.06 billion dollars. In part, there are things that you can make a case for that you have some chance of getting, first of all. Second of all, there's always the question--while we were in the business, there was always the question--"Well, maybe the war will end and the money will become available." Third of all, it's useful to make a record showing what kinds of things were asked for, what kind of things that could have been useful, so that it is the case that we always asked for substantially more than we got. I think the first year we didn't realize when the 3.6--that's when the war, and the other things intervened. But we thought maybe we'd get some number like that. That was the only time we had the real shock of disappointment.

G: Weren't the projected figures in the Five Year Plan on a much larger scale?

L: First of all, distinguish between the projected figures for OEO and for the total War on Poverty.

G: The OEO figures.

L: I don't remember these, and it depends on which plan. But if the first year--the first year of the first year's plan was 3.6 billion, maybe it doubled from that and would be the 7 or 8 billion dollar level, which is pretty big. I think after that there was some skepticism in our mind about how much OEO should grow. You see, in the first year the concept was that OEO would be a really major operator of

many, many of these programs. This changed to the idea that OEO should never become a major operator; therefore, the subsequent figures went down--although the early ones were still high because even the going concept of OEO could have operated at a better level than we got.

G: I think at one point they were projecting after five years something in the nature of 10 billion dollars a year. That figure sticks in my mind.

L: For OEO?

G: Yes. I think in the context of the total war. I'm not sure what percentage--

L: I don't remember. This was fiscal '68, which means that this was the second--

G: I haven't seen that one. The first I saw was fiscal '66, I think.

L: This is the second Five Year--You remember, I said the first one was on the big concept. This was the first thing that was not on the big concept. The budget request for [Five Year] '68 was 3 billion--unless I'm reading the wrong number, the budget request was 3-1/2 billion. In the fifth year of the plan it built only to 6.8 billion. So you know, it built up, but it never got astronomical.

G: Maybe it was the lowest one I saw then because there was a 3.--something billion initial request from that first year, and after what, four years of operation, you're still at a 3 billion level, and obviously there has been a drop and a rise since then. So it must have been that first year where they were projecting on ten billion.

L: Yes.

G: I gather from your answer you're also suggesting that there are just

eviscerate the program." I was wondering just to what extent the Bureau of the Budget was on your side, and I think you may have the answer to that.

L: It was. I don't know which Director of VISTA you mean--Bill Crook?

G: Yes, I think it was Crook.

L: Bill was a strong partisan, and the bureau may have made at one time or another some mistakes on the figure, but if so, they were corrected, and the bureau figure never did emasculate VISTA. It certainly didn't go up as fast as Crook would have liked.

G: The kind of budgetary process of submitting a figure and their going through the jockeying for positions so that you finally arrive at a figure--this is a pretty standard procedure with most government executive agencies, isn't it?

L: The outline, the structure of the process is standard, but process is one of argumentation and decision. There's nothing standard. The arguments are different and the issues are different each year.

G: I'm thinking of high figures, and the figures that are eventually agreed upon. If a pattern can be imposed, usually a lower figure will be arrived at, is that a fact?

L: Yes, you usually ask for more than you expect to get, if that's what you mean. But it's more than a game.

G: Right. But what I'm really getting at is that dealing with the BOB, and if they were on your side, was there ever any occasion where the figure that you finally arrived at that--there was a great disparity between that figure and the initial figure. In other words, was there really a high request at one point?

L: Yes. The first year, for example, the request I think was three and

simply programs that can't absorb any more money, that OEO isn't capable of expanding in terms of money expenditures.

L: Some programs have natural ceilings and, you know, they can't absorb money indefinitely. Beyond that, the question of having all the programs managed in one place, I think, is the other question. The current concept, which is partly based on the current political contest, is that OEO shall innovate and begin managing but then when programs begin to mature, spin them off. That's not a bad one. That's really one which would sort of be implicit for a couple of years, and it's quite different from OEO being a major program manager. Now for each individual program component, it has its own natural ceiling. The Job Corps has probably been around that ceiling. The number of kids you can and should get into this residential sort of thing probably has been about right. Some of Head Start has been about right, I think. Now there's a question of spending substantially more money on Head Start by shifting the same number of kids into full-year which costs a lot more. But if you shifted the same number of kids into a full year, I think you'd probably have Head Start for all the kids you could reach.

