INTERVIEW II

INTERVIEWEE: H. Ralph Taylor

INTERVIEWER: David McComb

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PLACE: Washington, D. C.

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T: Do you have copies of the speeches I gave?

Mc: No.

T: You ought to ask my staff, you don't have to get them all, but let me identify--

Mc: I've got the recorder on.

T: All right. But what I did, I wrote these myself, not speech writers. Because the speech writers assigned just weren't good enough in that sense, and I used these as policy speeches to float new ideas and to try to educate both my own staff and cities as to the philosophical directions we were shooting for.

Mc: When are these speeches going to be available?

T: You can get them at HUD, call Kincy Potter, identify yourself, tell her that you and I have been talking and I asked you to contact her. You can call her through 755-7535.

One additional sidelight, and then I'll identify the speeches. There was a policy within HUD that speeches were read by Jay Janis, who was the executive assistant to the Secretary--a very capable guy--just to make sure that the various representatives of the department were all talking one tune. The speeches I'm about to identify he bounced into the Secretary for clearance--he did not object to them, he supported them, but he felt that I was laying down a line for the department in new areas. So that these speeches in effect were read by the Secretary, and I had no problems with them.

Mc: And approved by him?

T: Yes, yes. The speeches I'm talking about were one at the American Society for Public Administration at the end of March 1968, where I spelled out the need for a new delivery system, or changes in the delivery system. The first citizen participation speech followed that in early April at Springfield, Massachusetts. But that one is not quite as important as the one I gave, it's worth reading, but it's not quite as important as the one I gave to the Conference of Mayors at their Chicago Convention in July of 1968. I had said lots of these things before in scattered ways but here I tried to pull them together. Then there was the Dayton speech which was made before a citizen group of five to six hundred people, and I'll give you an anecdote about that in a moment, which was a rundown on where the program stood and what its problems were at the time.

Mc: Were all these speeches about citizen participation?

T: Yes, but also the delivery system, the role of the States, all of these items got in. The Dayton speech [was] the one where I talked to a newly formed citizen organization representative of citizen groups of the various Model Cities neighborhoods and said, "Citizens cannot control the program alone," to them.

Mc: When was the Dayton Speech?

T: September of 1968. Then there was another one, two more. One was a speech before NAHRO, The National Association of Housing and Redevelopment Officials in Minneapolis, in I think late September or early October. Then there was really the farewell speech before the directors of Model Cities programs from around the country.

Mc: And when was that?

T: I think it was November or December, after the election. There's only one other that might be of interest to you; there's a speech in

October before the Urban America and Urban Development Conference where I went after the community self-determination legislation and black capitalism, as the Republicans were describing it. But in all of these I tried to focus on the concept of responsible and responsive government and the changes in structure and attitudes that were needed to get to that.

Mc: You made these speeches all while you were in your conferences with HEW and in meetings in the spring in Califano's office?

T: Yes. The ASPA speech, for example, was a public surfacing of what we were asking the other agencies of the government to do, and it was intended to develop some understanding of the fundamental change objectives of the program. It got a good response in terms of correspondence and calls I got from elsewhere in the government particularly.

Mc: Which one was that, now?

T: The ASPA speech, the Public Administration Society. At the Dayton meeting there was what I considered to be a fascinating episode which I think is typical of this whole difficult business of developing a new kind of relationship between white and black communities. That meeting was an organizational meeting of mid-Western--I don't know what the exact name of it is, but in effect it was an association of citizens organizations involving the Model Cities Program. And Kincy Potter, my press person, had been there ahead of me. When I arrived she met me at the plane, said, "The TV camera is set up inside the airport and they want to grab you as soon as you get in." I said, "Well, what's going on?" She said, "The rhetoric is fantastic. They're talking black power, they're talking control." I said, "What's really happening?" She said, "Well, they're working together very nicely." "And apparently," she said, "in Dayton, many of the elements of the

city and these groups have been working."

So when I got on TV the first question I got was what do I think of all the black power, the sentiment being expressed! I suggested that it was important to differentiate between the rhetoric and the reality, and that the rhetoric's at one level, but what is important is what's happening at the working level. Well, that was driven home to me again by something that happened at the banquet. I was to be the featured speaker; the only other white face on the platform was that of Graham Watt, the city manager, a very perceptive and able guy, a real professional.

Mc: Is that W-A-T-T?

