URBAN AMERICA: GOALS AND PROBLEMS

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SUBCOMMITTEE ON URBAN AFFAIRS

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LETTERS OF TRANSMITTAL

Hon. WILLIAM PROXMIRE,
Chairman, Joint Economic Committee,
Congress of the United States,
Washington, D.C.

DEAR MR. CHAIRMAN: Transmitted herewith for the use of the Joint Economic Committee and other Members of the Congress is a compendium entitled "Urban America: Goals and Problems." The compendium includes articles by over 20 specialists who are recognized authorities on urban affairs.

This compendium is the first stage of a long-range study of the goals and problems of urban America to be conducted by the Subcommittee on Urban Affairs. The subcommittee is grateful to the many outside experts and their organizations who gave generously of their time and talent in the preparation of the volume.

The study was prepared under the general supervision of James W. Knowles, Director of Research for the Joint Economic Committee, with the responsibility for planning, coordinating, and editing being done by Richard F. Kaufman, of the committee staff.

The views expressed in this compendium are those of the authors and do not necessarily represent the views of the Subcommittee on Urban Affairs or individual members thereof.

Sincerely,

RICHARD BOLLING,
Chairman, Subcommittee on Urban Affairs.

Hon. RICHARD BOLLING,
Chairman, Subcommittee on Urban Affairs,
Joint Economic Committee,
Congress of the United States,
Washington, D.C.

DEAR MR. CHAIRMAN: Transmitted herewith is a compendium entitled "Urban America: Goals and Problems." This collection includes selected articles by over 20 specialists who are recognized authorities on urban affairs. The specialists have been drawn from the academic world, urban research institutes, professional and business circles, and the area of community development.

The compendium was designed to stimulate new thinking about urban goals and problems, as well as to elicit from the experts the areas of disagreement about the nature of the most pressing problems and the approaches that should be taken toward their solution. In view of these objectives, we have divided the subject matter into four general categories and have assigned for each category a panel of experts to respond to a group of questions. The panels are made up of individuals with widely different expertise, including on each panel such diverse

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specialists as economist, architect, poltical scientist, lawyer, psychologist, anthropologist, and others.

Part I raises questions about goals, values, and priorities for urban America, the functions that communities perform, relationships between the size and density of the community, and the way in which it performs its functions, the optimum size of cities, and the optimum environment.

Part II asks whether programs can be designed to simultaneously solve the functional problems such as housing, transportation, recreation, education, health, poverty, and integration of racial and ethnic minorities into the economy of metropolitan areas.

Part III inquires into the role of local government, its organization, the provision of public services, and the execution of policy.

Part IV deals with the role of business and the relationship of the private sector to the public sector.

This study carries forward and draws upon other work of the Joint Economic Committee and its Subcommittees in such areas as poverty, local public facility needs, and local fiscal problems. The Committee conducted studies of the problems of low-income families as early as 1949 and 1950. Further studies of poverty were made in 1952, 1955, and in 1956 culminating in a report on *A Program for the Low-Income Population at Substandard Levels of Living*. Other Subcommittees of the Joint Economic Committee have recently published studies on *Federal Programs for the Development of Human Resources, State and Local Public Facility Needs and Financing*, and *Revenue Sharing and Its Alternatives: What Future for Fiscal Federalism?* These studies have dealt with, among other things, some of our most critical urban needs in the areas of manpower, environmental health, public facilities, and fiscal policy.

The professional experts who contributed to this compendium have given generously of their time and energy. The Committee is grateful to them and to their organizations for making available their wise counsel. Richard F. Kaufman, of the staff of the Joint Economic Committee, undertook responsibility for coordinating, and editing this compendium, under my supervision, in accordance with plans developed under your direct supervision. Miss Carole Houghton assisted in preparing the manuscript for publication.

It should be clearly understood that the views expressed in these papers are those of the individual contributors and do not necessarily represent the positions of the Joint Economic Committee, individual members thereof, or the Committee staff.

Sincerely yours,

JAMES W. KNOWLES,
Director of Research.

CONTENTS

PART I

VALUES, GOALS, PRIORITIES

What are the goals, values, and priorities which we seek to achieve through the organization of community environments, whatever their size or character? What functions do communities perform that are unique to them? Is there any functional relationship between the size and density of the community and the way in which it performs its functions for those who live and work there? Is there an optimum size of cities or an optimum environment? If so, is it possible to suggest criteria or standards by which we can measure the performance of communities of varying sizes and composition?