So some programs are up around their natural ceilings. The Community Action Program is such a slippery concept as a whole that I'd say probably allowing for "small normal growth" each year, that it's probably not at a bad level. Also the existing urban programs are probably not at a bad level. We could use some expansion to rural areas, which would then take major monies. The Legal Services Program could use substantial expansion. The Health Center Program could use fantastic expansion, but then it's not just dollar-limited,

but it's doctor-limited.

G: What ever happened to the Five Year Plans? Did they go to the Bureau of the Budget, is that right?

L: Yes.

G: What was the original intent of constructing them in the first place, and what has been the impact, if any?

L: The intent was to make recommendations through the Bureau of the Budget to the President on the direction of programs on the War on Poverty. That is still the intent, with the exception that in the 1967 legislation the mandate that OEO should show something of this nature to the Congress, an issue which has not yet been resolved.

G: What was the reasoning for that, by the way?

L: The reasoning for that was that Joe Clark particularly felt that he had a right to know what it would really take for the War on Poverty as a responsible committee chairman, and to know what the administration's thinking was on this. And he wanted this Five Year Plan. It had an aura about it--Oh yes, it had an aura about it of a fantastic document and so forth, and would have--him. It was much more comprehensive than anything before or since. It was all that fantastic. And he wanted it. And when he was told that executive privilege prevented him from getting it, he got very mad. I took some of the brunt of that. But it was clear that Shriver took most of the brunt, and Shriver just said, "I am not allowed to give it to you, sir." But he then put into the law not that <u>the</u> Five Year Plan should be in the Congress--an executive privilege question--but that <u>a</u> Five Year Plan shall be given to the Congress, and what this shall now be, if anything, is being decided somewhere.

G: That wasn't in the same exchange where I think it was Clark who asked Shriver--I may be wrong on this, it may even have been somebody in the House--where they asked Shriver what the initial request was to the BoB, and he said, "I'm sorry, I'm not allowed to give that number." The point was raised that any executive agency head that came up was obligated to give--

L: Yes. No, that was different. That was late Congressman Fogarty, who was the chairman of our House Appropriations Subcommittee, and after Shriver was set right, he provided the figure.

G: Could you answer the second part of my question on that Five Year Plan? What has happened to it? If it goes to the Bureau of the Budget, what has been the impact? Any?

L: As an entire plan, none. Certain components and certain subanalyses, major. I think that, for example, the CEPs and the JOBS Program extend in part--such a part will extend from analyses, from the Five Year Plan analyses, done from the Five Year Plan. I think that the Five Year Plan's constant banging on income maintenance programs has affected the climate anyhow, which income maintenance is considered clearly as not that much active difference at this point.

G: I've seen that under a number of different title descriptions as a graduated working incentive program or something along those lines. Is it a negative income tax?

L: Yes. A negative income tax is a generic name somebody--probably Milt Friedman--gave to it, and it has stuck to it ever since. It's a terrible name, politically bad, but it's a name you can't get rid of so we use it.

(interruption)

L: What were we talking about?

G: We were talking about the negative income tax--

L: It's a horrible name, but it has sort of stuck to it. Now in order to get away from it, we tried coining "Graduated Work Incentives" in New Jersey, which is actually somewhat more accurate and descriptive as well as, hopefully, a lot more sexy. But then you talk to a newspaperman about it who knows something about appeal, and describe it, and he says, "Oh, a negative income tax!" It's one of these names that's there, and I don't know what can be done about it.

G: Do you foresee this ever being accepted in this society?

L: Yes, one way or another, I think so.

G: Do you think it's necessary?

L: Yes. Very definitely.

G: Are you satisfied that the JOBS program is proportionately as effective as that one envisioned in the Five Year Plan?

L: I don't know if it is as effective as the one envisioned in the Five Year Plan. I don't know how effective we envisioned the thing being.