T: W-A-T-T, city manager of Dayton. I was surprised when prior to the time I was introduced, the chairman, a fellow named Roger Prear, made a fifteen minute black power speech and then he introduced Al Thomas, who was a younger man--I don't know whether he has his doctorate in education or just completing the end of his requirements--and he made one of the most magnificent black power speeches I'd ever heard. You know, "black is beautiful, you wouldn't have survived if you weren't strong, given how 'whitey' has treated us," and all that sort of stuff. Thomas incidentally had been vice principal of a high school and I'm told he turned that high school around and made a good school out of it. He did it by taking pictures of George Washington and the others off the wall and putting up pictures of Frederick Douglas, black people who'd done things. He was loaned by the Board of Education to the Model Cities Program to develop the educational component. They paid his salary, but he worked and was responsible to the Model Neighborhood Board.

Well, you had thirty minutes of this stuff, and I got up with a

text that said point-blank "you can't control it, no neighborhood can do it by itself, it's got to involve and work with the rest of the city, the governmental and non-governmental structure because that's where the resources are." But I also took a crack at that rest of the structure, telling them "you can't be paternalistic, you've got to develop new attitudes," etc., it's all in the text. The speech seemed to be received well.

Mc: Was your audience mixed black and white?

T: My audience, I'd say, it was ninety to ninety-five percent black. There were somewhere between five and six hundred people there. Then instead of adjourning the meeting Roger Prear, who was an accountant--he and his brother Paul, Paul is a disbarred attorney and they're very, very able guys, and they had been running this neighborhood organization, not without tension, as these people are not monolithic by any means--anyway, instead of adjourning, Prear said, "A brother from Toledo has an announcement to make." And the brother from Toledo got up and his announcement was the statement that the Mayor of Toledo, a perpetual enemy, had canceled out the renewal program and was threatening the Model Cities Program because he didn't like what was happening with citizens involved. And there was about twenty minutes there in which a parade of people came up to the rostrum to pledge support. The publicly stated issue was not what are the facts or what do we do tomorrow, but do we get into the car now and go to Toledo, which is not far from Dayton, all of us drive to Toledo for an immediate confrontation, or do we wait until morning. And there was, as I said, about twenty-twenty-five minutes of that kind of whipping up.

I sat there just fascinated by it all, and suddenly Prear turned to me, he was standing at the podium and I was seated to his immediate

left, and he looked down at me and said, "You ought to see what position the Secretary takes on this. If he's with us, let him put his hand up in an expression of support. And that audience broke into rhythmic applause like they did after the Kennedy film at the convention. And I sat there, unfortunately I didn't have the presence of mind to look at my watch, it probably was two or three minutes, it seemed much longer. I finally put my hand up and stood up, and the applause swelled--

Tape interrupted

Well I stood up, the applause swelled, and told them that I wasn't standing up to express my support, and then said that they were familiar with the staff of the regional office out of Chicago. Now I relied upon that staff because they were much closer to what was going on in the city than I was in Washington. They knew the staff, they knew Sister Hawkins, whom I referred to in that way because she was there and she was black, and she had been introduced earlier.

Mc: What was her first name?

T: I don't remember.

Mc: Sister was acceptable to them, though?

T: Sister was completely acceptable to them. I think it's Emily, but I'm not that sure. Kincy Potter was there, incidentally; talk to her about this experience. But I could assure them that on Monday morning members of my regional staff would be in Toledo with instructions to report directly and personally to me by telephone as to what the facts were. I sat down to a very good hand and I thought I had it made. Roger Prear got up and he said to this group, in effect, "You're not going to get anywhere if you buy that kind of porch talk. What did he promise you? What kind of support did he express for you? All he did was say he'd send some people up Monday to investigate, that's the usual

kind of double-talk." Then he scolded his audience for having applauded my reply, then adjourned the meeting! You know the usual milling around on a platform after a meeting suddenly adjourns. Al Thomas came up to me and said, "I hope you don't mind what Roger and I had to say, that's the way we hold our people." I thought it was a very, very significant experience.