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THE HIDDEN DIMENSION*

By Edward T. Hall**

1. Culture as Communication

EVOLUTION BY EXTENSION

In spite of the fact that cultural systems pattern behavior in radically different ways, they are deeply rooted in biology and physiology. Man is an organism with a wonderful and extraordinary past. He is distinguished from the other animals by virtue of the fact that he has elaborated what I have termed *extensions* of his organism. By developing his extensions, man has been able to improve or specialize various functions. The computer is an extension of part of the brain, the telephone extends the voice, the wheel extends the legs and feet. Language extends experience in time and space while writing extends language. Man has elaborated his extensions to such a degree that we are apt to forget that his humanness is rooted in his animal nature. The anthropologist Weston La Barre has pointed out that man has shifted evolution from his body to his extensions and in so doing has tremendously accelerated the evolutionary process.

Thus any attempt to observe, record, and analyze proxemic [1] systems, which are parts of modern cultures, must take into account the behavioral systems on which they are based as expressed by earlier life forms.

MAN MAKES ENVIRONMENT, ENVIRONMENT MAKES MAN

In light of what is known of ethology, it may be profitable in the long run if man is viewed as an organism that has elaborated and specialized his extensions to such a degree that they have taken over, and are rapidly replacing, nature. In other words, man has created a new dimension, the cultural dimension, of which proxemics is only a part. The relationship between man and the cultural dimension is one in which both *man and his environment participate in molding each other*. Man is now in the position of actually creating the total world in which he lives, what the ethologists refer to as his biotope. In creating this world he is actually determining *what kind of an organism* he will be. This is a frightening thought in view of how very little is known about man. It also means that, in a very deep sense, our cities are creating different types of people in their slums, mental hospitals, prisons, and suburbs. These subtle interactions make the problems of urban renewal and the integration of minorities into the dominant

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culture more difficult than is often anticipated. Similarly, our lack of full understanding of the relation of peoples *and* their biotope is compounding the process of technical development of the so-called underdeveloped nations of the world.

ADUMBRATIVE PROCESSES

What happens when people of different cultures meet and become involved? In *The Silent Language* I suggested that communication occurs simultaneously on different levels of consciousness, ranging from full awareness to out-of-awareness. Recently it has become necessary to expand this view. When people communicate they do much more than just toss the conversational ball back and forth. My own studies as well as those of others reveal a series of delicately controlled, culturally conditioned servomechanisms that keeps life on an even keel, much like the automatic pilot on the airplane. All of us are sensitive to subtle changes in the demeanor of the other person as he responds to what we are saying or doing. In most situations people will at first unconsciously and later consciously avoid escalation of what I have termed the adumbrative or foreshadowing part of a communication from the barely perceptible signs of annoyance to open hostility. In the animal world, if the adumbrative process is short-circuited or bypassed, vicious fighting is apt to occur. In humans in the international-intercultural sphere of life many difficulties can be traced to failure to read adumbrations correctly. In such instances, by the time people discover what is going on, they are so deeply involved that they can't back out.

There have been many instances of the thwarting of communication primarily because neither of the parties was aware that each inhabits a different perceptual world. Each was also interpreting the other's spoken words in a context that included both behavior and setting, with a result that positive reinforcement of friendly overtures was often random or even absent.

AGGRESSION, CROWDING, AND POPULATION CONTROL

Indeed, it is now believed by ethologists such as Konrad Lorenz that aggression is a necessary ingredient of life; without it, life as we know it would probably not be possible. Normally, aggression leads to proper spacing of animals, lest they become so numerous as to destroy their environment and themselves along with it. When crowding becomes too great after population buildups, interactions intensify, leading to greater and greater stress. As psychological and emotional stress builds up and tempers wear thin, subtle but powerful changes occur in the chemistry of the body. Births drop while deaths progressively increase until a state known as population collapse occurs. Such cycles of buildup and collapse are now generally recognized as normal for the warmblooded vertebrates and possibly for all life. Contrary to popular belief, the food supply is only indirectly involved in these cycles, as demonstrated by John Christian and V. C. Wynne-Edwards.

THE MANY WORLDS OF MAN

As man developed culture he domesticated himself and in the process created a whole new series of worlds, each different from the other. Each world has its own set of sensory inputs, so that what crowds people of one culture does not necessarily crowd another. Similarly, an act that releases aggression and would therefore be stressful to one people may be neutral to the next. Nevertheless, it is fairly obvious that the American Negroes and people of Spanish culture who are flocking to our cities are being very seriously stressed. Not only are they in a setting that does not fit them, but they have passed the limits of their own tolerance to stress. The United States is faced with the fact that two of its creative and sensitive peoples are in the process of being destroyed and like Samson could bring down the structure that houses us all. Thus it must be impressed upon architects, city planners, and builders that if this country is to avoid catastrophe, we must begin seeing man as an interlocutor with his environment, an environment which these same planners, architects, and builders are now creating with little reference to man's proxemic needs.