G: I think there was a call for a massive job creation--

L: Now the JOBS Program that I'm talking about, which is a private and district training program, and the Public Employment Job Program are two different things. The JOBS Program is a program now in being, and I think it's pretty successful. The indication that we have on this is that it's pretty successful.

G: I should differentiate between job training and Job--

L: Now the public job creation program I think is still needed. It hasn't been tried yet, so I don't know how successful--

G: Would this have been along the lines of the New Deal job creation?

L: No, not really. The New Deal job creation was largely in the public

works--well, it might have been somewhat like the WPA to some extent. We hate to admit this--the creation of Jobs rather than public works, not the heavy construction sort of thing. But the kind of program we most recently had visions of, the public employment, was for a fairly low cut of person who really couldn't make it any of the private training programs. Not necessarily low cut of person, but also in rural areas where there aren't enough private training jobs and so forth, or slightly depressed times and unemployment goes up--all these things--we envisaged this, and then in the cities in times of prosperity, people who really couldn't make it elsewhere. And we envisaged a sort of residual job program--low-level work, including leaf raking, some sort of custodian kinds of work, various sorts of things for people for whom the alternative was only income maintenance or a job when people who were physically capable of taking a job, and the job would be preferable--

G: Would this then just simply be a percentage or a portion of that unemployment percentage in the nation and not the total like--what is it, 4.1 percent, or something like that, unemployed?

L: You're really asking the question from the top down. Here are numbers of unemployed people, and how many do you employ this way! We know little enough about the components of these numbers on unemployed people. I wouldn't think of it that way. I'd say there are now, say, 3-1/2-percent unemployment, I dare say 3 million unemployed people, in the country. In addition to this, there are perhaps also an equal number of not employed people who are not carried as unemployed by the statistics. They're not actively looking for jobs, but if jobs are available might come in. I would say there are, say, 3 to 5 million

people in some sense eligible. I would say that a program like this could start at a level of 3 to 500 thousand, and that would be big. You'd see what kind of people you'd get, and what kind of jobs you'd have, and you would build it off and then keep building while there still seems to be room for people to come into it. My prediction would be that the total would look an awful lot more like 1 million than like 5 million, given all the factors that keep people out of jobs.

G: Would you describe yourself as a national economic planner from what you've been saying, or--

L: Sure, if that's what you want me to describe myself as.

G: How would you? Let's put it that way.

L: I am now a researcher. I'd describe myself as a public planner and analyst.

G: I was thinking that what you're describing, in a traditional sense I guess, this is welfare state and a merger or mixture of the government employing people directly in things like public works or job creation, activities, and so on; and yet allowing for the major business of the economy to be handled by private enterprise.

L: Oh yes. If you're saying am I talking about a mixed economy, yes. And one thing we haven't talked about, I'd put much weight on private administration of these programs in the centers for private business to do the job, particularly in the training field for example, housing field also, many fields I'd do this. I do think that just in the particular public employment area we're talking about, there is a group of people who for location or abilities or other reasons are not going to be reached by private industry, no matter what kinds of

carrots or sticks they use on industry. For these people public programs are necessary.

G: I have a question here. I think you backed what you said earlier. I think you have answered it, but you might want to add to it. Do you think that OEO from the point of view of planning and evaluation should be a resource agency, an innovator, a catalyst, as opposed to a program operating agency?

L: It's a little tough to say what OEO should be. I think there is need for a coordinating, planning a-number-of-other-things group, including innovating in the sense of having good ideas which other people execute. There is also a need for an operating group, operating programs, which would execute the innovations, among other things. And these two should be separated from one another. OEO is now legally in both businesses, and I'm saying this is not a good idea. Whether OEO should become the bottom or the top, the operating kind of agency, is just to some extent a question of names among other things.

G: There has been some discussion as to what it was at the outset, and what it should be. And people like Dick Boone have had things to say along these lines.

I'm not asking you to name names, but in a general way, how would you evaluate, how would you assess the quality of OEO personnel, the people who've been in it?

