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letter	The President to James Rowe with attached memo (original is in Ex FG 170)	9/17/65	C

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gab/

Thursday, August 26, 1965

EXECUTIVE

76 997-6

MEMORANDUM FOR BOB HARDESTY: (EON)

Here's a new page 8 for the Cabinet Department draft which works in some credit for Ray Nasher, who has been most effective in connection with International Cooperation Year efforts in the Urban Development area.

Perry Barber

And today our nation and its people have that department.

We are all aware by now of the importance of this new instrument of government to our own country. But I would also like to stress the importance to our friends and neighbors throughout the world. Urbanization is not restricted to our nation or to those of Western Europe. Growth and change have altered the texture of all nations, including those which have come into being in the last two decades. We are mindful of this fact, and of the opportunity we have to help one another in the difficult and exciting years ahead.

On October 2, 1964, I spoke to a group of distinguished Americans of a very old and honored American interest, that of fostering international cooperation instead of international conflict. And I then proclaimed 1965 ~~1966~~ as International Cooperation Year in the United States. I asked that we explore every conceivable approach and every avenue that could lead to peace. I called it then and I consider it now the assignment of the Century.

Among the many committees, formed from both the private and public sectors of our society, and with the invaluable cooperation of the United Nations Association, was an Urban Development Committee.

Thus it pleases me that a fellow Texan is one of the chairmen of that committee. That is Ray Nasher of Dallas who I am glad to say is here today.

We are to meet and receive the recommendations of these committees in a White House Conference from Nov. 29 to Dec. 1 of this year.



Public Law 89-174
89th Congress, H. R. 6927
September 9, 1965

EXECUTIVE

76 170

An Act

79 STAT. 667

To establish a Department of Housing and Urban Development, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Housing and Urban Development Act".

Department of
Housing and
Urban Develop-
ment Act.

DECLARATION OF PURPOSE

SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of our people require, as a matter of national purpose, sound development of the Nation's communities and metropolitan areas in which the vast majority of its people live and work.

To carry out such purpose, and in recognition of the increasing importance of housing and urban development in our national life, the Congress finds that establishment of an executive department is desirable to achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's communities; to assist the President in achieving maximum coordination of the various Federal activities which have a major effect upon urban community, suburban, or metropolitan development; to encourage the solution of problems of housing, urban development, and mass transportation through State, county, town, village, or other local and private action, including promotion of interstate, regional, and metropolitan cooperation; to encourage the maximum contributions that may be made by vigorous private homebuilding and mortgage lending industries to housing, urban development, and the national economy; and to provide for full and appropriate consideration, at the national level, of the needs and interests of the Nation's communities and of the people who live and work in them.

ESTABLISHMENT OF DEPARTMENT

SEC. 3. (a) There is hereby established at the seat of government an executive department to be known as the Department of Housing and Urban Development (hereinafter referred to as the "Department"). There shall be at the head of the Department a Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary"), who shall be appointed by the President by and with the advice and consent of the Senate. The Department shall be administered, under the supervision and direction of the Secretary. The Secretary shall receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments.

Appointment of
Secretary.

(b) The Secretary shall, among his responsibilities, advise the President with respect to Federal programs and activities relating to housing and urban development; develop and recommend to the President policies for fostering the orderly growth and development of the Nation's urban areas; exercise leadership at the direction of the President in coordinating Federal activities affecting housing and urban development; provide technical assistance and information, including a clearinghouse service to aid State, county, town, village, or other local governments in developing solutions to community and metropolitan development problems; consult and cooperate with State Governors and State agencies, including, when appropriate, holding informal public hearings, with respect to Federal and State programs

Duties.

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for assisting communities in developing solutions to community and metropolitan development problems and for encouraging effective regional cooperation in the planning and conduct of community and metropolitan development programs and projects; encourage comprehensive planning by the State and local governments with a view to coordinating Federal, State, and local urban and community development activities; encourage private enterprise to serve as large a part of the Nation's total housing and urban development needs as it can and develop the fullest cooperation with private enterprise in achieving the objectives of the Department; and conduct continuing comprehensive studies, and make available findings, with respect to the problems of housing and urban development.

(c) Nothing in this Act shall be construed to deny or limit the benefits of any program, function, or activity assigned to the Department by this or any other Act to any community on the basis of its population or corporate status, except as may be expressly provided by law.

UNDER SECRETARY AND OTHER OFFICERS AND OFFICES

Under Secretary.
Assistant Secretaries.
Appointment.

Federal Housing
Commissioner.

Assistant Secretary for Administration.

Director of
Urban Program
Coordination.

SEC. 4. (a) There shall be in the Department an Under Secretary, four Assistant Secretaries, and a General Counsel, who shall be appointed by the President by and with the advice and consent of the Senate, who shall receive compensation at the rate now or hereafter provided by law for under secretaries, assistant secretaries, and general counsels, respectively, of executive departments, and who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time. There shall be in the Department a Federal Housing Commissioner, who shall be one of the Assistant Secretaries, who shall head a Federal Housing Administration within the Department, who shall have such duties and powers as may be prescribed by the Secretary, and who shall administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market.

(b) There shall be in the Department an Assistant Secretary for Administration, who shall be appointed, with the approval of the President, by the Secretary under the classified civil service, who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time, and whose annual rate of compensation shall be the same as that now or hereafter provided by or pursuant to law for assistant secretaries for administration of executive departments.

(c) There shall be in the Department a Director of Urban Program Coordination, who shall be designated by the Secretary. He shall assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of the programs of the various departments and agencies of the Government which have a major impact on community development. In providing such assistance, the Director shall make such studies of urban and community problems as the Secretary shall request, and shall develop recommendations relating to the administration of Federal programs affecting such problems, particularly with respect to achieving effective cooperation among the Federal, State, and local agencies concerned. Subject to the direction of the Secretary, the Director shall, in carrying out his responsibilities, (1) establish and maintain close liaison with the Federal departments and agencies concerned, and (2) consult with State, local, and regional officials, and consider their recommendations with respect to such programs.

TRANSFERS TO DEPARTMENT

SEC. 5. (a) Except as otherwise provided in subsection (b) of this section, there are hereby transferred to and vested in the Secretary all of the functions, powers, and duties of the Housing and Home Finance Agency, of the Federal Housing Administration and the Public Housing Administration in that Agency, and of the heads and other officers and offices of said agencies.

(b) The Federal National Mortgage Association, together with its functions, powers, and duties, is hereby transferred to the Department. The next to the last sentence of section 308 of the Federal National Mortgage Association Charter Act and the item numbered (94) of section 303(e) of the Federal Executive Salary Act of 1964 are hereby repealed, and the position of the President of said Association is hereby allocated among the positions referred to in section 7(c) hereof.

(c) The President shall undertake studies of the organization of housing and urban development functions and programs within the Federal Government, and he shall provide the Congress with the findings and conclusions of such studies, together with his recommendations regarding the transfer of such functions and programs to or from the Department. Notwithstanding any other provision of this Act, none of the functions of the Secretary of the Interior authorized under the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) or other functions carried out by the Bureau of Outdoor Recreation shall be transferred from the Department of the Interior or in any way be limited geographically unless specifically provided for by reorganization plan pursuant to provisions of the Reorganization Act of 1949 (63 Stat. 203), as amended, or by statute.

Repeals.

68 Stat. 620.

12 USC 1723.

78 Stat. 421.

5 USC 2211.

Report to

Congress.

16 USC 4601-4

note.

5 USC 133z note.

CONFORMING AMENDMENTS

SEC. 6. (a) Section 19(d)(1) of title 3 of the United States Code is hereby amended by striking out the period at the end thereof and inserting a comma and the following: "Secretary of Health, Education, and Welfare, Secretary of Housing and Urban Development."

62 Stat. 677.

(b) Section 138 of the Revised Statutes (5 U.S.C. 1) is amended by adding at the end thereof:

"Eleventh. The Department of Housing and Urban Development."

(c) The amendment made by subsection (b) of this section shall not be construed to make applicable to the Department any provision of law inconsistent with this Act.

ADMINISTRATIVE PROVISIONS

SEC. 7. (a) The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, or other funds held, used, arising from, or available or to be made available in connection with, the functions, powers, and duties transferred by section 5 of this Act are hereby transferred with such functions, powers, and duties, respectively.

Transfer of
personnel,
assets, etc.

(b) No transfer of functions, powers, and duties shall at any time be made within the Department in connection with the secondary market operations of the Federal National Mortgage Association unless the Secretary finds that the rights and interests of owners of outstanding common stock issued under the Federal National Mortgage Association Charter Act will not be adversely affected thereby.

Restriction.

68 Stat. 622.

12 USC 1716 note.

Compensation of
personnel.

78 Stat. 419.
5 USC 2211.
Delegation of
authority.

Repeal.
68 Stat. 623.
42 USC 1451.
60 Stat. 810.
5 USC 55a.

Working capital
fund.

Seal.

(c) The Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including attorneys, as shall be necessary to carry out the provisions of this Act and to prescribe their authority and duties: *Provided*, That any other provision of law to the contrary notwithstanding, the Secretary may fix the compensation for not more than six positions in the Department at the annual rate applicable to positions in level V of the Federal Executive Salary Schedule provided by the Federal Executive Salary Act of 1964.

(d) The Secretary may delegate any of his functions, powers, and duties to such officers and employees of the Department as he may designate, may authorize such successive redelegations of such functions, powers, and duties as he may deem desirable, and may make such rules and regulations as may be necessary to carry out his functions, powers, and duties. The second proviso of section 101(c) of the Housing Act of 1949 is hereby repealed.

(e) The Secretary may obtain services as authorized by section 15 of the Act of August 2, 1946, at rates not to exceed \$100 per diem for individuals.

(f) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of economy and efficiency in the Department, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; office space; central services for document reproduction and for graphics and visual aids; and a central library service. In addition to amounts appropriated to provide capital for said fund, which appropriations are hereby authorized, the fund shall be capitalized by transfer to it of such stocks of supplies and equipment on hand or on order as the Secretary shall direct. Such fund shall be reimbursed from available funds of agencies and offices in the Department for which services are performed at rates which will return in full all expenses of operation, including reserves for accrued annual leave and for depreciation of equipment.

(g) The Secretary shall cause a seal of office to be made for the Department of such device as he shall approve, and judicial notice shall be taken of such seal.

ANNUAL REPORT

SEC. 8. The Secretary shall, as soon as practicable after the end of each calendar year, make a report to the President for submission to the Congress on the activities of the Department during the preceding calendar year.

SAVINGS PROVISIONS

SEC. 9. (a) No cause of action by or against any agency whose functions are transferred by this Act, or by or against any officer of any agency in his official capacity, shall abate by reason of this enactment. Such causes of action may be asserted by or against the United States or such official of the Department as may be appropriate.

(b) No suit, action, or other proceeding commenced by or against any agency whose functions are transferred by this Act, or by or against any officer of any such agency in his official capacity, shall abate by reason of the enactment of this Act. A court may at any time during the pendency of the litigation, on its own motion or that of any party, order that the same may be maintained by or against the United States or such official of the Department as may be appropriate.

(c) Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. All rules, regulations, orders, authorizations, delegations, or other actions duly issued, made, or taken by or pursuant to applicable law, prior to the effective date of this Act, by any agency, officer, or office pertaining to any functions, powers, and duties transferred by this Act shall continue in full force and effect after the effective date of this Act until modified or rescinded by the Secretary or such other officer or office of the Department as, in accordance with applicable law, may be appropriate. With respect to any function, power, or duty transferred by or under this Act and exercised hereafter, reference in another Federal law to the Housing and Home Finance Agency or to any officer, office, or agency therein, except the Federal National Mortgage Association and its officers, shall be deemed to mean the Secretary. The positions and agencies heretofore established by law in connection with the functions, powers, and duties transferred under section 3(a) of this Act shall lapse.

SEPARABILITY

SEC. 10. Notwithstanding any other evidence of the intent of Congress, it is hereby declared to be the intent of Congress that if any provision of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances, but shall be confined in its operation to the provision of this Act, or the application thereof to the persons and circumstances, directly involved in the controversy in which such judgment shall have been rendered.

EFFECTIVE DATE AND INTERIM APPOINTMENTS

SEC. 11. (a) The provisions of this Act shall take effect upon the expiration of the first period of sixty calendar days following the date on which this Act is approved by the President, or on such earlier date as the President shall specify by Executive order published in the Federal Register, except that any of the officers provided for in sections 3(a), 4(a), and 4(b) of this Act may be nominated and appointed, as provided in such sections, at any time after the date this Act is approved by the President.

(b) In the event that one or more officers required by this Act to be appointed, by and with the advice and consent of the Senate, shall not have entered upon office on the effective date of this Act, the President may designate any person who was an officer of the Housing and Home Finance Agency immediately prior to said effective date to act in such

office until the office is filled as provided in this Act or until the expiration of the first period of sixty days following said effective date, whichever shall first occur. While so acting such persons shall receive compensation at the rates provided by this Act for the respective offices in which they act.

Approved September 9, 1965.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 337 (Comm. on Government Operations) and No. 884 (Comm. of Conference).

SENATE REPORT No. 536 accompanying S. 1599 (Comm. on Government Operations).

CONGRESSIONAL RECORD, Vol. 111 (1965):

June 15: Considered in House.

June 16: Considered and passed House.

Aug. 10: Considered in Senate.

Aug. 11: Considered and passed Senate, amended, in lieu of S. 1599.

Aug. 30: Senate agreed to conference report.

Aug. 31: House agreed to conference report.

The Director

August 13, 1965

Commerce and Housing Division
Office of Management and Organization

Department of Housing and Urban Development--Alternative
arrangements for Assistant Secretaries and related organization
matters

We have jointly reviewed the problem of how best to utilize the four assistant secretary positions specified in the legislation. At the same time we have been considering problems of overall organization and some of the steps which should be taken in the sixty-day period after enactment of the departmental bill.

Role of assistant secretaries

We recognized from the beginning that the role of the assistant secretaries is one which is difficult to define with precision since it is bound up closely with the personality and the operating concepts of the Secretary. Nevertheless, it is important to establish as nearly as possible the field of interest of each assistant secretary and the relationship of the assistant secretaries to operating units of the department.

A basic question is whether the assistant secretary is to (a) be placed in the line of command between the Secretary and operating constituents or bureaus or (b) assist the Secretary with his responsibilities for policy development, decision making, problem solving, and coordination. The "in the line" assistant secretary should also be working across the board on policy, coordination, and related matters.