I spent quite a bit of time with Roger and Paul later, and with the city manager. This story illustrates the two levels of rhetoric and reality, and it also illustrates the problems that the white community leadership has for this--first, understanding it and, second, avoiding the backlash of people who don't understand it. Graham Watt, the city manager, has problems with this. He understands it. He's got men on his council who either don't understand it or choose not to understand it because their constituency is frightened by it. And that's the kind of tension and pressure that exists in this or in any other program that attempts to develop a new kind of relationship between the community--the black community and city. I went into this--I won't say I went into it convinced--I had not had that kind of experience; I came to that job out of a physical development background. But in the course of thinking through the program and working with people it became clear to me that Model Cities could not succeed if it was looked at as another manipulation and consent kind of program, and a public hearing kind of thing, where the professionals did the planning and you spread it out before people to ratify, and then you engineered their consent by the nature of the support you developed prior to the public hearing, which is the historic way the Renewal Program had operated. So I spent a great deal of time and a great deal of thought on the nature of the citizen participation program.

We deliberately did not issue the regulation that you would find in something called CDA-3--it's a CDA letter--

Mc: CDA meaning what?

T: City Demonstration Agency. This is just our jargon for the document we put out. That letter is on one sheet of paper printed on two sides and that's the policy statement. We found when we received the applications for the first planning advances a tremendous range and variety of citizen participation, most of it nonexistent or old style. The law doesn't say maximum, it says widespread, and it doesn't define what citizen participation means. It talks of citizen participation and it talks of the citizens' benefiting from the employment and training, so we read that as saying they wanted both. But how do you achieve it?

At that moment in time OEO had been operational for a number of years and OEO by and large had become a confrontation agency, separate from city government, that believed "you will achieve your objectives by a) putting pressure on and, b) creating counter institutions." And there was a very strong movement that still exists for local groups being directly funded by the federal government, being able to bypass the city. Now that ran counter to the philosophy that we developed on the operational side, that I had expressed earlier, that unless you can tie in the existing funding sources and the existing capacities with the new monies, you're not going to have enough; you're not going to get enough new money to do the job which means you have to redirect and make more responsive the use of the old money.

So the first decision was that we would operate directly through the city and we would fund only the city government. Once we made that decision, the issue then became well, if you're doing that, how do you

get citizen participation? And we fought--I say "we," this issue was fought out over a long period of time, we fought it out in a review of the applications, we talked about it in a number of meetings, and I say "we"--it was basically Nick Farr and myself, backed by a couple of staff people, who talked to the OEO people, Community Relations Service people, with HEW having a peripheral interest, and Labor not really being involved or concerned in any significant way. And OEO and CRS were pushing for us to use the CAP structure and the CAP pattern. We kept that dialogue going for a long time, because I used it as a learning experience. Finally we were down to a couple of major issues, we were down to the issue of whether there should be any alternative to direct funding only the city, some form of direct funding. I can't remember the exact wording of what was in dispute, but anyway we resolved it and that was issued.

The policy statement was fairly simple. There's got to be a citizens structure, an organizational structure, you can't deal with atomistic individuals. The form and nature of that structure is a local decision. Whatever that form and nature, the structure must have access to and influence on the development of policy. The nature of that relationship has to be negotiated out locally. It should have technical assistance that it can rely upon, it should be accepted by the community. Now these are quite pious statements and they are sufficiently general so that a tremendous amount depends inevitably on the attitude of the people administering it.

Mc: Did it work?

T: In some cities yes, and some cities no.

Mc: Where did it work?

T: Let me answer your question in this way. I can't say that it worked

in any community where you had a militant black organization and already had a tremendous background in confrontation. I can't say that it worked smoothly. In many communities new elements were brought into the process, it broke out of the control of what Bud Karmin in a very good Wall Street Journal article on Detroit called the Poverty Ladies. Where the Mayor really took it seriously, it worked quite well, because, as in Dayton, you had a citizens' committee and people from the School Board who took the kind of look at the school problem that had never been taken in that community before. And that people in the neighborhood felt, "well now, for the first time we are being listened to." And it worked where there evolved a sense that there was some real power in the neighborhood, power in the sense of the ability to block. One of the real problems of citizen participation is that it can be a negative factor much more easily than it can be a positive factor that will move things forward. And to assume that you're going to make the dynamics of that kind of process work easily or quickly is just not a valid assumption. I think by and large the process has worked in many more communities than it has been a failure in; I think that it has given people of the neighborhood some sense that they're listened to; I think in some areas it's captured by black separatists, and I think in those communities anything that was proposed would have been. What is needed is a means of keeping the pressure on the process to make it broaden out.