L: I would say that man-for-man OEO has had more good people, a larger proportion of good people, than any other agency I've come into contact with. It has had in a few key positions some very bad people who have made the good people much less effective. And I'd think it could

have been organized better to utilize these good people, but I think that by and large there have been just many, many, good top-notch people--the type you can't find in the labor department, or in HEW to some extent, no, you can't find them, the agriculture department, no, you can't find them. It's amazing to me that we haven't been able to utilize them better.

G: Why do you think that there's such a high concentration of good people in OEO? Is it something that--?

L: Because in 1965 and subsequently, it was a very new, exciting program. Shriver had a very exciting personality. The program was a social objective which was exciting to bright people. All of these reasons. I think it attracted some kooks and some sociologists, and I agree with President Johnson that these kind of people were in the program, and I don't go for them. But I think there were just an awful lot of good, bright, liberal, solid people associated with this program.

G: Were there any ideological conflicts that you were able to observe in OEO? I'm thinking in terms of, let's say, the radical and the liberal.

L: Almost anyone you could name, including particularly the radical and the liberal.

G: At a high level in OEO?

L: I don't know what high level means, I guess.

G: Say, the top five people in each division.

L: Oh yes, within the top five people some places, yes. Within the really top staff of OEO after Boone left--now, Boone was clearly on the radical side and that's something I won't talk about. And I don't even know, even though he was on the radical side, I judge this mostly

from his subsequent kind of statements and actions--I didn't particularly observe him being radical while he was there.

G: You mean while being with the Citizens Crusade?

L: Yes. I mean that's what I do judge from; I don't judge from what I know of what he did in OEO, although reading Moynihan, you would guess that--But with the main radical-liberal conflicts that went on, and to some extent it still goes on within one portion of CAP, a few portions of CAP--

G: I don't want to interrupt you, but this is running out, and I'd like to continue on another tape.

INTERVIEWEE: ROBERT A. LEVINE (Tape #2)

INTERVIEWER: STEPHEN GOODELL

February 26, 1969

G: My impression is that a lot of criticism that has been made against Shriver, and perhaps even OEO generally, in terms of the OEO publications and so on, is that OEO has a tendency, or Shriver had a tendency, particularly when going to Congress, to overquantify regarding the evaluation programs. That is, I think he would say that OEO had succeeded in reaching so many thousands of people; that because OEO had graduated out of the Job Corps X-number of people, this was an achievement and so on. I'm not sure the question is very clear, but just that overquantification--do you think this is a fair statement?

L: In part. He was very frustrated, primarily by RPP&E, that we couldn't provide him hard evaluative results. And he said, "Well, what kind of numbers can you give me?" He quite clearly felt that concrete numbers made a case. Even soft numbers made a case better than words, and he wanted numbers. I think that some of the numbers--even the number of people reached--which was, just funny. It kind of made us look kind of silly sometimes. But a lot of the numbers were real, if soft. That is, you never knew how close they were--whether they were very close. But McNamara did it too. I think his, by and large, were about as good as McNamara's.

G: I guess what prompts that question, or what prompted that criticism, was that this phrase that you used, and I've seen quite a bit, is the culture of poverty. It seems to refer to things human, to things

like human frustrations or aspirations, and the whole business of being degraded because one lives in deprivation and so on. You can't quantify that.

L: Let's talk about two kinds of overquantification. The kind you say Shriver has been accused of is rather different. That's using numbers that really were not accurate or were not meaningful, like the "reached" calculation. And as I said, I think it was somewhat subject to that. The other kind of criticism of quantification is that you can't quantify human misery, or success or anything like that. As long as you realize that numbers are not a substitute for reality but help put some dimensions on reality, that criticism is really not justified. I certainly don't think that's the sort of thing Shriver did because one of his strongest personal characteristics was his very wide streak of humanitarianism.

G: He has been said to have had the Peace Corps mentality. Would you like to comment on that?

L: I think there's some accuracy in it. One of his characteristics was--again a very complicated man--one of his characteristics was a little bit of the noblesse oblige kind of viewpoint. I don't think that he carried it to any kind of patronizing or unattractive degree as some people do, but certainly it was there.

G: Would you say that the whole war on poverty had some of that mentality?