The "in the line" approach has certain advantages. It can reduce the Secretary's span of control and afford him relief from administrative routine, especially when new programs are becoming operational. It provides a means for coordinated planning and action between two or three constituents which the Secretary and a staff assistant secretary may find it hard to achieve. There are also real disadvantages. The assistant secretary may become so involved in the administration of his constituents that he may neglect his "across the board" responsibilities. He may also become a bottleneck for matters which require the attention of the Secretary. An aggressive assistant secretary having administrative supervision over several constituents may undermine efforts to develop an integrated field system under Regional Administrators.

In three of the four alternatives there is an assistant secretary for housing programs and one for metropolitan and community development. In these cases the two other positions are filled by an Assistant Secretary for Urban Planning and Technical Assistance and an Assistant Secretary for Policy Development and Program Evaluation.

Field organization

We generally agreed that there is a critical need for bringing all field activities (with the possible exception of FHFA) under Regional Administrators. We further agreed that delegations of authority should be made by the Secretary to the Regional Administrator who would, in turn, redelegate to the heads of the field units of the constituent agencies reporting to him. This would involve setting up regional directors for FRA and abolishing the Zone Commissioners located in Washington. Headquarters units would be concerned with policy detail, technical supervision, the setting of standards and procedures, and the "audit" of field programs. This could be done without in any way affecting the identity of the FRA field program.

Attached are a summary of HHFA field activities, a diagram illustrating integrated field organization, and alternate means of making delegations.

Presidential commitments

The President in his message on the cities mentioned the establishment of an Institute for Urban Development and a network of field metropolitan representatives to assist in the development of metropolitan plans. The Institute could be set up in connection with the Assistant Secretary for Urban Planning and Technical Assistance. The Regional Administrators could designate members of their staffs as the representatives mentioned by the President.

Conclusions

It appears to us that there are three crucial problems which should be faced immediately: (a) the role of the assistant secretaries, (b) the nature of delegations to be made to the field and the role of the Regional Administrators, and (c) grouping of units and activities which will provide a firm basis for administration of large new programs such as rent supplements and water and sewer grants. With respect to the first problem, we favor alternative "B" (Assistant Secretaries as staff), although it is quite possible that in view of the language of the Act concerning the designation of an assistant secretary to "administer" programs related to the private mortgage market, we may be required to move in the direction of "in the line" assistant secretaries. With respect to the field, we believe that the Secretary should move immediately to establish FRA regional directors and to bring these directors and the public housing regional directors under Regional Administrators for all field activities. Because of legal problems we may not be able to include the 3 FRA agency offices.

4

We believe that alternative "B" provides a workable basis for operation of the new programs such as rent supplements and water and sewer grants. FHA will probably administer the rent supplement program and we have grouped the PHA with the FHA under the same assistant secretary. This should provide the necessary coordination. We would assign the water and sewer program to a unit which would retain most of the programs of the present CFA and the related engineering, financial and inspectional services.

While a more functional type of organization might be desirable, particularly in the housing area, we do not believe that this is feasible at this time. Such an organization would require splitting up the FHA which might be considered contrary to legislative intent. Strong interest group opposition could develop not only with respect to reorganization of the FHA, but to merging the Public Housing Administration with mortgage insurance programs. As a first step toward functional organization we might change the names of constituents other than FHA and PHA to more closely reflect the objectives of the new department and the pronouncements of the President.

CH/OMD:Bast:Brussat:cbm

Alternative: A (Retention of existing constituents)

Characteristics:

1. Three assistant secretaries would each have cognizance over two existing constituents as follows:

Assistant Secretary for Private Housing and Mortgage Market
Federal Housing Administration
Federal National Mortgage Association

Assistant Secretary for Urban Renewal and Public Housing
Urban Renewal Administration
Public Housing Administration

Assistant Secretary for Community Facilities and Transportation
Community Facilities Administration
Office of Transportation

This might be called the "two-for-one" arrangement.

2. Each of the above constituents would be headed by a level 5 commissioner who would report to the Secretary.

3. The three assistant secretaries would have some immediate staff, but in general would rely heavily for staff services on the fourth assistant secretary (Policy Development and Program Evaluation).

4. The Assistant Secretary for Policy Development and Program Evaluation would have such activities as workable program, community renewal program, urban planning grants (701), metropolitan development, and international housing, as well as the regular analysis and research activities.

5. The Administrative Assistant Secretary would have under him:

Budget and finance
Personnel
Management
Audit and compliance
General services

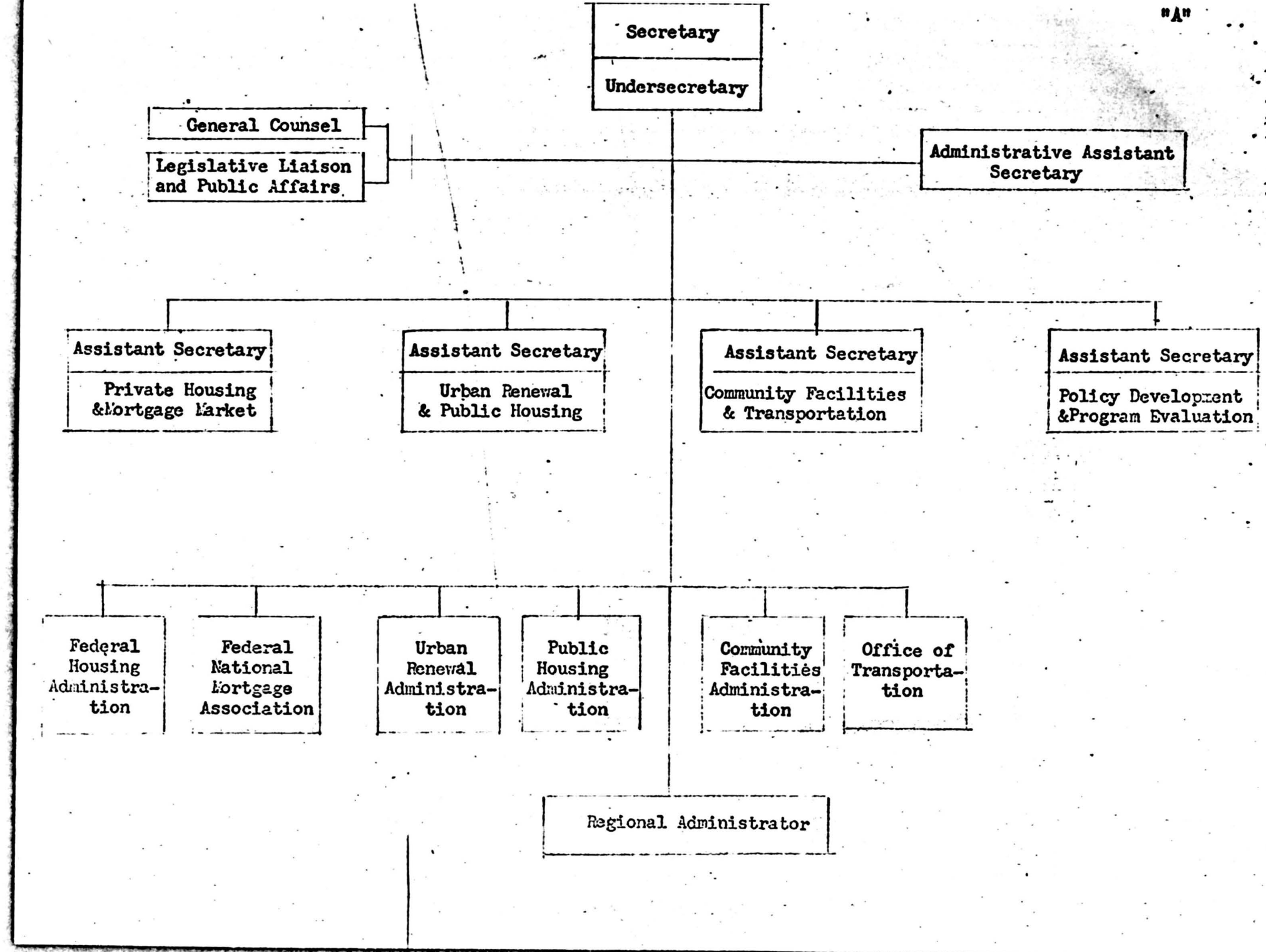
6. Separate offices for General Counsel and Legislative Liaison and Public Affairs would report to the Secretary.

Discussion:

This arrangement has the virtue of simplicity, and it would cause the least disturbance while the new department was getting underway. The new powers

of the Secretary and the coordinating and policy role of the Assistant Secretaries would provide an improved climate and direction for the constituents' activities. On the other hand, the arrangement tends to emphasize the existing organization and the independence of the constituents. The coupling of URA and FHA, while reflecting the organization of local public agencies in many localities, does not take into account the importance of relating public housing activities to other housing units for purposes of the rent supplement program. The programs of the URA tend to be more closely related to the urban development area.

The legislation specifies that one of the Assistant Secretaries shall be designated to administer departmental programs relating to the private mortgage market. Query: Does this arrangement (without a direct line from the Assistant Secretary to the FHA and FIMA) satisfy the legislative requirement?



Alternative: B (Retention of existing constituents)

Characteristics:

1. FHA, FVMA and PMA would report to the Secretary but would be under the cognizance of an Assistant Secretary for Housing (and mortgage market).

2. The following would report to the Secretary but would be under the cognizance of an Assistant Secretary for Metropolitan and Community Development:

URA
CFA
Office of Transportation

3. An Assistant Secretary for Urban Planning and Technical Assistance would have under him the following activities:

Institute for Urban Development
Urban planning grants (701)
Workable program
Community Renewal Program

4. The Assistant Secretary for Policy Development and Program Evaluation would be primarily concerned with program analysis and in-house research.

Additional Alternatives:

1. The PMA could be placed under the Assistant Secretary for Urban Development.

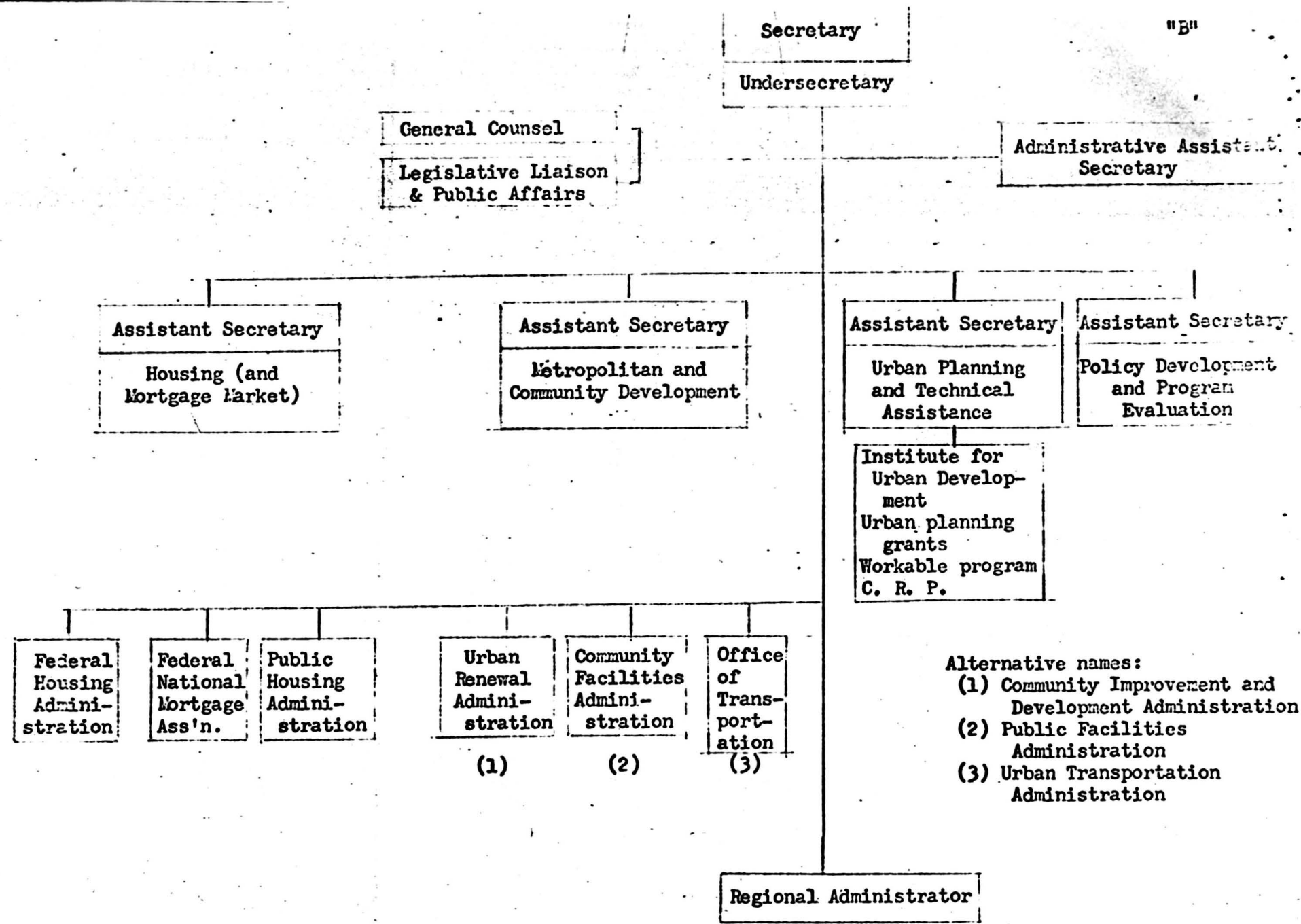
2. The URA could be given another title such as "Community Improvement and Development Administration." Similarly, the CFA could be retitled the "Public Facilities Administration," and the Office of Transportation the "Urban Transportation Administration."

Discussion:

This arrangement emphasizes a functional alignment of existing constituents with none of the assistant secretaries being placed in the line of command. The Assistant Secretaries for Housing and Metropolitan and Community Development would assist the Secretary with policy development, problem solving, coordination, decision making and other assigned tasks.

Another question posed by this arrangement is where to locate such activities as urban planning grants (now administered by URA) and the Community renewal program requirement. These are placed under a separate

Assistant Secretary for Urban Planning and Technical Assistance. They could, however, be placed under the Assistant Secretary for Policy Development and Program Evaluation, or the Assistant Secretary for Metropolitan and Community Development, although the operating character of the programs would appear to be out of keeping with the roles of these assistant secretaries. Nevertheless, they are qualitatively different than the other operating programs, being much more analogous to research; moreover, they are of direct relevance and significance to all programs of HUD.