Jim Sundquist of Brookings is writing a book about coordination and I reviewed a chapter on citizen participation last week. And Sundquist, I think, carries it forward another step, he says you might as well recognize that that neighborhood structure can't serve both the neighborhood and the city coordination function; that the tensions

there are too great. He said that we have been moving toward it, and maybe we have because we'd issued something called technical assistance bulletin three, which is on the subject of citizen participation--it's learning from our early experience and it comes down rather hard on the concept that the citizens ought to have some money, which they can use to hire planning consultants, not a duplicate staff, but consultants whom they trust to advise them and help them. Not a duplicate planning staff, because that to me is just another controversy kind of thing and doesn't work. What you've got to develop at the city level is a pattern in which the official agency people and the neighborhood people are talking, so that the agency people understand what the real concerns are, understand whether the things are working and not working. After you've got a health center out there, it might not be worth a damn if the attitude of the people running that health center is such that they don't treat with dignity and respect the patients that come in.

Now the guy sitting downtown and looking at a map that says health center, he's never going to know that unless there's a feedback from the consumer. What we were trying to do was to move cities into creating structures that would give them that feedback. Now if the city is going to say, here's a new kind of health pattern that we want, to expect that citizen group to have the capacity to respond to it is unrealistic. If the citizen group and the city people have the necessary empathy for each other, if they've been working together and they trust each other, maybe the citizen group will accept it. But that's also rather unreal today, so that what we ended up with saying is that "you might be able to move things ahead more constructively if you'll let the citizen group have some money that they can spend under their

control, i.e., for people of their choice, to look at this proposal or to come up with alternatives, it has the risk that you'll start getting advocates who are more interested in presenting a proposal than in having something work but I don't know how you avoid that risk."

Mc: The citizen group would make the proposal then. How would you audit that, for example? Is that a problem?

T: Yes, it is.

Mc: You just can't give them money and say spend it.

T: No. We had great problems with that. One of the things that we tried to do is--in fact we came out on the administrative side with a requirement that if money were given to the citizen groups they would be subject to the same audit standards. The key to us was that they had the choice on who the man was to be, but if they were hiring a consultant, the procedure by which he got put on the payroll and the nature of the payments and the way they spent money overall had to fit into accepted patterns. There was a great objection to this on the part of the militants. We cannot live with it any other way. The kind of social change program that Model Cities is is extremely vulnerable to the excesses and to the backlash that those excesses encourage.

Mc: Now how is this citizen participation different from OEO?

T: Basically in two ways. Number one, we said the city and the neighborhood had to work together, there was no way the neighborhood could get direct funding. Second, participation was a neighborhood thing, not a poverty level thing. I always felt that when you're dealing with the problems of the ghetto, to say that the only people who have any real concern are those with incomes of under $3,000 is wrong. It

was broader based. Philosophically, at least in the direction we gave it, it didn't always happen that way. The push was cooperation so that things would happen, not confrontation.

Mc: Did you get much objection from small cities in the lack of attention paid to them? It would seem that Model Cities is a big city program.

T: Some of the most successful are small cities. No, I don't remember the figures on it. You can get these from Kincy. But I think you'll find of the first one hundred fifty cities a good thirty percent are cities under 100,000, maybe more than that, and we had a number of cities down under 10,000. And not just those where key congressmen--

Mc: The idea then of using a city, a particular city, as a model hadn't shifted, this is really a program to help possibly most American cities.

T: The task force concept was to pick out a half-dozen cities and funnel a great deal of money into those cities--

Mc: And to make them in effect models, demonstration cities.

T: That's right. That concept went out during the legislative process. If you read both the law and the record on this you'll find specific instructions to us to get cities of all sizes in all parts of the country, just as specific as that, so what in effect it became was sort of a demonstration of how concentration, a new kind of local planning process backed by responsiveness at the federal level, aided by flexible money, what that kind of combination could do with respect to a variety of urban type problems, even if the urban type problems seemed suburban or semirural. Because I think increasingly this country is beginning to recognize that the problems of Chicago and New York are not going to be solved in Chicago and New York alone. They're going to be solved in what's done to make rural areas and road

centers more attractive to keep the people flood from inundating New York and Chicago.

Mc: Was there any special concentration on Washington, D.C.?