L: This gets back to Moynihan's four categories. The Peace Corps view of Community Action was one of the categories. And, yes, it was one of the inputs. There were some characteristics and some programs and some actions which were patronizing. And I was very happy when Bill Crook came into VISTA. He had criticized VISTA for being patronizing,

saying, "This has got to change."

G: This seems to, and I may be wrong in this, but it seems to have radicalized to some extent since its inception. Do you agree with this?

L: I don't know that much about the history of VISTA. Certainly it has had, and still has, I guess, a lot of radicalism or student radicals associated with it. Whether this is a change or not, I don't know.

G: But it's certainly not like the Peace Corps in that sense?

L: I guess not. I think that even the most radical kids have the sense not to meddle in politics in a foreign country.

G: Does OEO consult with its critics?

L: Sure. For one thing, Shriver spent a hell of a lot of time consulting with his critics on the Hill.

G: I'm thinking of people like even ex-OEO people. That's inaccurate. I'm thinking of James Sundquist, who really was never with OEO as an organization.

L: Jim Sundquist was first of all never with OEO as an organization; second of all, he was never a strong critic in this sense.

G: I'm using critic, I think, in its best sense. In his latest book--what is it--<u>The Politics and Policies between the Eisenhower and the Johnson Years</u>, he does point to what I think he would call--it's not incompatibility, but there's a tension--the whole idea of community action of the federal government funding an organization which in itself can--not so much overthrow the government, but it can oppose the government; and this kind of tension he thinks simply can't be sustained.

L: First of all, I think you're either misquoting or misinterpreting Sundquist. Because I've talked to him about it. I've read the book.

In fact, both of us were sitting right here.

G: It's the last page of that chapter on OEO.

L: Let's look at it. I happen to be turned to the last page.

G: It's either the last page or next to the last page.

L: But having talked to Sundquist about this as recently as yesterday afternoon, and just on this topic, I don't think that any idea that this dominated OEO, dominated his viewpoint.

G: If I could just read the statement that he made which prompted my question, and then you could comment on that. He asks the question: "Can a national government maintain for long a program that sets minorities against majorities in communities throughout the land? Clearly it cannot, even if it should. The affluent majority will not be persuaded that tranquility is not also an objective of society, and one superior, if the choice must be made to the eradication of poverty itself."

L: He's not saying that this degree of confrontation with an effective community action, though. I don't believe he feels that it is either a necessary effect or, in the past, has been a dominant effect of community action. I'd agree with him that if things were pushed this far--sometimes they've been in danger of being pushed this far--that if they were pushed this far, that a majority would choose tranquility. I don't think there's any doubt about that. But I think that community action would by and large remain within the limits, and I think Sundquist would probably agree with this.

G: Getting back to that question about consulting with critics, I guess also I'm thinking that there are economists who have had certain criticisms--serious ones--about the War on Poverty and what is needed

and so on. I'm not sure that they were aware of some of the inner thinking on the part of your staff--

L: My staff did not, myself and my predecessor, we did not go out of our way to consult with critics in order to satisfy them. Shriver in the public relations operation, the congressional relations operation, and so forth, did a lot of this with public critics. We consulted with critics where we thought they had something useful to contribute to us. So without naming the names of the people, we didn't particularly find it useful to consult with them. At one point, for example, we did try to consult with Milton Friedman. I had some exchange of correspondence with him because I felt there might be something he'd have to contribute to us, you know, as one of the really good conservative economists.

Jim Sundquist, I talked to on a fair amount of occasions, but never really consulted with the man. He's a personal friend, and in talking he was much more of an observer rather than a critic who made recommendations about the way things should go. In general--perhaps not to the extent we should have--but in general we did talk to our critics, but we talked to them with the objective of getting contributions, not with the objective of mollifying them. Occasionally, by the way, Shriver did send down somebody and said, "Talk to him," and of course we did. But this didn't happen frequently.

G: You wrote in your article on the evaluation of OEO's evaluation that--and I'm quoting you--"Effectiveness of quantifiability should never be confused, and it is in error to substitute the concrete for the important." What did you mean by that?