Secretary

"B"

Undersecretary

General Counsel

Legislative Liaison
& Public Affairs

Administrative Assistant
Secretary

Assistant Secretary

Housing (and
Mortgage Market)

Assistant Secretary

Metropolitan and
Community Development

Assistant Secretary

Urban Planning
and Technical
Assistance

Assistant Secretary

Policy Development
and Program
Evaluation

Institute for
Urban Develop-
ment
Urban planning
grants
Workable program
C. R. P.

Federal
Housing
Admini-
stration

Federal
National
Mortgage
Ass'n.

Public
Housing
Admini-
stration

Urban
Renewal
Admini-
stration

(1)

Community
Facilities
Admini-
stration

(2)

Office
of
Trans-
port-
ation

(3)

Regional Administrator

Alternative names:
(1) Community Improvement and
Development Administration
(2) Public Facilities
Administration
(3) Urban Transportation
Administration

Alternative: C (Retention of existing constituents)

Characteristics:

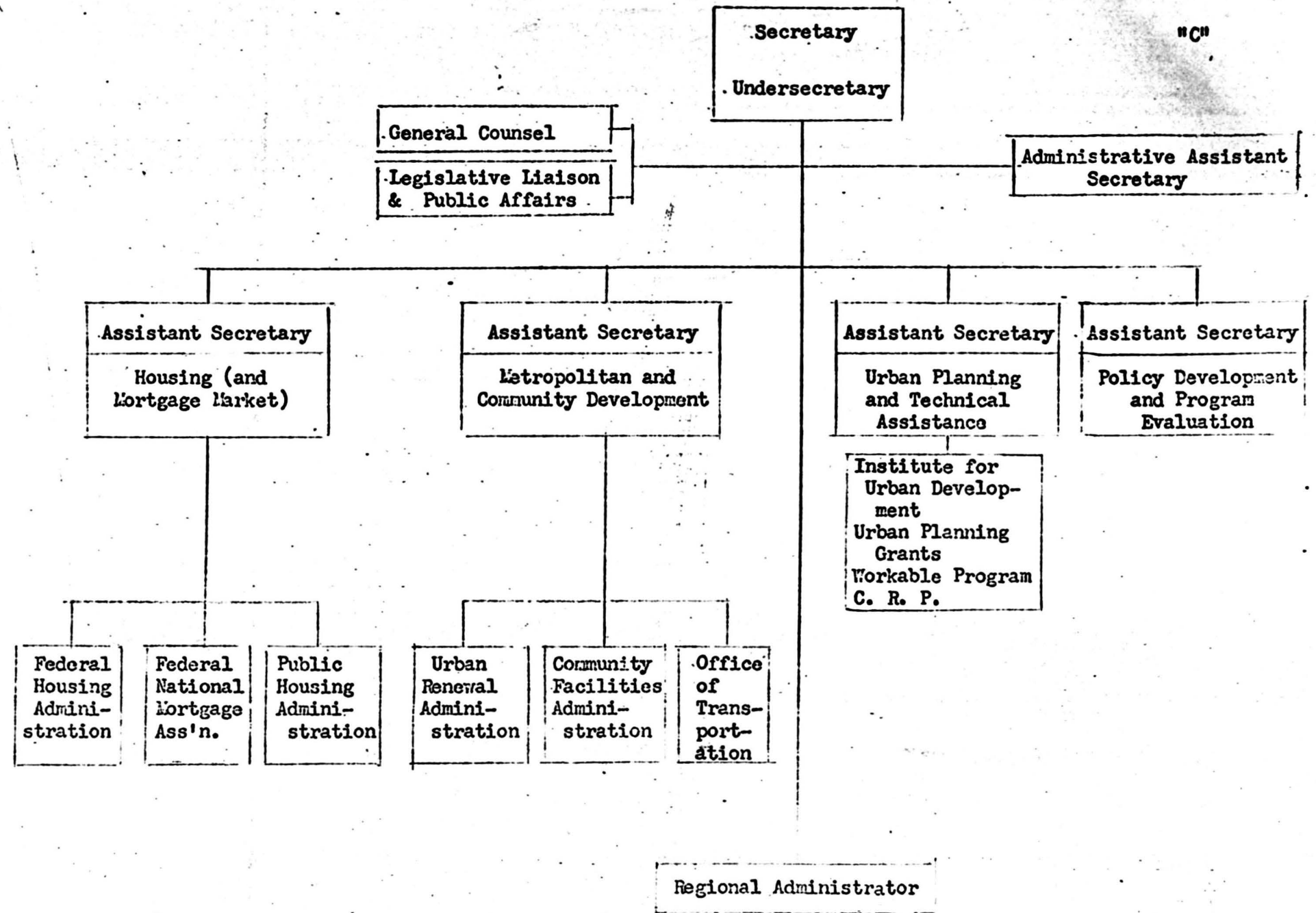
The proposed organization would be the same as that presented in Alternative "B" with the following exceptions:

a. The Assistant Secretary for Housing (and Mortgage Market) would have line responsibility for FHA, FVHA, and PHA.

b. The Assistant Secretary for Metropolitan and Community Development would have line responsibility for MPA, CPA, and Office of Transportation.

Discussion:

This arrangement provides a shorter span of control for the Secretary, but places a heavy responsibility on the Assistant Secretaries for forwarding expeditiously the matters coming up from the constituents and passing along the significant ones to the Secretary. It is possible that line supervision may seriously interfere with the Assistant Secretaries' important responsibility for lateral coordination and policy development.



Alternative: D (Functional approach)

Characteristics:

1. The Assistant Secretary for Housing would have cognizance over three units as follows:

Rental programs (includes public housing, rent supplements, 221(d)(3), elderly, college, as well as other FHA multifamily programs).

Home programs and land development (includes Title I property improvement loans). This would be designated as the Federal Housing Administration.

FHA (secondary market, M & L, and special).

2. The Assistant Secretary for Housing would have staff units as follows:

Technical standards
Market analysis
Property disposition

3. The Assistant Secretary for Metropolitan and Community Development would have cognizance over:

Community renewal and improvement (includes Title I grants, rehabilitation loans, part of open space, and beautification).

Public facilities (includes water and sewer grants and neighborhood facilities as well as other CFA programs).

Urban transportation

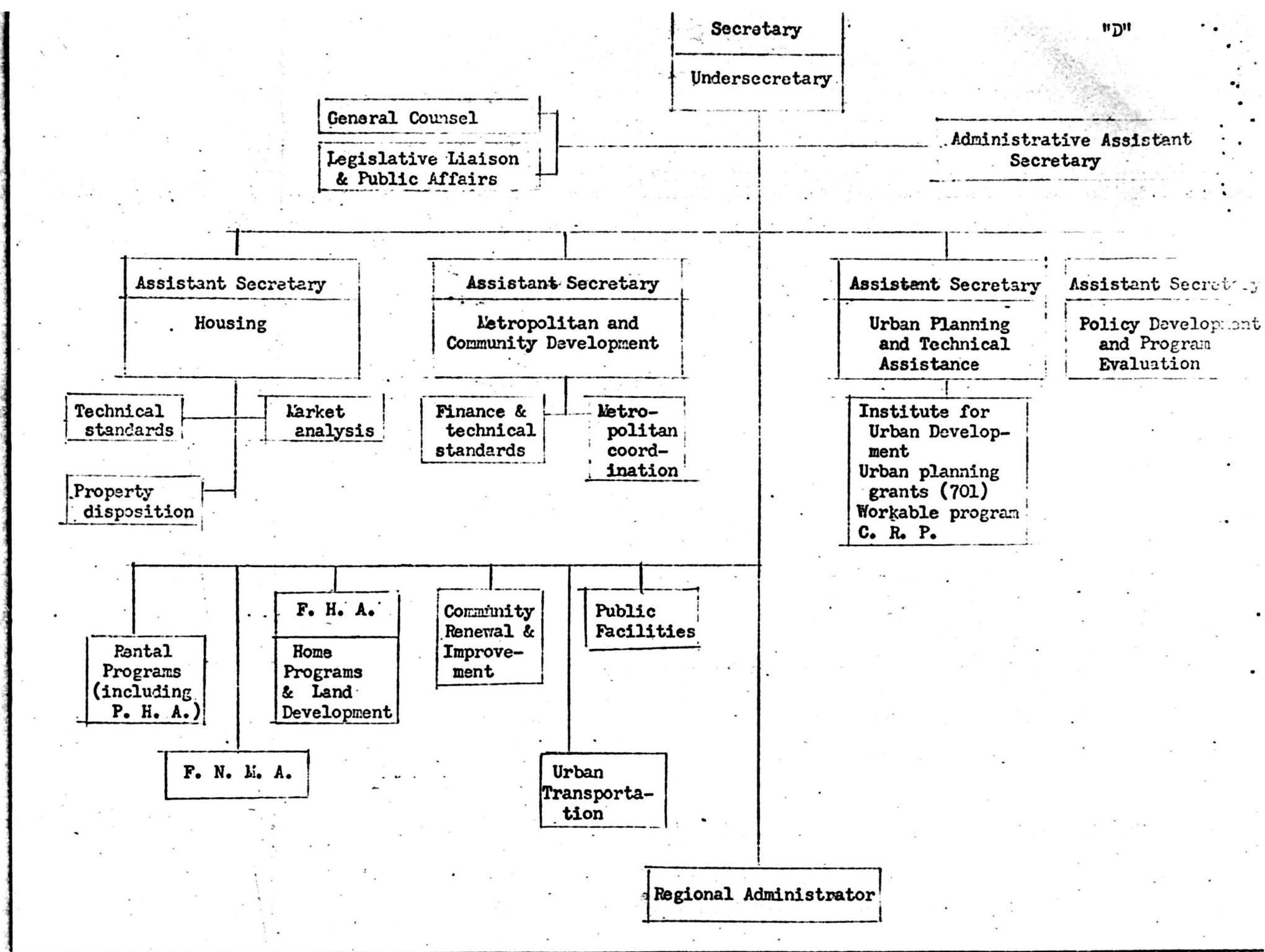
4. The Assistant Secretary for Metropolitan and Community Development would have staff units as follows:

Metropolitan coordination
Finance and technical standards

5. As in alternatives "B" and "C", workable program and CDP functions would be placed under the Assistant Secretary for Urban Planning and Technical Assistance.

Discussion:

This arrangement is an attempt to emphasize functions instead of existing organizations. The major effect of this approach occurs in the housing area where the regular 1-4 family program would be split off from the multifamily programs and the FHA would also lose its identity as part of the "Rental Program" unit.



FIELD ORGANIZATION

The Housing and Home Finance Agency has four field organization as follows:

1. Housing and Home Finance Agency

Seven HHFA regional offices provide a base for Urban Renewal Administration and Community Facilities Administration operations in the field. In addition, the Regional Administrators perform certain functions for the Administrator such as screening of workable programs for community improvement. Each regional office has a Director of Urban Renewal and a Director of Community Facilities.

A concurrent delegation of authority is made by the Administrator to the Commissioner of Urban Renewal in Washington and to each of the Regional Administrators with respect to urban renewal operations. Certain exceptions to these concurrent delegations have the effect of making functional assignments only to the Commissioner, e.g. approval of demonstration projects. In every region, the Regional Administrator has re-delegated his authority to the Director of Urban Renewal. This same pattern is repeated in the Community Facilities program except that this organization has fewer Washington exceptions to the concurrent delegation. Generally speaking authority to approve projects has been delegated to the field, but in practice virtually all applications come into Washington before final approval is given.

The Regional Administrator moves personnel temporarily between programs to meet workload changes and makes recommendations on recruitment to the Office of the Administrator.

2. Federal Housing Administration

The basic unit in the FHA field system is the insuring office which processes both single family and multifamily housing applications. At the present time there are 75 of these. There are several exceptions to this pattern:

1 Insuring office exclusively handling multifamily applications (New York)

5 Offices of multifamily Housing Representative (Philadelphia, Atlanta, Chicago, Fort Worth, and San Francisco).

17 Services offices)

47 Valuation stations)

Report to insuring offices

The 75 insuring offices report to the Associate Deputy Commissioner for Operations through five Zone Operations Commissioners. These Commissioners, each with a small staff, are located in Washington. They do, however, spend a substantial part of their time in travel status. The New York Multifamily Insuring Office and the Multifamily Housing Representatives report to the Assistant Commissioner for Multifamily Housing.

The delegation for processing of non-multifamily housing runs to the Zone Operations Commissioner who redelegates to the Insuring Office Director. The delegation for processing of multifamily housing runs from the Assistant Commissioner for Multifamily Housing directly to each Insuring Office. Multifamily Housing representatives are available to lend advice and assistance to insuring offices on particularly difficult cases. Multifamily cases may be brought into Washington, whereas non-multifamily cases are virtually all handled in the field.

3. Federal National Mortgage Association

The Association has five agency offices located in Philadelphia, Atlanta, Chicago, Dallas, and Los Angeles.

Each office has a complete delegation to buy and sell mortgages.

4. Public Housing Administration

Seven regional offices are located in New York, Philadelphia, Atlanta, Chicago, Fort Worth and San Francisco.

The Regional Directors report to the PHA Commissioner/Deputy Commissioner, and have a complete delegation of authority for development and management operations.

- - - -

At the present time the Administrator "supervises and coordinates" the activities of the four field organizations, as he is required to do with the constituents in Washington. As already noted, he does, however, exert direct control over the urban renewal and community facilities activities in the field.

Over the years, major offices of the four organizations have tended to group themselves together in major cities and regional boundaries with few exceptions are now coterminous. While some of this would have taken place as a result of geographic and economic influences, it is fair to say that Housing Administrators have also exerted some influence, particularly with respect to housing different constituents in the same office buildings.

The location of major offices is set forth below:

	<u>HHFA</u> <u>regional</u> <u>offices</u>	<u>PHA</u> <u>Multifamily reps.</u> <u>and Insuring ofc</u>	<u>FNMA</u> <u>Agency</u> <u>offices</u>	<u>PHA</u> <u>regional</u> <u>offices</u>
New York	X	X		X
Philadelphia	X	X	X	X
Atlanta	X	X	X	X
Chicago	X	X	X	X
Fort Worth)	X	X		X
Dallas)			X	
San Francisco	X	X		X
Los Angeles			X	
San Juan	X			X

The Secretary of the new department will be faced with a number of crucial decisions concerning the field system. Major decisions will involve the way in which authority as it affects the field will be delegated to operating officials and the measure of coordination the Secretary wants at the field level.

Past experience will be only partially helpful to him. Complex and large programs, some of which have been inaugurated in the past year or two and others which will commence during the coming year, and the increasing emphasis on urban development and metropolitan planning will require a fresh approach to field organization.