T: Yes. The Washington application was an absolute catastrophe. There's no reason in the world to have funded Washington, in terms of a) the quality of its application, and, b) its demonstrated incapacity as a government. When we funded Washington, we differentiated--Weaver differentiated in his press conference between Washington and the other cities. We said we're funding the others on the basis of their application and what they've shown in capacity and commitment; we're funding Washington because they're reorganizing the government and because the national capital ought to benefit from it.

Washington--a little story on Washington I think is symbolic of the way the government had operated. We went to a meeting of the Bureau of the Budget in early April 1967, less than thirty days before the date for submission of the application. I say we were invited, but a lot of the heads of the local government fiefdoms in Washington were also there. And that was the first time they had seen the application. It wasn't in draft form, it was pretty damn well done. What I thought was beautifully symbolic about it was that the Budget Bureau, the Executive Office Building Room where this meeting took place was the Indian Treaty Room, and I thought it was appropriate because what you were trying to do in that meeting was get a treaty between heads of competing tribes, if you will. No reason whatsoever for Washington to have been funded on the basis of either past performance, its organizational structure or anything else; it was funded in terms of futures.

Mc: Who promoted this then?

T: Well, it was just obvious that with the concern for the District of

Columbia, it came from a number of sources.

Mc: President Johnson had expressed--

T: There was White House pressure for it, the President--we worked closely with Steve Pollock, he was very much interested for the President. And Weaver got it--Natcher, who was head of the District Appropriations Subcommittee, a congressman from Kentucky, let Weaver know he expected the District to be funded. So we got it from all sides.

Mc: Did the change in the D.C. government help any?

T: Well, it would have been an absolute catastrophe without it. It hasn't succeeded with the change yet, but they took a long time. Now I must say that the federal government is responsible for some of the District problems. We have funded more competing neighborhood groups, I say "we," the federal government has funded more competing neighborhood groups in Washington without rhyme or reason or sense. The District picked its own area, they didn't lay the Model Neighborhood over any of the existing structures so that it included all of that structure. They overlaid it. If you put a map overlay, a series of overlays on a map you'll see an absolutely confusing pattern where various groups have parts of the Model City turf and not other parts of it, and they are all fighting for survival.

I had indicated earlier that OEO was beginning to move toward the neighborhood corporation device, something that you can see coming out rather strongly in the testimony of Milton Kottler of the Institute for Policy Studies here in Washington, before the Ribicoff committee. He pushed hard the Ecco Neighborhood Cooperation Model in Columbus, Ohio. Ecco's been a failure, and has been recognized as such today. But what they did, and I think this is a tendency that the social

scientists have rather generally, they come up with an idea; then they push it as the model before it's been tested enough for anybody to tell whether their theorizing has validity. You can see this in the history of Ecco, if you read Kottler before the Ribicoff committee and read as to what's happened to Ecco since then.

I see the same thing happening with the concept of a community development corporation. I referred to that in an October speech. I have just read a series of papers that the Harvard group on technology and society under Professor Mesthene had published in January of 1969. There's some discussion of the failure of Ecco there, and that's an honest piece of writing. These people who have been promoting the Neighborhood Development Corporation admit that there are lots of problems. "We don't know if it's going to work, but we still think it ought to be the favored way." Well, I resisted pressure in 1967 to amend Model Cities to force us to earmark a percentage of the supplementary funds so that they could go only to Ecco-type neighborhood corporations. I agreed with the Senate committee staff that this was a perfectly valid use of funds under the Model Neighborhood Program, but that if they bought my argument, that to earmark, give priority to that kind of use, would be to put the federal imprimatur on this as the chosen path, but it's that kind of thing that's happening all the time in these programs. You talk about this being a program where there is a great deal of local flexibility and local freedom and then somebody wants to get their pet idea or their pet theory in, and so the way to do it is to have it written into national legislation and national policy. We pretty successfully resisted any earmarking, any national priorities, any attempt to whittle away at the local flexibility, which brings me down to this last question.

The Model Cities supplementary money is a new kind of federal-local grant relationship where the money is available for use for any local priority purpose that can be shown to relate to the national objective, which is to improve the conditions of life. They can't just use it to reduce their tax burden. They can't just dust it around anywhere over the entire city. The money has to be used in response to a local planning process that will identify the kinds of problems that the Congress is concerned about alleviating. But within those parameters, the design of the way the money's going to be used is completely flexible.