To those of us who produce the income and pay the taxes which support government, I say that whatever the cost of rebuilding our cities, this cost will have to be met if America is to survive. Most important, the rebuilding of our cities must be based upon research which leads to an understanding of man's needs and a knowledge of the many sensory worlds of the different groups of people who inhabit American cities.

The remarks that follow are intended to convey a basic message about the nature of man and his relationship to his environment. The message is this:

> There is a great need to revise and broaden our view of the human situation, a need to be both more comprehensive and more realistic, not only about others, but about ourselves as well. It is essential that we learn to read the silent communications as easily as the printed and spoken ones. Only by doing so can we also reach other people, both inside and outside our national boundaries, as we are increasingly required to do.

2. CITIES AND CULTURE

The implosion of the world population into cities everywhere is creating a series of destructive behavioral sinks more lethal than the hydrogen bomb. Man is faced with a chain reaction and practically no knowledge of the structure of the cultural atoms producing it. If what is known about animals when they are crowded or moved to an unfamiliar biotope is at all relevant to mankind, we are now facing some terrible consequences in our urban sinks. Studies of ethology and comparative proxemics should alert us to the dangers ahead as our rural populations pour into urban centers. The adjustment of these people is not just economic but involves an *entire way of life*. There are the added complexities of dealing with strange communication systems,

uncongenial spaces, and the pathology associated with an active, swelling behavioral sink.

The lower class Negro in the United States poses very special problems in his adjustment to city living, which if they are not solved may well destroy us by making our cities uninhabitable. An often overlooked fact is that lower class Negroes and middle-class whites are culturally distinct from each other. In many respects, the situation of the American Negro parallels that of the American Indian. The differences between these minority groups and the dominant culture are basic and have to do with such core values as the use and structuring of space, time, and materials, all of which are learned early in life. Some Negro spokesmen have gone so far as to say that no white man could possibly understand the Negro. They are right if they are referring to lower class Negro culture. However, few people grasp the fact that cultural differences of the type that many Negroes experience as isolating, while exacerbated by prejudice, are not the same as prejudice, nor are they inherently prejudicial. They lie at the core of the human situation and they are as old as man.

A point I want to emphasize is that in the major cities of the United States, people of very different cultures are now in contact with each other in dangerously high concentrations, a situation which brings to mind a study by pathologist Charles Southwick. Southwick discovered that peromyscus mice could tolerate high cage densities until strange mice were introduced. When this occurred there was not only a significant increase in fighting but an increase in the weight of the adrenal glands as well as the blood eosinphil count (both of which are associated with stress). Now even if it were possible to abolish all prejudice and discrimination and erase a disgraceful past, the lower class Negro in American cities would still be confronted with a syndrome that is currently extremely stressful: the sink (popularly referred to as "the jungle"), the existence of great cultural differences between himself and the dominant white middle class of America, and a completely foreign biotope.

Sociologists Glazer and Moynihan in their fascinating book, *Beyond the Melting Pot*, have clearly demonstrated that in fact there is no melting pot in American cities. Their study focused on New York but their conclusions could apply to many other cities. The major ethnic groups of American cities maintain distinct identities for several generations. Yet our housing and city planning programs seldom take these ethnic differences into account. Even while writing this, I was asked to consult with an urban planning agency which was considering the problem of urban life in 1980. The entire plan under discussion was predicated on complete absences of both ethnic and class differences by this date. Nothing in man's past indicates to me that these differences will disappear in one generation!

THE NEED FOR CONTROLS

Lewis Mumford states that the primary reason for Hammurabi's code was to combat the lawlessness of the people flocking into the early Mesopotamian cities. Since then a lesson repeatedly brought home about the relationship of man to the city is the need for enforced laws to replace tribal custom. Laws and law enforcement agencies

are present in cities all over the world, but at times they find it difficult to cope with the problems facing them and they need help. An aid to law and order that has not been used to the fullest extent possible is the power of custom and public opinion in the ethnic enclaves. These enclaves perform many useful purposes; one of the most important is that they act as lifetime reception areas in which the second generation can learn to make the transition to city life. The principal problem with the enclave as it is now placed in the city is that its size is limited. When membership increases at a rate greater than the capacity to turn rural peoples into city dwellers (which is the number that moves out of the enclave), only two choices remain: territorial growth or overcrowding.