The dilemma of the Secretary can be illustrated by arrangements which will have to be made for operating the new rent supplement program which bears a critical relationship to the low rent housing program of PEA. Assuming that the program will be operated by the FHA and assuming that the present organizational pattern is used, the delegation would be made to the FHA Commissioner. The Commissioner would re-delegate through his multifamily housing staff to FHA insuring offices scattered around the country. Required coordination would presumably be worked out between FHA Regional Directors and FHA Multifamily Housing Representatives (located in the same cities). Neither of these offices would have any formal relationship with the Office of the HMTA Regional Administrator.

The above raises a number of questions:

a. Should all operating programs in the field of FHA, PEA, URA, and CFA be placed under Regional Administrators? Should the Regional Administrator be "in the line" and receive delegations of authority directly from the Secretary which he would, in turn, re-delegate to heads of field units? Should the Regional Administrator be given a coordinating role with delegations made to field units by the Washington constituents?

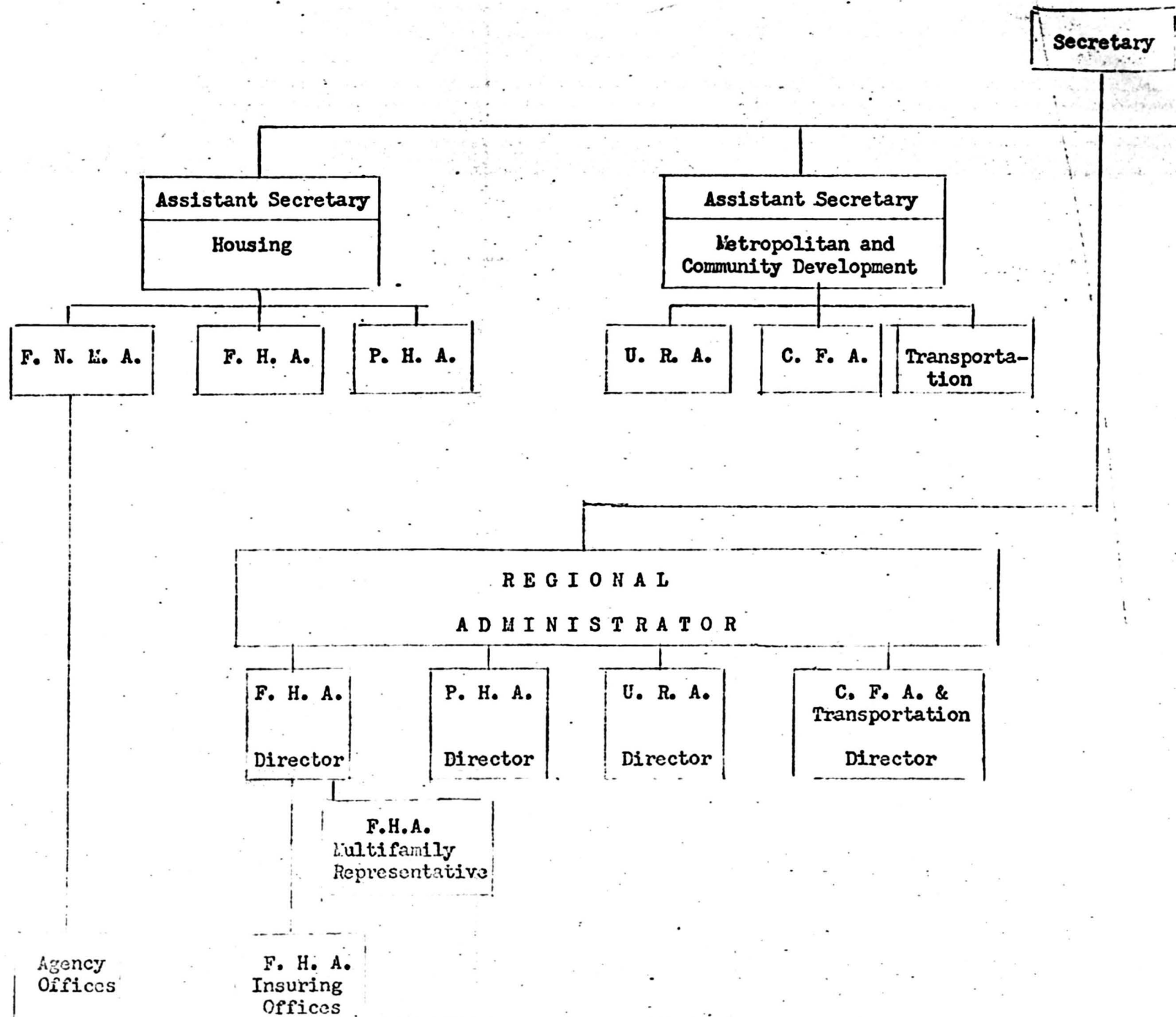
b. If the FHA field offices remain separate from the cognizance of the Regional Administrator, what mechanism will be used at the regional office level to assure coordination with other field programs? Will the Zone Operations Commissioners (now based in Washington) be stationed in Regional Office cities? Abolish the Washington jobs and set up new ones at the regional level?

c. Should the FIMA field offices be placed under the Regional Administrator?

- - - - -

The attached diagram illustrates the problems connected with the grouping of programs under a Regional Administrator. It suggests that the PEA name be retained and that it may be desirable to keep FIMA separate from other field offices because of its highly specialized mission. Also attached are statements setting forth alternative means of delegating authority to the field.

Attachments



Alternative: A (Delegations of authority)

Characteristics:

1. This alternative would emphasize the division of work whereby the Department's Washington constituents would be primarily concerned with the development of policies, standards, and procedures, and post-audit of field operations, whereas field offices would be responsible for handling applications, other public transactions, and day-to-day operations.
2. The delegations made by the Secretary to the Commissioners and the Regional Administrators would reflect the above arrangement.
3. The Regional Administrator would re-delegate operating authority to the Directors under him, retaining certain overall functions.
4. The Regional Administrator would not normally review project applications but would examine actions on a continuing post-audit basis. In special cases he might handle appeals or disputes on cases.
5. The Directors would supervise staff under them but would obtain concurrence from the Regional Administrator on key appointments.

Advantages:

1. This recognizes the interdependence of programs and the need for coordination and direction to focus the broad range of programs on local housing and urban development problems.
2. This arrangement places more responsibility in the field and tends to discourage referral of cases to Washington.
3. Emphasis is placed on coordinated personnel management to meet local situations and conditions.

Disadvantages:

1. The arrangement does not give the Commissioner (or Bureau Chief) and his staff positive control over program operations and the attainment of results.
2. The Commissioners have been blamed in the past for field problems which arose because capable people were not on the job or the Regional Administrator disagreed with the constituent.
3. This requires strong Regional Administrators who may disregard Washington policy guidelines and undermine central agency control.

Alternative:

B (Delegations of authority)

Characteristics:

1. This alternative emphasizes the relationship between the Washington constituent and its counterparts in the field.
2. The Director of each program in the field would receive delegations directly from his Commissioner (or Bureau Chief) in Washington. Presumably these delegations would be approved by the Secretary.
3. Appointments of key personnel in Regional Offices would be approved by the appropriate Commissioner, and the Commissioner would have a strong voice in budgetary matters.
4. The Regional Administrator would receive delegations from the Secretary for representing the Department in the field, carrying on workable program and similar activities and coordinating programs and activities of the Regional Office constituents.

Advantages:

1. Commissioners would have greater control over their own programs and activities.
2. This could conceivably increase the professional character of people in the field offices.

Disadvantages:

1. This arrangement tends to perpetuate the system of independent constituents we now have, whereas the new department should emphasize a unified approach with the Secretary, the Assistant Secretaries, the Commissioners, the Regional Administrator, and the Regional Directors sharing responsibility and the blame for their actions.
2. New programs, such as the water and sewer grants and rent supplements, as well as existing programs, require strong, imaginative leadership in the field. The "coordinating" role visualized in this arrangement will tend to inhibit the development of the necessary field leadership.
3. Too many operating decisions will tend to be made in Washington rather than the field. Decision-making is too far removed from the applicant and the local situation. Washington staff gets over-involved in operating decisions and fails to produce adequate policy and program review in the broad sense.

We favor the establishment of assistant secretary positions which will give the Secretary strong support in the development of policy, the coordination of existing and new programs, and representation before public and private groups involved in housing and urban development. We believe that this can best be done if the assistant secretaries are not in the line. The proposed legislation, however, specifies that one of the assistant secretaries is to "administer" programs related to the private mortgage market. If this means that an assistant secretary is to be given line responsibility for the FHA and FHA (and we do not as yet have a legal ruling on this) then we would favor placing both the housing and metropolitan and community development assistant secretaries in the line. However, acceptance of the Sparkman amendment to the Senate bill seems to imply that this Assistant Secretary is thought of as staff rather than line. The Sparkman amendment would make the FHA and its Commissioner statutory.

These alternatives are set forth in the attached exhibits "B" and "C."

Assignment of functions

Assignment of functions to the four assistant secretaries was approached from two points of view. The first was based upon grouping of existing organizational units and the second on functional considerations. The attached exhibits "A," "B," and "C" show how organizational units would be distributed along functional lines. Exhibit "D" presents an arrangement which places greater emphasis on the functional approach.

The approach used in the first three alternative groupings recognizes the importance of maintaining a going operation during the early period of the department's existence, although this does not prevent the shifting of particular activities or the changing of the names of constituents (with the exception of FHA and FHA). In our preliminary grouping of activities by constituent bureaus we recognized the value of taking the urban planning grants program (701) and the Community Renewal Plan (CRP) out of the Urban Renewal Administration and placing them under an assistant secretary (in this case an Assistant Secretary for Planning and Technical Assistance). This permits the "across-the-board" application which we believe these activities need. We also see the desirability of transferring the elderly loan program from the CFA grouping to the FHA.

The major feature of the functional approach presented in alternative "D," is the merging of the FHA with FHA multifamily programs, rent supplements, elderly loan program, and college housing into a "Rental Programs" unit. FHA 1-4 family housing programs, property improvement loans, and the land development program would be placed in a "Home Programs and Land Development" unit. The latter unit would be designated as the Federal Housing Administration. In any case, however, the organization of the Department offers an opportunity to bring public housing and the FHA programs into the close relationship they should have.

item
PREPARED BY HCM - WED, 1 SEP 65

Not used

*Suspense file -
Housing and
Urban Development*

I am happy that so many friends of good government are standing beside me today, as we create a new instrument to serve the people of America.

EXECUTIVE
FG170

We are not met here to celebrate a triumph of bureaucracy, nor merely to add a few more letters to the alphabet soup of official Washington. We seek instead to fashion a more coherent way -- a more rational and responsive way -- of helping our citizens where most of them now live.

When our nation was born, when the only departments of government were State and War and Treasury, five percent of our people lived in urban areas. America was the land of the farmer, the woodsman, the hunter, the mountaineer.

So when Thomas Jefferson spoke of American virtues, he was speaking of rural virtues. Almost a century later, when Abraham Lincoln asked the Congress to create a Department of Agriculture, he called it "confessedly the largest interest in the Nation." And surely it was. When Lincoln spoke fewer than twenty percent of the people had come to live in cities.

Throughout the next century -- and to this day -- farm people continued to strengthen and nourish the American character. It will always be so, for we mean to preserve those qualities of rural America that invigorate the whole life of our people.

RECEIVED
MAR 1 1954

But between the time of my birth fifty-seven years ago and now, the face of America's population has changed. We saw what was happening one day in 1918, in the midst of the first great war, when someone told us that more than half our people now lived in urban centers,

There were many reasons for that: more and better jobs in the cities, changes in transportation, immigration from abroad, the end of our westward expansion.

Whatever the causes were that lay behind this tremendous migration, it slowly became clear that a new set of answers would be required for a new set of questions. The problems faced by the people of the 10th Congressional District of Texas when I was born are very different from those they face today. In 1908, a quarter of the people of that district were city dwellers. When I first came to Washington to represent them in Congress, 40 per cent had come to live in urban areas. Today almost three of every four families in that district make their homes in cities and towns.

Even in America, where the speed of social change is often faster than the mind can comprehend, the pace of this movement is stunning.

If the recent past is not astonishing enough, consider this fact: in the years that remain of this century, urban population will double.

City land will double. In 35 years we are going to have to build -- for the new millions who will populate our cities -- as many houses and schools and apartments and playgrounds and offices as we have built since the Pilgrims arrived on these shores.

There are some who regard the growth of our cities as an unmitigated disaster. They see in it dark portents of things to come: the loss of privacy, the absence of beauty, the sordid prevalence of crime. They see streets choked with cars and schools filled with poorly educated children. They see a nightmarish society, half enclosed in glass towers, half condemned to growing ghettos.

Let us be candid about our prospects: unless we seize the opportunities available to us now, they may be right. Unless we match our imagination and courage to our affluence, they will be right. For the history of every civilization tells us that those who do not find new means to respond to new challenges will perish or decay.

I do not despair over what lies ahead. I know, first, that there are great and enduring virtues in city, as well as in country life. The sense of community and common heritage has given stability to many generations in the cities. The life of the mind has flourished most abundantly there. Philanthropy has always been at home where

the needs of the poor were most urgently clear. From the rough-
and tumble of city streets have come men of vision and humanity,
to give inspired leadership to their neighbors and the nation.

I know, too, that America has always responded to an
inescapable challenge. We are not yet -- and I pray we will never
be -- a complacent people. We are willing now, as we have always
been, to reform our institutions so that they may serve the future,
and not remain servants of the past.

In the days of the westward movement, we created a Depart-
ment of Interior. The rise of great industry brought with it a
Department of Commerce and a Department of Labor. Our world
responsibilities -- demanding a more efficient response from our
military forces -- made it necessary to unify those forces in a
Department of Defense. President Eisenhower saw that the magnitude
of our health and education and welfare programs required a new
department devoted to their fulfillment.

Now we have taken the first step toward organizing for the
challenge of urban life. It has required years of patience and hard
work to take that step. Around me today I see Members of Congress
whose selfless commitment has made it possible: Senator Ribicoff,
Senator Muskie, Senator Clark; the dedicated chairman of the House

committee, Congressman Dawson, his colleagues Congressman Fascell and Congressman Reuss. They had vital bipartisan support from a host of their fellow Members. Theirs is the pride of accomplishment, and to them the future of the cities owes its promise.

That promise is for the world, as it is for us. For in every continent men are flocking to the cities in search of opportunity.

Unless they are to find instead only a short life in a jungle of hopelessness, we and our sister nations must organize our efforts now -- to discover new means of providing houses and schools and public facilities for our people. Many things divide the nations of the world, but surely one thing that unites them is their quest for dignity and hope in their cities.