Now what we had done administratively is to say that "you can't use this money where you can get grant money unless you show us why the grant money can't be used." The objective of that was to avoid a situation where it just becomes easier to use this than to try to make changes in the existing institutions. If they want to use this for a health system, instead of tieing into the city health system, they've got to answer questions and tell us and tell the city. The people who propose this have to be willing to stand up publicly and say that "We're going this route because that institution is not responsive, it's not capable." Because the objective is not to create new funding patterns, the objective is to use this as leverage money to make the existing funding patterns, the existing programs much more capable. And if they can't be made capable and responsive, only then you create something new.

That's a very sophisticated idea, and I think it's substantially different from what OEO had. And it's a very difficult kind of thing to carry out. I was very pleased, and Sundquist had visited a number of cities, said so in these chapters I read, and Jim came to the

conclusion that one of the problems was that the planning time was far too short, which it is, but that the people he'd been talking to in the cities said, "Well, this is a start. We can be doing things in this first year the planning is supposed to continue. We know where a lot of the problems are that we haven't been able to handle. Over the course of the next year or two we'll be improving our capacity," and this is exactly what we had in mind.

We spelled out a planning process that we knew at the time we required it we'd be fortunate that five percent of the cities could meet it. And we made the deliberate decision to go high-sights. We made the deliberate decision to set up a planning process that would stretch them, that they couldn't meet, feeling that if we got them moving in that direction in year two or three we'd be further along than if we'd set the sights much lower and then had to try to raise them. Now this is politically more risky, as you are annoying more people, people will be frustrated at inability to do it, they might not see it; whenever you set a target you can't meet you're open to criticism. We deliberately set the high-sights policy.

We also set one other thing that is at this moment of time giving the Republicans more trouble than any other single point. We faced the problem, we asked the cities to plan in terms of known resources. You take the language of that legislation, and they're supposed to come up with a program that over a five-year period will make a substantial impact on what are literally the basic urban problems today. Could we ask them to make an impact at the level of funding that was then available? There's a great deal of pressure on this, a great deal of concern expressed by Dwight Ink the assistant secretary, for example.

But traditionals did not like it. I wrote a memorandum to Bob Weaver, which went to Weaver and Wood. I sent him the language that we proposed to put in the planning guide and I highlighted the issue, I spelled it out and made my case. I received a phone call from Weaver the next morning. He'd read it, he'd studied it, and he agreed with me; however in the language I suggested this one little detail might leave me open to criticism--now here was some alternative language that he thought would be easier for the Congress to swallow. It did not change the substance of what we were trying to do one iota. He read me the alternative language over the telephone. He had done his homework to that extent, and I was very impressed. It wasn't the first time and it wasn't the last time, he worked very hard. But the policy that we came out with was that the plan for year one should be in terms of known resources, and we would try to change the federal government's way of operating so that they'd tell what the resources were. And we in turn allocated our money on a formula, a combination of population and of poverty indices, so that cities would know exactly how much money they'd get from us well before their application. We tried to get the rest of the government to do this, but we said "after year one the only constraint should be your ability to handle your end of it and your commitment." As a result you've got city hall and neighborhood beginning to try to do the complete job. Mayors got very nervous, and with some justice, because they had no faith in the commitment of the federal government ot deliver. But they were already into the ball game and there wasn't a hell of a lot they could do, because our instructions went to citizens--the people in the neighborhoods knew them too. And my pitch to the mayors was very simple, "Yes, it is a risk, but unless somebody tries to put down what the scope of the

job to be done is, you're never going to have the information you need to make the case for the proper share of resources for the urban problem." Any by and large mayors bought it.

Right now, Arthur Burns in the White House is still holding up the Model Cities Program. I don't know today whether or not they're going to kill it. There must be ten or twelve contracts sitting on Romney's desk--he hasn't signed a contract with any of the cities that we approved in December and January, because he doesn't want to sign them until he knows there's a program. And the issue is cost. Now they're talking about cost of program, but if you read this as I read it, as the development of a process, a planning process between responsible government and neighborhoods that are given some capacity to understand what the issues are and to come up with their ideas and to relate to the government, this isn't a "do we provide a billion dollars for dam building" or "do we provide a billion dollars for building houses." This is "what kind of money do we provide plus the range of programs that relate to the solution to the urban problem. How much flexible money do we provide." And what this does through its planning process, through both the high-sights and the no constraints policy decisions that were slipped in there very quietly--we didn't pull the wool over anybody's eyes, as I said, we specifically alerted the department to the implication of what we were doing--that what we have done with this in effect is to set the urban issue out front in a dollar point of view. And that process, that identification of problem, that change in the way federal and state governments should relate to the city and in the way the city should relate to the neighborhood, this is what the Model City program moved into and tried to become.