L: I think I said this to you earlier this afternoon, by the way. What

I mean by it is that certain things are inherently easily countable. I think, for example, the most countable kind of anti-poverty program where the effects are most obvious is income maintenance. Manpower programs, if you do it, have no trouble conceptualizing what should be counted and then counting them. Community Action programs, changing institutions we discussed earlier, is very difficult to count; and as I suggested, I think we found a way to actually do some counting. But lacking a counting, I would not say, that because you can't count it that Community Action is less important then other things. I think the changes there, even though they are harder to count and sometimes harder to make concrete--that is, finding out what Community Action has been doing, to the extent that we have been able to do at all is fairly recent. But it doesn't mean that it's less important. Importance lies in effects whether they're quantifiable or not.

G: You also suggested that where good data has been available, and in some programs they came out looking very good, you said, but in two programs they didn't come out looking so good, and that perhaps some revision was needed or even phasing out. Would you want to comment on what those were?

L: Oh yes. The two programs were Title V Work Experience Program where just very, very few people were getting jobs out of the program. Structurally it was a difficult program and was run by welfare authorities, which caused a lot of the problem, and that has been fairly clear and has essentially phased out. Instead of it, there's now the Work Incentive Program run by the Labor Department, with some money from HEW, which gets around to at least some of the problems

of the Title V program.

The other one was a Small Business Development Corporation Program where it was simply discovered that the kinds of entrepreneurship we were looking to promote did not exist among the poor. We had to go to the relatively well-off members of the minority group to get the program used. This was discovered by evaluative study, and the program was phased out.

G: I have only about two or three more questions, and they're very general. The first of those is how would you respond to the charge that the rhetoric of the anti-poverty effort tended to raise the expectations of the poor without ever providing for the effective means of fulfilling them?

L: I think that there's some justice in this charge, but I think you should be clear about whose rhetoric is what, and what is caused by rhetoric. That is, I think that the basic rhetoric that caused the problem was the initial rhetoric just declaring war on poverty, this sort of stirring rhetoric. Whether and to the extent that troubles are based on rhetoric, I think the troubles are based as much on that single phrase as on anything else. Now there may have been troubles anyhow because this rhetoric took place in a time civil rights were becoming more militant, and this was to some extent the independent movement. So these troubles may have come about. All right, first of all, there's a nonrhetorical component to these expectations. Second of all, the basic rhetorical component was a very simple statement. I think we sought to plead guilty to some extent of specific overselling in the pove ty program and in the OEO as such. But this specific overselling in terms of raising expectations was

rather minor compared to the two more basic things.

G: In your four years, looking back, does anything stick out in your mind as a major incident or a major impression about OEO and the War on Poverty in your association with it?

L: I don't really think you can summarize. We've been talking for two hours; I don't think I can really summarize it in a sentence. I won't even try.

G: You wouldn't have any specific recommendations? In other words, if you had it to do all over agin, or Shriver had had it to do all over again--

L: To do over again, or what to do now? Those are two very vastly different--

G: I think what is more important is what to do now.

L: The main thing I'd do now is, I think the need for income maintenance is the greatest unfilled need. I'd put a lot of thrust in this direction. I'd then push harder on the various manpower job and training programs, including new programs of the War on Poverty. And I'd continue Community Action. I think these three thrusts are what I would do now programmatically. Administratively, I would do what I think is going to be done, which is separate the coordination and planning from the operation--a relatively trivial matter compared to these. I think that OEO should be run as a unit rather than with separate programs and the time has come for that. That sort of thing.

G: Is there anything that you'd like to add to this interview?

L: Amen!

G: I want to thank you very, very much.

L: Thank you.

* * * * *

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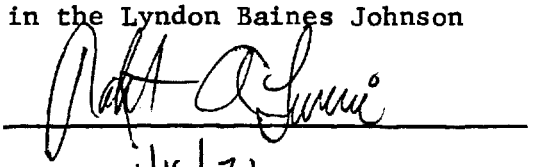
Signed 

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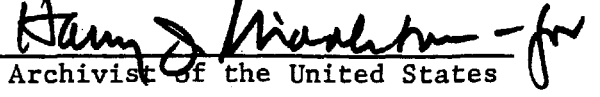
Accepted 
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