The Department of Housing and Urban Development will be our resource bank of ideas for the world. Late this year, a great conference on International Cooperation will convene in Washington. I want the officers of this department, and those who serve on the Urban Development Committee of the conference, -- I see one of the chairmen of that committee, my old friend Ray Nasher of Dallas, here today -- to come forward with a plan by which the United Nations itself may begin a series of attacks on slums and blight and bad city planning throughout the world.

For we do more today than add a new department to the Federal establishment. We say to hundreds of millions of men and women -- here and in every country -- that we have awakened to the needs of the cities, and shall never rest again until we have built a world brought into harmony with the most marvelous creature of God.

September 1, 1965

Dear Roy:

Thank you for your warm message on the bill creating the Department of Housing and Urban Development. It can indeed be a very significant development in the long range growth and improvement of the Nation. Your support and encouragement has, of course, been of tremendous assistance.

Thomas
I was most touched by the copy of the letter from Airman Wright and in the event you write to him I would appreciate your mentioning the fact that I have seen a copy of his letter and thought that it was an inspiring and patriotic statement.

Sincerely,

LBJ

LYNDON B. JOHNSON

Mr. Roy Wilkins^x
Executive Director
NAACP - *Natl. Assn. for the Advancement*
20 West 40th Street
New York, New York *of Colored People*

LBJ:LCW:kn
4

RECEIVED
SEP 2 1965
CENTRAL FILMS

Gosh, that's touching.

LBJ/mf
8-28-65

Lee, since you draft replies
for Pres
my dr

The 31st 1990
11/11/90

1990 SEP 1 11 11 30

A 018 NL PD

FAX ND NEWYORK NY 31

THE PRESIDENT

THE WHITE HOUSE

DEAR MR. PRESIDENT; CONGRATULATIONS ON THE ENACTMENT OF THE
URBAN AFFAIRS BILL ANOTHER IN THE CHAIN OF LEGISLATION REQUIRED
BY YOUR LONG RANGE PLAN FOR THE IMPROVEMENT OF OUR COUNTRY.

RESPECTFULLY

ROY WILKINS 20 W 40TH ST NYK.

RECEIVED 10/11/90



NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE

TWENTY WEST FORTIETH STREET • NEW YORK, N. Y. 10018 • BRyant 9-1400

August 25, 1965

Honorable Lyndon B. Johnson
President of the United States
White House
Washington, D. C.

Dear Mr. President:

I thought you would be interested in reading the enclosed letter from a Negro soldier which came first to our Chicago office and was then forwarded here to me.

The spelling, as he acknowledges in his postscript, is not "to good" but the meaning shines through clear and true.

Respectfully yours,

A handwritten signature in cursive script, which appears to read "Roy Wilkins", is written over the typed name.

Roy Wilkins
Executive Director

RW:bb

Encs. ✓

12 Aug 65
Clark AFB P.I.

13210 AUG 1965

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Dear Sir,

As a member of the NAACP I would like to express my opinion about the current protest demonstration in Washington D.C. against the U.S. Policy in Vietnam.

Sir I am a negro, and I am prepared to give my life for the defense of the United States of America,

I just hope that the NAACP do not take the position that some of the other Civil Right groups have taken.

The whole problem over here in South East Asia

is too big and too complicated
for any one group to under-
stand, and these people
do not have the sufficient
information for them to
go and protest in the
street and protest, the
negro can well protest
the burden of segregation
because they have been
exposed to this evil
way of life for many
many years.

The F.D.S. Service man
over here is doing every
day and fighting for the
freedom of the whole world
it is a sad thing to
realize that the people
you represent and who
you die for in the name

of freedom is protesting
in the streets of our home
country.

I ask you sir is there
a Civil War going on
in Vietnam. anyone who
knows the definition of
the word Civil War, can
see for them self the
different.

Make some of the
American People would
prefer to wait until the
Communism take over
all of the Pope and Haiti
and apart of California
before you try and stop
them.

As a Negro American,
I have been mistreated
in many ways

but I love my country
and I believe in the
American Constitution.
and so I am asking
you again, please do not
let the NAACP give her
support to these groups
of people who support
the down fall of the
American Govt?

Yours truly
A/C Thomas Wright

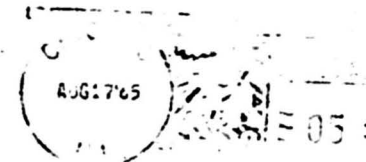
I hope you can read this
letter, my spelling is not
to good.

Alic Thomas Wright
AF 16480880
608th TAC. Cn. Sq.
APO San Francisco
96274



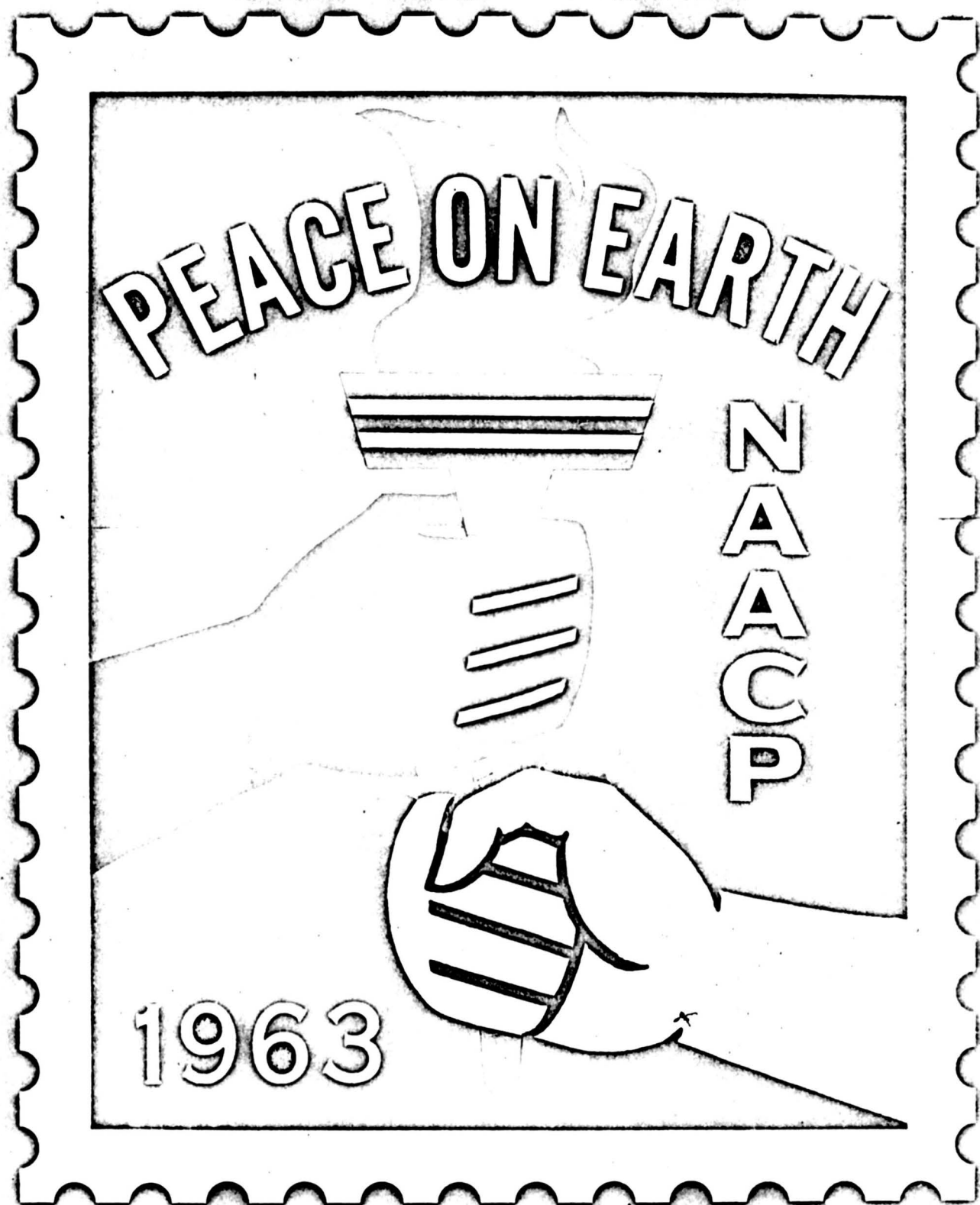
Mr. Ray Wilkin
c/o NAACP Chicago Branch
431 S Dearborn
RM 1317
Chicago Illinois

NATIONAL ASSOCIATION FOR THE
ADVANCEMENT OF COLORED PEOPLE
Chicago Branch
431 South Dearborn Street
Chicago, Illinois 60605
838



Mr. Roy Wilkins, Executive Director
National Office, NAACP
20 West 40th Street
New York, N.Y. 10018

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HOUSING AND HOME FINANCE AGENCY
OFFICE OF THE ADMINISTRATOR

WASHINGTON, D.C. 20410

EXECUTIVE

SP 3-104

FG 245

FG 170

Federal Housing Administration
Public Housing Administration
Federal National Mortgage Association
Community Facilities Administration
Urban Renewal Administration

September 2, 1965

MEMORANDUM FOR: Joseph Laitin
Deputy Press Secretary to the President
The White House

Subject: Reprint of President's Message on Housing
and Urban Development Act of 1965

We used the picture furnished by your White House staff on this pamphlet, which has gone to about 7500 key people and interest groups in the fields of public housing, urban renewal, elderly housing and related fields. We have about 2,000 additional copies in case you can suggest other uses.

X
I furnished a copy of the Message to the National Association of Home Builders so that they could reprint it in their weekly publication which goes to all of their 43,000 members.

I think we will duplicate this job on the President's Message when he signs the Department of Housing and Urban Development bill.

Robert W. Murray, Jr.
Robert W. Murray, Jr.
Assistant Administrator
for Public Affairs

Enclosures (3)

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SEP 16 1965
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EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D.C.

EXECUTIVE
FG 170

SEP 4 1965

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 6927 - Department of Housing and Urban Development
Sponsor - Rep. Fawell (D) Florida

Last Day for Action

September 13, 1965 - Monday

Purpose

To establish a Department of Housing and Urban Development which would include the programs now within the Housing and Home Finance Agency and provide a focal point in the Federal Government for consideration of problems of urban growth and development.

Agency Recommendations

Bureau of the Budget	Approval (Signing statement attached)
Housing and Home Finance Agency	Approval
Department of Commerce	Approval
Department of Health, Education, and Welfare	Approval
Advisory Commission on Intergovernmental Relations	Approval
Department of Agriculture	Approval
Department of Justice	Approval (Informally)
Department of Labor	Approval

Discussion

This bill culminates many years of effort to establish, under one name or another, a Cabinet-level Department focussed on the problems of urban growth and development.

H.R. 6927 establishes the Department of Housing and Urban Development. In addition to a Secretary, it provides for an Under Secretary, four

RECEIVED
MAR 15 1967
CENTRAL FILES

Nothing also sent to
Central Files as of

4/8/67
WR

Assistant Secretaries, a General Counsel, an Assistant Secretary for Administration, and a Director of Urban Program Coordination.

Besides the usual supervisory responsibilities for his Department, the Secretary is given a number of other responsibilities — assisting the President in coordinating Federal programs relating to housing and urban development, studying problems of housing and urban development, enlisting the support of State and local government and private enterprise in solving problems of housing and urban development, and encouraging comprehensive planning therefor.

The functions, powers, and duties of the Housing and Home Finance Agency, the Federal Housing Administration, and the Public Housing Administration and of the heads and other officers and offices of those agencies are transferred to the Secretary, and those agencies and offices will lapse. The Federal National Mortgage Association, together with its functions, powers, and duties, is transferred to the Department. No transfers of functions or programs from other agencies are involved, but the President, under a Senate amendment, is directed to undertake studies of the organization of housing and urban development functions and programs and to make recommendations to the Congress respecting transfers to or from the Department.

Several differences between the bill as introduced and as enacted may be noted:

1. The bill designates one of the Assistant Secretaries as Federal Housing Commissioner to head a Federal Housing Administration. He is to administer, under the supervision and direction of the Secretary, departmental programs relating to the private mortgage market and to have such other powers and duties as the Secretary may prescribe. The Administration proposal did not specify functions for any of the Assistant Secretaries, and such specification is generally undesirable. However, since the Assistant Secretary in this case acts under the supervision and direction of the Secretary, and the Secretary may assign other functions to him, we do not regard the impairment of the authority of the Secretary to be serious. Moreover, it was anticipated that a Federal Housing Administration would be continued and that general responsibility for programs relating to the private mortgage market would be assigned to one of the Assistant Secretaries.

2. It provides for a Director of Urban Program Coordination, designated by the Secretary, to assist the Secretary in carrying out his responsibilities to the President with respect to achieving maximum coordination of Federal programs having a major impact on community

development. As passed by the Senate, the bill established a special statutory office of Urban Program Coordination. This would have seriously impaired the organizational authority of the Secretary. As passed, the bill now only spells out the Secretary's coordination responsibilities in more detail and indicates that there will be an officer with a specified title to assist him in carrying out these responsibilities.

3. It provides that no functions of the Secretary of the Interior under the Land and Water Conservation Fund Act of 1965 or other functions carried out by the Bureau of Outdoor Recreation may be transferred from the Department of the Interior or limited geographically except by statute or reorganization plan. Such transfers may now be made only by statute or reorganization plan. It is not clear what is meant by the phrase, "or limited geographically". However, it may have reference to an early draft of Executive Order 11237, coordinating the open space program of BUREAU OF LAND MANAGEMENT and the Outdoor Recreation program of Interior, which appeared to limit both programs: BUREAU OF LAND MANAGEMENT to Standard Metropolitan Statistical Areas and Interior to areas outside SMSA's. This discussion draft became public and caused considerable controversy. Executive Order 11237 (July 27, 1965) does not so limit BUREAU OF LAND MANAGEMENT or Interior.

Other amendments of H.R. 6927 are minor and do not affect the substantive operations of the Department nor impair the authority of the Secretary.

It might be noted that approval of the enrolled bill will not necessitate any immediate action under the statute. The Act will not become effective until 60 days have elapsed, unless an earlier effective date is fixed by Executive order. However, certain officers may be nominated and appointed before the Act otherwise takes effect. We have prepared for your possible use the attached memorandum setting forth appointment procedures available under the Act.

We have prepared a revised draft of the signing statement which the Housing and Home Finance Agency forwarded earlier to Mr. Valenti. Our revision is intended to clarify the functional role of the new Department — to focus effort on solving problems of urban growth and development. Implications in the BUREAU OF LAND MANAGEMENT draft that cities and city dwellers will now have a voice at the Cabinet table tend to emphasize a rural-urban split in the organization of government. This, we believe, should be avoided. We have also tried to shorten the statement somewhat.