Mc: Now did you try to explain all of this to the incoming Nixon Administration?

T: Yes.

Mc: Did they understand what you were talking about?

T: The man they selected--Floyd Hyde, former Mayor of Fresno, had been on several programs with me and I liked and respected Floyd Hyde. I had the good fortune to have the only guy in the department with whom this kind of indoctrination could take place. The FHA guy hasn't been appointed yet, so obviously Phil couldn't indoctrinate a successor; the HAA guy was appointed well after Don Hummel left Renewal; Charlie Haar was never here to talk to his successor.

T: But in your case, the transition--

Mc: The transition was a classic. I had the opportunity to spend a number of hours with him personally; I then brought in Nick Farr and top staff; we then set up formal briefing sessions, where he had an opportunity to meet and to question and to hear, not the whole Model City staff as a staff but each segment of it was involved in a two-hour briefing process. And we went through the entire operation, from operations to evaluations.

Mc: Did you do this on orders from the Secretary, or did you do it on your own?

T: No. There was a request--this came from two directions. When we were given our thirty day notice on January 8 to leave February 7, he asked us to brief, he said one of the objectives I have in mind is briefing. Then when Floyd Hyde was named, I knew it before the announcement was made and mutual friends at the League of Cities and Conference of Mayors asked me to cooperate especially with him. They said "he respects you and would be very grateful for this kind of thing." I like him. We

saw him socially, as well as professionally, and I did my best. As a result, he fought for and has kept both Farr as Director and Buggs as Deputy Director, despite great White House pressure to clear them out to make jobs for Republicans.

The resolution of this issue of whether or not they'd go because they'd been given letters of dismissal occurred on the day the letters were to be effective. They stayed because Floyd Hyde asked them to stay and said "I'm going to be able to work it out." But he wasn't able to work it out through Romney and the White House until the very last day. But the staff likes him; there has been no out-movement of staff. We were able to turn over a functioning organization to him and turn it over on a basis where he moved in with my blessing and endorsement, which I gave both publicly and privately, so that in that sense it was a classic transition.

Mc: All right now, is there anything that I should ask you about that I haven't asked you about, or any statement or comment you wish to make? Have we fairly well covered your activities?

T: I think we have, except perhaps on one point that relates to the view of Model Cities that I've expressed at the end, and except for an evaluation and how that end of it fitted in.

We had a meeting all day Saturday, early one Saturday in early December, to talk about what recommendations for change in the program we might make to the new administration. I wrote a briefing paper which went to Romney and which I made sure, when Hyde came on board, the Romney staff had not made this available to him, so I gave him a copy, which talked about many of the basic issues that we've been discussing here. I gave recommendations, so I had it to him in writing also.

One of the things the Republicans are now playing with is the

concept of making this city-wide instead of neighborhood-wide. They think that this will dilute the black power pressure. From a practical point of view, local mayors have great problems in focusing a lot of money in one area when there are other areas that may be almost as bad, almost as much in need, that don't get the benefit, so that both the concern about citizen participation and the political concern are behind the move to expand it. Well I recommended expansion, I even gave them a formula as to how to do it, which is they ought to permit expansion to all the poverty areas of the city as soon as the city has demonstrated by the way it's carried through a planning process in the neighborhood that it's got the capacity to do it. I said, "That has the advantage of postponing by a year the pressure for the kind of money that expansion will require while holding out hope, and you can get away with it." That's one of the issues that's now tied up in the future of the Model City Program. But I also said that unless there were resources commensurate with that expansion, forget it. You can't do this by waving a wand, it's going to take bucks. I said, too, that "you can't permit some cities to have it in all areas, while other cities are kept out of the program, so that the minute you're going to talk about making it city-wide anywhere, you'd better be prepared to have this an an open ended program which cities can get into by qualifying."

Now, if you do those two things you've converted this from a demonstration program to a kind of bloc grant tied to a local planning process with the only restriction on the money being that it go to solve the problems that the Congress determined to be the priority problems--education, health, housing, etc. You move away even further from the concept of a half-dozen demonstration cities; forget the

demonstration end, it's really something else. And that issue is alive, very much alive, and we were facing it.