(Signed) PHILIP S. HUGHES

Assistant Director for
Legislative Reference

Enclosures

Summary of Presidential Appointment Procedures
under H.R. 6927--the Department of
Housing and Urban Development Act

I. Secretary

The President may:

- (a) nominate the Secretary at any time after he signs H.R. 6927 and appoint the nominee at any time after Senate confirmation (sec. 3(a))
- (b) make a recess appointment at any time after the Senate adjourns (Constitution)
- (c) or, as soon as the Act becomes effective and prior to (a) and (b) above, designate an HHA official as Acting Secretary (sec. 11(a) and 11(b))

II. Under Secretary and General Counsel

The President may:

- (a) nominate them at any time after he signs H.R. 6927, and appoint the nominees at any time after Senate confirmation (sec. 4(a))
- (b) make recess appointments at any time after Senate adjourns (Constitution)
- (c) or, if deemed advisable, and prior to (a) and (b) above, and after the Act becomes effective, designate HHA officials as Acting Under Secretary and General Counsel (sec. 11(a) and 11(b))

III. Assistant Secretary (FHA)

Same alternatives as for Secretary under I, above

IV. Three Assistant Secretaries

The statute gives no indication as to the specific duties of these officials. Until the Secretary makes determinations thereon, it would not be possible to inform a Senate Committee as to the duties of each nominee. Subject to that observation, the possible alternatives here are the same as those under II, above.

V. Assistant Secretary for Administration

The President may approve (or disapprove) this appointment by the Secretary when the Secretary presents it (which may be at any time after H.R. 6927 is signed by the President) (sec. 4(b)). There is no provision for an Acting Assistant Secretary for Administration.

VI. Under section 11(a), the new Act will become effective on the 61st day following the date on which the Act is approved by the President (except that certain officers may be nominated and appointed earlier, but apparently may not be compensated until the Act becomes effective). However, section 11(a) empowers the President to specify an earlier effective date by Executive order. Such an Executive order should be issued only after the Secretary has entered upon office or is ready to enter upon office immediately, or when the President is ready to designate immediately an Acting Secretary (from among the officials of HIFA (section 11(b))).

STATEMENT BY THE PRESIDENT

I am proud that you can be with me today at the signing of H.R. 6227, establishing a Department of Housing and Urban Development.

Only a few Presidents have been given the opportunity of adding a new executive department and a new Cabinet Secretary to the small existing roster. The bill I am about to sign is therefore an historic document.

But the importance of this measure does not lie in that fact alone.

For the first time, we are consciously organizing our government to cope with what has been called the most significant domestic problem of our times -- the problem of urban growth and development.

Now this Nation faces up to this challenge has implications for every sector of the economy. To the extent that we can control the dynamic forces of urbanization and channel them into orderly, well-planned channels -- by so much will we increase the efficiency of our industry and commerce, the health and well-being of our people, and the beauty of our environment.

The central mission of the Housing and Home Finance Agency, the predecessor of the new Department, was to provide a decent home in a suitable living environment for every American. The Department of Housing and Urban Development will have the strength and flexibility to ~~meet with dispatch in the accomplishment of that goal.~~

from which I came into the Congress, has 70 percent of its people living in urban places. At the time I left, as a young Congressman in 1937, less than 40 percent lived in cities.

The tempo of growth is ever upward. At 11 o'clock on the morning of August 26, 1965, the population of the United States is estimated to have passed the 195 million mark. At that point in time, half of the people who had ever been alive in the United States since it was first settled were still alive.

In this respect I would like to repeat something I said earlier this year in my Message on the Cities: In the remainder of this century urban population will double, city land will double, and we will have to build in our cities as much as all that we have built since the first colonist arrived on these shores. It is as if we had 35 years to rebuild the entire urban United States. The measure of a great nation in these times lies in its ability to marshal its genius and its resources to meet the challenge of growth and change.

During the 176 years of history since those first three departments -- State, War and Treasury -- were formed, the establishment of other Executive departments have always come in the context of change and the requirement to meet pressing administrative or social need.

Interior was formed during our great Western expansion, Commerce and Labor to meet the urgent demands of industrialization. Navy and Air Force and later Defense came about as the result of pressures from without and the burdens of World responsibility.

It was in response to the needs of his time that President Lincoln in his State of the Union Message of 1861 said of agriculture that it was "confessedly the largest interest of the nation." The establishment of a Department concerned with forwarding this interest would, he said, "become a fruitful source of advantage to all our people."

The formation of our most recent department until today, Health, Education and Welfare, also was responsive to the needs of the time. President Eisenhower in calling for the creation of this Department said:

"Such action is demanded by the importance and magnitude of these functions, which affect the well-being of millions of our citizens."

None of these great departments came into being without a period of gestation and sometimes heated debate. History tells us that it took 30 years to give birth to H&M, 37 for Interior and Agriculture, 39 for Commerce, 40 for Justice and 45 for Labor.

The Department of Housing and Urban Development is no exception to the rule.

There have been continuing efforts to create a department of this kind since 1956. Today our Nation and its people have that department.

I realize as I sign this historic legislation that it came about only through the creativity, dedication and hard work of a good many people in both private and public segments of our society.

I realize how much of this force and creativity came from the mayors of our great and small cities, and from the municipal organizations. I am also deeply appreciative of the efforts of those members of Congress who so skillfully guided this legislation to enactment.

This is not the last department bill that will be signed by an American President, for the process of growth and change will not cease in these United States. New needs will generate new institutions. This is inherent in a vital nation of energetic and hopeful people.

But I think we have met the challenge of today with a solution for today, and for the future of our communities and our urban population.

7
THE WHITE HOUSE
WASHINGTON

EXECUTIVE

FG 999-6

FG 717

FG 11

31
attachment

FOR : The President
FROM : Horace Busby
ABOUT : Esther Peterson & Consumer Affairs
X

Over the past several months, as you know, several of us -- Macy, Wirtz, myself, et al -- have made stabs at doing "something" about Consumer Affairs.

Thus far, efforts have been abortive. But this past week, in still another conversation with Esther Peterson, I came across something she would buy -- and asked her to outline it in a memo, which is attached.

The idea is to attach Consumer Affairs to the Department of Urban Development (when established). This is highly logical organizationally. In my tentative estimate, the transfer of Consumer Affairs to the new LDepartment -- at a judicious time -- would probably draw applause in the East, rather than criticism for "downgrading it." If desired, Esther could be transferred with it (out of Labor).

No one else knows about this. I suppose we should keep quiet about it until the bill passes, then have the idea staffed out by Macy, Budget, et al.

(P.)

EXECUTIVE OFFICE OF THE PRESIDENT
PRESIDENT'S COMMITTEE ON CONSUMER INTERESTS
WASHINGTON, D.C.

June 25, 1965
11 a. m.

MEMORANDUM TO

The President

From: Esther Peterson

Subject: Pros and cons of moving the consumer program to the
proposed Department of Housing and Urban Development

These are the arguments for:

(1) The good business-government relations developed by your Administration might be better served without the basic conflicts of a consumer program in the Executive Office.

(2) At your directive, the role of the Special Assistant for Consumer Affairs has been to have a "loud, clear, uncompromising and effective" voice. This conflicts with the normal role of anonymity for a Presidential Assistant.

(3) Organizationally, the White House is not the place for programs that have a special constituency, however large or unrepresented that constituency may be.

(4) Substantive operational programs for consumers that cannot be conducted in the Executive Office could be instituted at a department level.

(5) It would be easier to build a consumer program into a new department than to place it in an existing Department with established special interests groups.

(6) The proposed urban department would have the fewest inherent conflicts with a broad consumer program since the needs of the urban dweller are basically those of consumers.

-two-

(7) Consumers could come to feel that the new Department was established to promote their interests just as the interests of business, labor, farmers, etc., already are promoted by other Departments.

(8) Such a program would give the new department a large ready-made constituency and give the Administration a new opportunity to demonstrate its continuing ability to innovate.

These are the arguments against:

(1) Transfer of the consumer office would be interpreted by many as a downgrading of the program at a time when consumer interest is at a high point. A political plus might be lost.

• (2) The Presidency would lose a valuable point of contact with the "plain people" who feel that the White House itself is doing something for them.

(3) Loss of the White House overview would make it more difficult to coordinate government consumer services effectively.

(4) Removal from the Executive Office would break an influential link between business, government, and consumers, thus hampering efforts toward voluntary cooperation.

(5) Other Departments and Agencies have acknowledged that the presence of a consumer office in the White House has made their own consumer programs more effective.

(6) The Bureau of the Budget has an established position against adding any non-HHFA functions to the Urban Department.

(7) None of the 23 agencies with consumer programs has enough identity with consumer programs to be thought of as the consumer agency. This might be equally applicable to the new department.

EXECUTIVE

THE WHITE HOUSE
WASHINGTON

September 8, 1965

TO: Marvin Watson

FROM: Claude Desautels

FG-170
LE/LG
H52
H53
LG
H5
FG440
FG412
FG230
IT47-27
FG216-1
FG245
FG105-4
STS

HR 6927
The following will attend the signing of the Housing and Urban Development Bill, tomorrow, Thursday, September 9 at 10:00 A.M. -- they all have been instructed to enter via the N.W. Gate:

The Vice President Hubert H. Humphrey

Senator Wallace F. Bennett
Senator Carl T. Curtis
Senator Paul H. Douglas
Senator Ernest Gruening
Senator Fred R. Harris
Senator Henry M. Jackson
Senator Jacob K. Javits
Senator Robert F. Kennedy
Senator Russell B. Long
Senator John L. McClellan
Senator Thomas J. McIntyre
Senator Mike Mansfield
Senator Joseph M. Montoya
Senator Edmund S. Muskie
Senator Maurine B. Neuberger
Senator William E. Proxmire
Senator Abraham A. Ribicoff
Senator George A. Smathers
Senator Harrison A. Williams, Jr.

Congressman Frank Annunzio
Congressman Carl Albert
Congressman Thomas L. Ashley
Congressman William A. Barrett
Congressman John A. Blatnik
Congressman Jack B. Brooks

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CENTRAL FILES

Congressman James A. Byrne
Congressman Howard H. Callaway
Congressman William L. Dawson
Congressman William L. Dickinson
Congressman John G. Dow
Congresswoman Florence P. Dwyer
Congressman Dante B. Fascell
Congressman Paul A. Fino
Congressman Cornelius E. Gallagher
Congressman Edward A. Garmatz
Congressman Tom S. Gettys
Congressman Henry B. Gonzalez
Congressman Bernard F. Grabowski
Congressman Edward J. Gurney
Congressman Seymour Halpern
Congressman John R. Hanse
Congressman Porter Hardy, Jr.
Congressman James Harvey
Congressman Henry Helstoski
Congressman Chet Holifield
Congressman Frank J. Horton
Congressman Albert W. Johnson
Congressman Robert E. Jones
Congressman David S. King
Congressman Delbert L. Latta
Congressman Thomas C. McGrath
Congressman Torbert H. Macdonald
Speaker John W. McCormack
Congressman Joseph G. Minish
and son George Minish
Congressman John S. Monagan
Congressman William S. Moorhead
Congressman John E. Moss
Congressman Abraham J. Multer
Congressman Wright Patman
Congressman Ogden R. Reid
Congressman Henry R. Reuss
Congressman Benjamin S. Rosenthal
Congressman J. Edward Roush
Congressman Donald Rumsfeld
Congressman Fernand J. St. Germain

Congressman J. William Stanton
Congressman Robert G. Stephens, Jr.
Congressman Leonor K. Sullivan
Congressman Burt L. Talcott
Congressman Paul H. Todd, Jr.
Congressman Charles L. Weltner
Congressman and Mrs. Compton I. White
Congressman William B. Widnall
Congressman Jim Wright

Mr. John E. Barriere - Housing Subcommittee of Banking and Currency Committee

Mr. Kenneth W. Burrows - Housing Subcommittee of Banking and Currency Committee

Mr. A. S. Coan - Staff Director - Banking and Currency Committee

Mr. John L. Graves - Assistant Secretary for the Majority

Mr. Elmer W. Henderson - Counsel - Government Operations Committee

Mr. Jonathan Lindley - Professional Staff Member - Banking and Currency Committee

John E. Horne - Federal Home Loan Bank Board

Mr. John J. McEwen, Jr. - Housing Subcommittee of Banking and Currency Committee

Mr. John T. Morgan - Democratic Study Group

Mr. Paul Nelson - Acting Clerk and Staff Director - Banking and Currency Committee

Mr. Dudley L. O'Neal, Jr. - Chief Counsel - Banking and Currency Committee

Mr. William G. Phillips, Staff Director - Democratic Study Group

Mr. Jerome Sonosky - Staff Director - Subcommittee on Executive Reorganization - Government Operations Committee

Mrs. Margaret E. Tucker - Housing Subcommittee of Banking and Currency Committee

Mr. Francis R. Valeo - Secretary for Majority

Mayor Ivan Allen - Atlanta, Georgia

Governor Edmund G. Brown

Mayor Joseph M. Barr - Pittsburgh, Pa.

Mayor John J. Burns - Binghamton, New York

Mayor Jerome P. Cavanagh - Detroit, Michigan

End of
Sheet one

Mayor John F. Collins - Boston, Massachusetts
Mayor Richard J. Daley - Chicago, Illinois
Mayor Herman W. Goldner - St. Petersburg, Fla.
Mayor Robert King High - Miami, Florida
Mayor James W. Kelly, Jr. - East Orange, New Jersey
Mayor Theodore R. McKeldin - Baltimore, Maryland
Mayor Arthur Naftalin - Minneapolis, Minnesota
Mayor Robert F. Wagner - New York City
Norman Abelson - National Association of Home Builders
Professor Charles Abrams - Columbia University School of Architecture
Professor John E. Beibot - Rutgers-The State University
Andrew W. Biemiller - AFL-CIO
Larry Blackman - National Association of Home Builders
Francis Bosworth - Friends Neighborhood Guild
Bernard L. Boutin - National Association of Home Builders
Professor Alan K. Campbell - Maxwell Graduate School of Citizenship
and Public Affairs - Syracuse University
Mr. Blue Carstenson - National Farmers Union
Mr. Lloyd E. Clark - National Association of Home Builders
Mr. Sam Berger - Philadelphia, Pennsylvania
Dr. Morris W. H. Collins, Jr. - The University of Georgia
Morris D. Crawford, Jr., Past President - National Association of
Mutual Savings Banks
Mr. Oscar DeLima - Roger Smith Hotel Corporation
Mr. George Duggar - University of Pittsburgh
Mr. W. W. Dumas - National Association of Counties
Mr. John W. Edelman - National Council of Senior Citizens
Mr. Grover W. Ensley - National Association of Mutual Savings Banks
Professor George H. Esser, Jr. - University of North Carolina
Mr. Vernon L. Ferwerda - National Council of the Churches of Christ
Msgr. Raymond J. Gallagher - National Conference of Catholic Charities
Mr. John J. Gunther - U. S. Conference of Mayors
Mr. Hoyt S. Haddock - Four Freedoms, Inc.
Mr. Donald W. Leif - National League of Cities
Laurance G. Henderson - Jt. Council on Housing and Urban Development
Mr. Bernard F. Hillenbrand - National Association of Counties
Mrs. Cenoria Johnson - National Urban League
Joseph D. Keenan - International Brotherhood of Electrical Workers
Nathaniel S. Keith - National Housing Conference
Mr. Morris Ketchum, Jr. - American Institute of Architects
David L. Krooth - Housing Legislation Information Service
Kenneth C. Landry - American Institute of Architects
Mr. Ralph Lazarus - Federated Department Stores, Inc.

Mr. Winslow Carlton - Group Health Insurance - NYC
Mr. John L. Linnehan - National Association of Home Builders
Henry W. Maier - National League of Cities
Reverend George D. M. Maletta - National Council of the Episcopal Church

Mr. Stanley Marcus - Neiman Marcus

End of sheet 2 Miss Margaret Mead - American Museum of Natural History

George Meany - AFL-CIO

Kenneth A. Meiklejohn - AFL-CIO

Clarence Mitchell - NAACP

Robert M. Morgan - National Association of Mutual Savings Banks

Mr. Raymond D. Nasher - Nasher Properties

Dr. Harvey S. Perloff - Resources for the Future, Inc., Wash., D. C.

Robert R. Poston - National Association of Mutual Savings Banks

Dr. Sheldon Rahn - National Council of the Churches of Christ

Former Congressman Albert Rains

Mrs. Barbara Reach - Community Service Society

Mr. Joseph Robbie

Mr. Edward Rutledge - National Committee Against Discrimination in Housing

Mr. William H. Scheick - American Institute of Architects

Earl B. Schwulst - National Association of Mutual Savings Banks

Boris Shishkin - AFL-CIO

Chester Shore - American Veterans Committee

Raphael D. Silver - Keller-Silver Corporation

John O. Simonds - American Society of Landscape Architects

Donald Slater - National League of Cities

Mr. Shelby Southard - Cooperative League of USA

Mr. Herman W. Steinkraus - United Nations Assoc. of the USA

Mr. Russell I. Thackery - National Association of State University and Land Grant Colleges

Dwight D. Townsend - Cooperative League of the U.S.A.

Walter N. Tobriner - Board of Commissioners, D. C.

Sterling Tucker - Washington Urban League

Reverend Lawrence M. Upton - National Council on the Aging

H. Jerry Voorhis - Cooperative League of the USA

C. D. Ward - National Association of Counties

Reverend Howard W. Washburn - Board of Hospitals and Homes of the Methodist Church

Lawrence A. Wein - NYC

Leon N. Weiner - National Association of Home Builders

Professor John W. Dyckman - Institute of Urban and Regional Development - University of California

Mr. Roy Wilkins - National Association for Advancement of Colored People
Mr. Robert L. Williams - American Institute of Planners
Paul Ylvisaker - Ford Foundation - NYC
Harold F. Wise - American Institute of Planners
Professor Robert C. Wood - Massachusetts Institute of Technology
Paul R. Bickford - Hampton, Virginia - Nat'l Assoc. of Home Builders
William Blackfield - Nat'l Assoc. of Home Builders
Frank W. Cortright - Nat'l Assoc. of Home Builders
Ben C. Deane - Nat'l Assoc. of Home Builders
Don Decker - Nat'l Assoc. of Home Builders
Douglas J. Dok - Natl. Assoc. of Home Builders
Frank R. Equi - Nat'l Assoc. of Home Builders
Alex Feinberg - Nat'l Assoc. of Home Builders
David G. Fox - Nat'l Assoc. of Home Builders
Jack Friedland - Nat'l Assoc. of Home Builders
Eugene A. Gullledge - Nat'l Assoc. of Home Builders
Kimball Hill - Nat'l Assoc. of Home Builders
Mr. Paget Alver - Nat'l Urban League
Mr. Don Huber - Natl. Assoc. of Home Builders
Edward W. Pratt - Nat'l Assoc. of Home Builders
Jack Renshaw - Nat'l Assoc. of Home Builders
End of sheet 3 Mr. Francis J. Schroedel - Nat'l Assoc. of Home Builders
Ben F. Swinder - Nat'l Assoc. of Home Builders
Mr. Stanley Waranch - Nat'l Assoc. of Home Builders
Mr. Philip H. Sachs - Baltimore Metropolitan Transit
Melvin Reese - City Manager of Miami
Mr. John J. Sudia - Executive Director of Housing Authority - Borough of Carteret, N.J.)

Congressional Members invited but unable to attend:

Senator Samuel J. Ervin, Jr.
Senator Bourke B. Hickenlooper
Senator Edward V. Long
Senator Lee Metcalf
Senator Walter F. Mondale
Senator Karl E. Mundt
Senator A. Willis Robertson
Senator Milward L. Simpson
Senator John Sparkman
Senator Strom Thurmond

Senator John G. Tower
Congressman William E. Brock
Congressman Hale Boggs
Congressman Earle Cabell
Congressman Del Clawson
Congressman John N. Erlenborn
Congressman L. H. Fountain
Congressman Robert P. Griffin
Congressman Richard T. Hanna
Congressman Chester L. Mize
Congressman Richard L. Ottinger
Congressman William J. Randall
Congressman Burt L. Talcott

HOUSING AND HOME FINANCE AGENCY

Joseph J. Barcia (Agency Photographer)

J. Stanley Baughman, President, Federal National Mortgage Association

Philip N. Brownstein, Commissioner, Federal Housing Administration

Hilbert Fefferman, Associate General Counsel

Ashley A. Foard, Associate General Counsel

John M. Frantz, Director Division of Budget and Management

Marie McGuire, Commissioner, Public Housing Administration

Robert W. Murray, Jr., Assistant Administrator (Public Affairs)

James A. Moore, Assistant Administrator (International Housing)

Morton J. Schussheim, Assistant Administrator (Program Policy)

Milton P. Semer, Deputy Administrator And General Counsel

William L. Slayton, Commissioner, Urban Renewal Administration

Charles M. Smith, Congressional Liaison Officer

Sidney Spector, Assistant Administrator (Housing for Senior Citizens)

Richard L. Still, Acting Commissioner, Community Facilities Administration

Robert C. Weaver, Administrator

OTHER GOVERNMENTAL

Mr. Bartlett Harvey, Acting Assistant Administrator,
for Program
Agency for International Development
Washington, D. C.

ICY Urban Development Committee

Honorable John E. Horne, Chairman
Federal Home Loan Bank Board
Washington, D. C.

Honorable Walter N. Tobriner
Commissioner, District Government
Washington, D. C.

ICY Urban Development Committee

FOR IMMEDIATE RELEASE

SEPTEMBER 13, 1965

Office of the White House Press Secretary

EXECUTIVE

PR19

LG

FG170

THE WHITE HOUSE

MESSAGE FROM THE PRESIDENT TO
THE URBAN DEVELOPMENT SEMINAR
X

I extend to you my heartiest welcome to the United States of America and wish you every success in your studies.

Your task for the next four weeks will be to examine the urban programs and institutions we have developed in the United States -- not with a view of copying them, because you cannot transplant techniques from one culture to another -- but to explore ideas and principles which can be adapted to your social and economic environments.

In particular you should carefully look at the accomplishments of private profit and nonprofit enterprises, such as cooperatives, which stimulate capital formation so essential to housing construction. And do not overlook the vast contributions American labor has made towards raising our living standards. For no amount of money can develop the best laid plans without the trained workers necessary to implement a program.

You will be interested to know that last Thursday I signed legislation establishing a Department of Housing and Urban Development. This new Department, the eleventh in our Federal Government, will draw together the programs and personnel formerly scattered through several agencies to provide a more effective means of solving this country's problems of growth and urbanization.

The creation of this Department is an important step in our national effort to achieve a Great Society. But let me assure you that I earnestly hope and pray that the time will come when all your nations also achieve the goal of a Great Society. Our Agency for International Development, working closely with the new Department, will continue to develop new tools to help the developing countries solve their urban problems.

I am looking to this Seminar to generate the ideas necessary to stem the tide of urban deterioration and to develop the guidelines for providing decent housing and suitable environments for people everywhere.

I wish you Godspeed in your important task.

#

RECEIVED

MAR 15 1967

CENTRAL FILES

Nothing also sent to
Central Files as of 4/8/67
L/B

Re-written
Bill for Creation of the
Dept. of Housing & Urban
affairs - signed Sep 9, 1965

Suzanne File
Urban Affairs

EXECUTIVE
FG170

REMARKS OF THE PRESIDENT ON THE SIGNING CEREMONY
FOR PUBLIC LAW 89-___ ESTABLISHING A

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Members of Congress, Ladies and Gentlemen: I am proud that you can be with me today for we are met at a crucial time in the development of this proud nation.

Only a few Presidents have been given the opportunity of adding a new executive department and a new Cabinet Secretary to the small existing roster.

This is the eleventh department and will mean the appointment of the eleventh Cabinet Secretary. The bill I am about to sign is therefore by content an historic document.

But the importance of this measure does not lie in that fact alone.

For the first time it gives our 18,000 municipalities, from the largest metropolitan complex to the smallest village, a spokesman by the President's side in the Cabinet.

It gives 137 million urban Americans access to an entity of government that at last has a voice powerful enough to speak their needs.

RECEIVED

MAR 1967

GENERAL FILES

And it gives the former Housing and Home Finance Agency, ^{now to be} its ~~the Department of Housing and Urban Development,~~ predecessor organization, the strength and flexibility to move with dispatch in its historic mission of attaining a decent home in a suitable living environment for every American.

The new department can meet this challenge with increased economy and efficiency. It is in the nature of the legislation that wasteful duplication of effort shall be abolished and programs formerly scattered through five agencies will be brought into coherent order.

For the first time this unwieldy vehicle will be brought into trim.

It is past time that this should happen, for in the context of urban growth and change, yesterday was not too early and tomorrow is pressing upon us today.

I think all of you, of whatever generation, know what I mean.

When our nation was born, only five percent of the population lived in urban centers, and by the mid-Nineteenth Century only 15 percent of the nation lived in cities.

When my generation was born, the population of this land was still 60 percent rural. It was not until early 1918 that the nation turned the corner and over 50 percent of the population lived in urban areas.

The vast migration of our people from the farm to the city, from the countryside to urban centers, and from central cities to the suburbs, has come about in my lifetime.

My own State of Texas is dramatic evidence of that change. When I was born less than 25 percent of its population was urban. By 1960 that proportion had soared to 75 percent. Today, the 10th Congressional District, from which I came into the Congress, has 70 percent of its people living in urban places. At the time I left as a young Congressman in 1937, less than 40 percent lived in cities.

The tempo of growth is ever upward. Early in the morning of August 24, 1965, the population of the United States is estimated to have passed the 195 million mark. At that point in time, half of the people who had ever been alive in the United States since it was first settled were still alive.

This population surge will continue and most of it will be in urban places. Between now and the year 2000, more than 80 percent of our population growth will occur in these areas.

I would like to repeat something I said earlier this year in my Message on the Cities: In the remainder of this century -- in less than 40 years -- urban population will double, city land will double, and we will have to build in our cities as much as all that we have built since the first colonist arrived on these shores. It is as if we had 40 years to rebuild the entire urban United States."

The measure of a great nation in these times lies in its ability to marshall its genius and its resources to meet the challenge of growth and change.

Historically this nation has responded to these pressures by the creation of executive departments. This has not always come about in the same way, because a complex of forces precipitated the formation of each department.

Our first three departments were descended directly from the experiences of the Revolutionary War and the Articles of Confederation. They were the departments of State, War and Treasury, established in 1789. Almost from the beginning, the secretaries of these departments met with President Washington, and with the addition of the Attorney General, became the councillors of the President, and the first cabinet. It was from the beginning a peculiarly American institution, referred to as the lengthening shadow of the President.

President Washington wrote: "The impossibility that one man should be able to perform all the great business of the state I take to have been the reason for instituting the great departments, and appointing officers therein to assist the supreme magistrate in discharging the duties of his trust."

During the 176 years of history since those first three departments were formed, there have been 10 responses to the need for a new department, and always these responses came in the context of change and the requirement to meet administrative or social need.

Interior was formed during our great Western expansion, Commerce and Labor to meet the urgent demands of industrialization. Navy and Air Force and later Defense came about as the result of pressures from without and the burdens of world responsibility.

But I think the department which is perhaps most symbolic in the context of change is Agriculture. It illustrates that a department is born of the necessity of its period, and it also illuminates the transformation in the texture of our nation that has taken place up to the creation of this new department today.

When President Abraham Lincoln came into office ours was a farm economy and a predominately rural population. Fewer than 20 percent of our people lived in urban centers. It was in response to the needs of his time that the President in his State of the Union Message of 1861 said that agriculture was "confessedly the largest interest of the nation," and he respectfully called on the Congress to give the farmer a larger voice in government.

The Congress gave President Lincoln his department on May 15, 1862, and he said with Lincolnesque rhetoric in his Annual Message to Congress of December 1, 1862:

"To carry out the provisions of the Act of Congress of the 15th of May last I have caused the Department of Agriculture of the United States to be organized... The creation of this Department was for the more immediate benefit of a large class of our valuable citizens; and I trust that the liberal basis upon which it has been organized will not only meet with approbation, but it will realize, at no distant day, all the fondest anticipations of its most sanguine friends and become the fruitful source of advantage to all our people."

The formation of our most recent department until today, Health, Education and Welfare, also was responsive to the needs of the time. President Eisenhower in calling for the creation of this Department said: "Such action is demanded by the importance and magnitude of these functions, which affect the well-being of millions of our citizens."

He called for "additional assurance that these matters will receive the full consideration they deserve in the whole operation of the Government." And he was given his department.

None of these great departments came into being without a period of gestation and sometimes heated debate. History tells us that it took 30 years to give birth to HEW, 37 for Interior and Agriculture, 39 for Commerce, 40 for Justice and 45 for Labor.

This new department is no exception to the rule.

The Housing and Home Finance Agency was created in 1947 to succeed the National Housing Agency and to coordinate the functions of three entities, two of which were the Public Housing Administration and the Federal Housing Administration. (The third was the Federal Home Loan Bank which was removed from FHFA and established as a separate agency in 1955.)