Mc: It still hasn't been resolved?

T: No. We were in no position to resolve what was going to happen for them, but at least we had thought it through and we gave them an analysis of it, and some recommendations.

Another thing that we were working through and that you couldn't really analyze and understand until such time as you had some plans in, because nobody could visualize what a local plan was going to be, Atlanta came in with seventy-eight different uses for Model Cities supplementary funds. Now historically when federal funds are given out, you know, not federal money through a state, they are given out in response to a budget, a work program, and all the rest of it. Well, you multiply seventy-eight or eighty separate uses for this money by seventy cities and we would have fifty-six hundred budgets to look through. A hundred and fifty cities over 10,000! Well it became very apparent that we don't have the staff capacity, and that question was raised, should we have the staff capacity! What should the relationship and the recipient? Well, we tried to compromise at first. We sent a staff guy to Atlanta and he put those seventy-eight together in eight or nine or ten families of projects. You see, our procedure said you could shift money between projects, programs or activities provided it doesn't exceed twenty percent of the budget of that activity. If it does exceed twenty, then you've got to come in and get approval. That was the historic way to do it. Well the minute we did it in ten families we approved the budget, let's say, for Manpower; we immediately stopped being concerned about the subbudgets in the six or eight or ten kinds of manpower activities which gave them much more flexibility, but

which cut down what we were doing. And Atlanta was delighted.

Mc: That worked?

T: They were very happy. But it didn't solve the problem, it didn't answer the real question of what should the nature of the relationship be. As I left we were playing with the question of whether the thing to do might not to be to say, "Here, they've got to describe in their plan the kinds of things they're going to use the money for. Then we ought to say, they ought to certify to us their budget organizational structure, the administrative management kinds of things in their file available for audit and we ought to give them the money on that certification. What they ought to then do is have an audit kind of operation to keep them administratively honest and to prove their capability." And we figured we'd be risking too much even with that unless we greatly improved our monitoring and technical assistance capability.

That then is creating a new kind of federal-local relationship that doesn't attempt to double check or supplant local judgment but is there to give the local people help in terms of the kind of knowledge, the kind of greater information about what's happening in this field, that federal people should have as compared to local people simply because there are more streams of knowledge coming in. Now Floyd Hyde was very much for that.

I have hopes that if this program continues this will be the nuts and bolts implementation of the general statement I made that it's a new kind of federal grant program that, in effect, is an alternative to the concept of just give the local government or state government more money, by saying that you are requiring that they focus on those problem areas that are of concern to the Congress, that they come up

with and identify what they are doing in terms of what their objectives are. We're going to try to eliminate ten percent of the substandard housing in year one, and whatever their objective might be, in that there be a built-in evaluation component and technical assistance component, we're requiring that they evaluate their own success or failure with reference to their own objectives which we've asked them to quantify as best they can in the Model City planning porcess. And we in turn have got a number of contracts out with university groups by and large to go in and see how things work and why, and why they don't work. So in that sense we did use it, and we have been using all along, as a demonstration process, a learning process, a tool and focus to try to get change.

This kind of understanding of what we were trying to do very rarely got into the press, it doesn't have the sex appeal for the press. I talked to John Herber, I talked to Vince Burke of the Times, I talked to Stout of Newsweek. They understood it, they were for it, and we got very sympathetic reporting, but they never got into this kind of thing because it's very difficult to describe it in simple dramatic terms, interesting terms. So that there's still the view that we ought to be making massive, physical change. We didn't look at it as a physical change in the first instance, we looked at it as a social change, institution-building instrument, and I think in that sense the contribution of this program is going to have to be judged.

Mc: With that statement maybe we should end the interview. Thank you very much.

End of Tape 1 of 1 and Interview II

of some other nation than it is to blame things around your own home.

P: With your near seventeen years of contact with the Johnsons and the First Family, how do you think they will be remembered?

T: I don't know; that's hard to judge because I know I'm biased; I know I cannot give a completely objective opinion. But I think all four of them will be dealt with kindly by historians.

P: Are there any events that we have not discussed that I should ask you about? Things that have left strong impressions with you over the years?

T: I don't think of any right now. If you think of things later, I'm always here.

P: I want to thank you very much. You've been most cooperative and helpful.

T: I've enjoyed it; I just wish I had been more the center of things and could have given you more accurate history.

P: Telling a little about what happened and who was there is helpful. Thank you.

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