In 1955 the House Subcommittee of the Committee on Government Operations held hearings to create a department of urban culture and there have been intermittent attempts to create a department of this kind since that time.

In our present decade, President Kennedy transmitted a draft bill to establish a Department of Urban Affairs and Housing to the Congress in April of 1961. And this year, final impetus came with my Message on the Cities. I stated then: "To give greater force and effectiveness to our effort in the cities, I ask the Congress to establish a Department of Housing and Urban Development."

And today our nation and its people have that department.

We are all aware by now of the importance of this new instrument of government to our own country. But I would also like to stress the importance to our friends and neighbors throughout the world. Urbanization is not restricted to our nation or to those of Western Europe. Growth and change have altered the texture of all nations, including those which have come into being in the last two decades. We are mindful of this fact, and of the opportunity we have to help one another in the difficult and exciting years ahead.

On October 2, 1964, I spoke to a group of distinguished Americans of a very old and honored American interest, that of fostering international cooperation instead of international conflict. And I then proclaimed 1965 ~~1965~~ as International Cooperation Year in the United States. I asked that we explore every conceivable approach and every avenue that could lead to peace. I called it then and I consider it now the assignment of the Century.

Among the many committees, formed from both the private and public sectors of our society, and with the invaluable cooperation of the United Nations Association, was an Urban Development Committee.

Thus it pleases me that a fellow Texan is one of the chairmen of that committee. That is Ray Nasher of Dallas who I am glad to say is here today.

We are to meet and receive the recommendations of these committees in a White House Conference from Nov. 29 to Dec. 1 of this year.

And today our nation and its people have that department.

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We are to meet and receive the recommendations of these committees in a White House Conference from November 29 to December 1 of this year.

Although it is not intended that I receive these recommendations until that time, I must admit that I have cribbed a bit from the report of the fine Urban Development Committee. In general, it will recommend a series of actions to combine with the United Nations in attacking problems of slums and blight and improper planning throughout the world. This new department will form the bones and sinew of our effort in this particularly urgent arena of international cooperation.

I realize as I prepare to sign this historic legislation that it came about only through the creativity, dedication and hard work of a good many people in both private and public segments of our society.

I am happy to see that many of them are here today.

I realize how much of this force and creativity came from the mayors of our great and small cities, and from the municipal organizations.

Members of the Bureau of the Budget and of the Housing and Home Finance Agency labored mightily to bring forth this youngest of our departments, and I congratulate them upon its birth.

I am particularly mindful of the efforts of Senator Abraham Ribicoff ^{and Senator Clark of Pennsylvania.} of Connecticut, and Senator Muskie of Maine. They had valuable bipartisan support in the Senate and I am happy to note that fact. I want to give full credit to Congressman Dawson of Illinois for his brilliant work in the House, and to Congressmen ^{Russ} ~~Byrd~~ and Fascell, who so ably supported him.

This is not the last department bill that will be signed by an American President, for the process of growth and change will not cease in these United States. New pressures will generate the need for new institutions. This is inherent in a vital nation of energetic and hopeful people.

But I think we have met the challenge of today with a solution for today, and for the future of our communities and our urban population. This new department and this new Cabinet officer, given the expanded program and new tools made available in the Housing Act I signed in this garden on August 10, can meet the challenge of growth and change in full.

City of Miami, Florida

ROBERT KING HIGH
MAYOR



EXECUTIVE

96170

26/Miami

September 14, 1965

The Honorable Lyndon B. Johnson
President of the United States
The White House
Washington, D.C.

My dear Mr. President:

It was an honor to be present last week when you signed into law the bill creating the new Department of Housing and Urban Development. As a mayor of a great city, I am deeply mindful of the significance of this legislation.

I appreciate the invitation to attend.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Robert King High".
Robert King High
x

RKH:as

THE WHITE HOUSE
WASHINGTON

September 22, 19

TO : Jack Valenti

FROM: Clifford L. Alexander, :

For your information.

al Files as of 9/28/65

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Thursday, September 16, 1965
2:45 p.m.

TO: THE PRESIDENT
FROM: Douglass Cater

After talking with you, we invited Mayor Jerome ^XCavanagh of Detroit to be a guest at the stag dinner tonight.

You may be interested in having a word with him and ask his suggestions about who should get the top jobs in the Department of Urban Affairs. If you don't have a chance, I will try to sound him out about possible candidates.

From the desk of *Robert C. Weaver* ③
ADMINISTRATOR
EXECUTIVE

Sept 17, 1965
FAY
ED 170
FH 170-5

JRE.
Here is the other side of
the issue.

Rob.

September 21, 1965

EXHIBITIVE :

LE/LG

FG170

Dear Mr. Keith:

On behalf of the President, I want to thank you for sending along the tear sheet of your story. The President is most appreciative of such thoughtfulness.

I might add to this that I enjoyed reading your warm and colorful account of the ceremony.

Sincerely,

Joseph Laitin
Assistant Press Secretary
to the President

Mr. James D. Keith
842 Free Press Building
Detroit, Michigan 48226

JL/cg

September 23, 1965
10:00 a.m., Thursday

MEMORANDUM FOR THE PRESIDENT

FROM Joe Califano

Yesterday you asked if we had any names to suggest for the Urban Affairs post.

Nick Katzenbach asked me to pass along the following names to you:

Edward J. ^xLogue, who is now the Development Director in Boston, Massachusetts, and who was the man behind Dick Lee in New Haven.

Julien ^xLevi, who did a lot of work for Dick Daly in Chicago.

After thinking about this overnight, I suggest that you consider Burke Marshall. I think he would be ideal from a number of stand-points. He is clearly competent to do the job. He has a strong pro-civil rights record which would help to offset the failure to appoint a negro to the post. It would also be a typically Johnsonian move -- totally unexpected return of an unusually competent public servant to take on this difficult job.

RECEIVED
FEB 23 1966
CENTRAL FILES

Orig not sent to file



Federal Housing Administration
Public Housing Administration
Federal National Mortgage Association
Community Facilities Administration
Urban Renewal Administration

HOUSING AND HOME FINANCE AGENCY
OFFICE OF THE ADMINISTRATOR

WASHINGTON, D.C. 20410

EXECUTIVE

76170-
76245

September 23, 1965

MEMORANDUM FOR: Lee C. White
Special Counsel to the President
The White House

SUBJECT: Essential Steps for Launching the Department of Housing
and Urban Development

As you requested, I am outlining the steps that will need to be taken in order to permit the Department of Housing and Urban Development to start operations.

A. APPLICABLE LEGAL PROVISIONS

The Act creating the Department provides as follows:

1. The Act "shall take effect upon the expiration of the first period of sixty calendar days following the date" of its approval by the President. Under this provision, the Act will take effect on the morning of November 9. (SEC. 11(a))
2. The Act may take effect "on such earlier date as the President shall specify by Executive order published in the Federal Register". (SEC. 11(a))
3. Prior to the effective date of the Act, the President may nominate and appoint the Secretary, Under Secretary, four Assistant Secretaries, and a General Counsel, all of whom are subject to Senate confirmation; and the Secretary (if confirmed or serving under a recess appointment) may appoint, with the approval of the President, an Assistant Secretary for Administration. However, these men would not enter into office until the Act becomes effective. (SEC. 11(a) and SECS. 3(a), 4(a), and 4(b))
4. In the event that one of the officers whose appointment is required to be confirmed by the Senate shall not have entered upon office on the effective date of the Act, the President "may designate any person who was an officer of the Housing and Home Finance Agency immediately prior to said effective date" to act in the office until it is filled, but for not longer than 60 days beyond the effective date. (This 60 day period would end on Sunday, January 9, or earlier if the effective date has been accelerated by the President.) Former HHFA officials designated to act in place of Presidentially appointed departmental officials would be compensated at the rate of pay established for the new positions. (SEC. 11(b))

5. Outstanding causes of action, litigation, rules, regulations, authorizations, delegations, etc. of the HHFA would remain undisturbed without limit of time until modified or terminated by the Secretary or other appropriate authority. (SEC. 9)

**B. ACTIONS TO BE TAKEN IF THE PRESIDENT DESIRES TO MAKE
THE DEPARTMENT EFFECTIVE BEFORE NOVEMBER 9**

1. Preparation of an appropriate Executive order and its publication in the Federal Register.
2. Either confirmed appointment or recess appointment of officials required to be appointed with the advice and consent of the Senate, or designation of officers of the HHFA to serve in their respective places. This should be accomplished no later than the accelerated effective date of the Act if it is desired to have a full complement of officers as contemplated by the law.

However, the departmental functions could legally be carried out without such a full complement of officers if there were placed in office a Secretary (or designated Acting Secretary) and one Assistant Secretary (or designated Acting Assistant Secretary) for private mortgage market responsibilities.

NOTE: As a practical matter, the President would probably not wish to accelerate the effective date of the Department unless he was prepared to announce the person whom he intends to appoint as Secretary.

C. ACTIONS TO BE TAKEN IF DEPARTMENT TAKES EFFECT NOVEMBER 9

1. If the Department is permitted to become effective without an Executive order accelerating the effective date, the only action necessary by November 9 would be the same as the action described under B.2. above.

That is to say, the Department could carry on its work if two additional officials were in office, namely the Secretary (or former HHFA official designated to act as Secretary) and the Assistant Secretary or Acting Assistant Secretary for the private mortgage market. The law itself requires (section 4(a)) that there shall be in the Department an Assistant Secretary who shall head the Federal Housing Administration, and who shall also be the Federal Housing Commissioner, and who shall administer departmental programs relating to the private mortgage market.

While it would be expected by the public that other Presidential appointees, or persons designated to act in their place, would be in office by November 9 or soon thereafter, their absence would not prevent

the Secretary from carrying out departmental functions in view of the fact that all departmental powers are vested in him and also in view of the savings clause which provides that substantive rules, regulations, etc., shall remain in effect without limit of time until modified or terminated by appropriate authority.

2. In this connection, it may be necessary, and would certainly be desirable, for the Secretary to issue an interim order specifying which officials would continue to be responsible for which ongoing programs. An example of such a brief order is the "Interim Department Order 1" issued by the Secretary of HEW on April 11, 1953. (Federal Register for April 16, 1953)

D. ACTION REQUIRED TO BE TAKEN BY THE EXPIRATION OF THE
FIRST PERIOD OF 60 DAYS FOLLOWING THE EFFECTIVE DATE
OF THE DEPARTMENTAL ACT

The effective date of the Department Act may be either November 9 or an earlier date specified by the President in an Executive order published in the Federal Register. At the expiration of the first period of 60 days following this effective date, it will be necessary for the Department to have in office a Secretary and an Assistant Secretary who have been appointed by the President and confirmed by the Senate, or who are serving under valid recess appointments. The deadline date for this is Sunday, January 9, or earlier if the President has acted to accelerate the law's effective date. (There is attached a summary of the law, including Comptroller General's opinions, governing recess appointments.) In the absence of these two officials, legal authority would be lacking to carry on departmental functions.

While it is not legally essential that other Presidential appointees be in office under an appointment with Senate confirmation or under a valid recess appointment, it will be necessary that such other officers serve under such an appointment if they are to receive the compensation which attaches to the new offices.

E. OTHER DESIRABLE ACTIONS

While not required by law, and while not essential to carrying out the basic functions of the Department, it is of course desirable that there be published at the earliest possible time subsequent to the effective date of the Act and the appointment of the Secretary, an organizational statement and appropriate delegations of authority. These would make clear to the public at large the major divisions of responsibility among the four Assistant Secretaries and major operating offices of the Department. They would also make public information concerning services and activities in the field.

Milton P. Semer
Milton P. Semer
Deputy Administrator
and General Counsel

Attachment

9/23/65

Legal Authority on Recess Appointments

1. While the Senate is recessed, the President may make a "Recess Appointment" with pay only if:
 - the vacancy arose within 30 days prior to the Senate session termination, or
 - a nomination is still pending before the Senate at the time of the Senate session termination (but not the pending nomination of a Recess Appointee who was appointed during the preceding Senate recess), or
 - a nomination was rejected by the Senate within 30 days prior to the Senate session termination and another person is appointed to the vacancy.

If, after the next Senate session commences, a nomination for the "Recess Appointment" has not been submitted to the Senate within 40 days, the Recess Appointee can no longer be paid.

[Section 56 of Title 5 of U. S. Code, Cumulative Supplement]

2. In each case of Senate session termination, a termination "in fact" determines whether a Recess Appointee can be paid. [28 Com. Gen. 30]
3. A Recess Appointee who cannot receive pay and is subsequently confirmed by the Senate, can then be paid retroactively from the date (after issuance of the Commission) that the appointee took oath of office or entered on duty. [9 Com. Gen. 190]
4. Pay: Generally, a "confirmed" appointee is entitled to pay (after issuance of the Commission) from such time as the appointee by affirmative act shows acceptance of the appointment. While the oath serves as such an act, even though the oath was not or is not taken, assumption of duties (after issuance of the Commission) is sufficient. [112 U.S. 88; 169 U.S. 331; 20 Com. Gen. 90]
5. Commission: The signing and affixing of the Seal of the U. S. completes the appointment. In justification of the finality of appointments, the Executive Department has cited the facts of mailing or delivery (to the appointee) to the Senate when it once wanted to reconsider its confirmation. [1 Cr. 137; 19 How. 73; 286 U.S. 6]
6. If an officer of the Agency is serving under an "advise and consent" appointment and accepts a new appointment of this type in the Agency, it is not necessary at that time to renew his oath. [5 U.S.C. 17b]



Federal Housing Administration
Public Housing Administration
Federal National Mortgage Association
Community Facilities Administration
Urban Renewal Administration

HOUSING AND HOME FINANCE AGENCY
OFFICE OF THE ADMINISTRATOR • WASHINGTON, D.C. 20410

~~LEGISLATION~~
LEGISLATION

urban
affairs

September 23, 1965

①
EXECUTIVE

7G 170

7G 245

MEMORANDUM FOR: Lee C. White
Special Counsel to the President
The White House

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EXECUTIVE

FC 170

PR 13-1/2

SEP 24 1965

LG/New Haven

Dear Mayor Lee:

Since you were unable to be present at the signing of the bill creating a Department of Housing and Urban Development, I am sending you one of the pens I used on that occasion.

Your urban development program in New Haven has earned national recognition. You deserve a lion's share of the credit for efforts leading to the new department which will advance the progress of our cities.

Sincerely yours,

LYNDON B. JOHNSON

Lyj

Honorable Richard C. Lee
Mayor of New Haven
New Haven
Connecticut

RL
LBJ/DC/jgr

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RECEIVED
SEP 24 1965
CENTRAL FILES