If the enclave cannot expand and fails to maintain a healthy density (which varies with each ethnic group), a sink develops. The normal capacities of law enforcement agencies are not able to deal with sinks. This is illustrated by what has happened in New York City with its Puerto Rican and Negro populations. According to a recent *Time* report, 232,000 people are packed into three and a half square miles in Harlem. Apart from letting the sink run its course and destroy the city, there is an alternative solution: *introduce design features that will counteract the ill effects of the sink but not destroy the enclave in the process.* In animal populations, the solution is simple enough and frighteningly like what we see in our urban renewal programs as well as our suburban sprawl. To increase density in a rat population and maintain healthy specimens, put them in boxes so they can't see each other, clean their cages, and give them enough to eat. You can pile the boxes up as many stories as you wish. Unfortunately, caged animals become stupid, which is a very heavy price to pay for a super filing system. The question we must ask ourselves is, How far can we afford to travel down the road of sensory deprivation in order to file people away? One of man's most critical needs, therefore, is for principles for designing spaces that will maintain a healthy density, a healthy interaction rate, a proper amount of involvement, and a continuing sense of ethnic identification. The creation of such principles will require the combined efforts of many diverse specialists all working closely together on a massive scale.

This point was stressed in 1964 at the second Delos conference. Organized by the Greek architect, town planner, and builder C. A. Doxiadis, the Delos conferences annually assemble an impressive array of experts from all over the world whose knowledge and skills can contribute to the proper study of what Doxiadis has termed ekistics (the study of settlements). The conclusions reached by this group were: (1) Both the new town programs in England and Israel are based on inadequate, century-old data. For one thing, the towns were too small, yet even the greater size now proposed by English planners is based on very limited research. (2) Although the public is aware of the desperate situation of the ever-growing megalopolis, nothing is being done about it. (3) The combination of the catastrophic growth of both the number of automobiles and the population is creating a chaotic situation in which there are no self-correcting features. Either automobiles are precipitated to the heart of the city by freeways (leading to the choked-up effect present in London and New York City) or the town gives way to the automobile, disappear-

ing under a maze of freeways, as is the case with Los Angeles. (4) To keep our economies growing, few activities would promote such a wide spectrum of industries, services, and skills as rebuilding the cities of the world. (5) Planning, education, and research in ekistics must be not only coordinated and underwritten but raised to the highest level of priority in governments.

PSYCHOLOGY AND ARCHITECTURE

To solve formidable urban problems, there is the need not only for the usual coterie of experts—city planners, architects, engineers of all types, economists, law enforcement specialists, traffic and transportation experts, educators, lawyers, social workers, and political scientists—but for a number of new experts. Psychologists, anthropologists, and ethologists are seldom, if ever, prominently featured as permanent members of city planning departments but they should be. Research budgets must not be whimsically turned on and off as has happened in the past. When good, workable plans are developed, planners must not be forced to witness a breakdown in implementation which is so often excused on the grounds of politics or expediency. Also, planning and renewal must not be separated; instead, renewal must be an integral part of planning.

Consider the public housing constructed for low income groups in Chicago which has tended to dress up and hide but not solve the basic problem. Bear in mind that the low income population which is pouring into Chicago and many other American cities is largely Negro and comes from rural areas or small towns in the South. Most of these people have had no tradition or experience in urban living. Like the Puerto Ricans and Appalachian whites, many of the Negroes also suffer from a totally inadequate education. Row after row of high-rise apartments is less distressing to look at than slums but more disturbing to live in than much of what it replaced. The Negroes have been particularly outspoken in their condemnation of high-rise housing. All they see in it is white domination, a monument to a failure in ethnic relations. They joke about how the white man is now piling Negro on top of Negro stacking them up in high rises. The high rise fails to solve many basic human problems. As one tenant described his building to me: "It's no place to raise a family. A mother can't look out for her kids if they are 15 floors down in the playground. They get beaten up by the rough ones, the elevators are unsafe and full of filth (people in defiance against the buildings use them as toilets), they are slow and break down. When I want to go home I think twice because it may take me half an hour to get the elevator. Did you ever have to walk up 15 floors when the elevator was broken? You don't do *that* too often. . . ."

Happily, some architects are beginning to think in terms of two-, three-, and four-story developments designed with a view to human safety. There is very little data, however, on what kind of spaces are best suited to the Negro. My own experience dates back to World War II when I served with a Negro engineer general services regiment. The regiment assembled in Texas, and participated in all five European campaigns. However, it wasn't until we reached the Philippines that the men found a life on a *scale* that suited them. They

could easily see themselves adapting to the Philippine society and economy where a man could set himself up in business in a bamboo stall no bigger than two telephone booths. The open marketplace with all its activity seems more suitable to the proxemic needs of the Negro than crowded American stores which are enclosed by walls and windows.

In other words, I think that it will ultimately be proved that *scale* is a key factor in planning towns, neighborhoods, and housing developments. Most important, urban scale must be consistent with ethnic scale, since each ethnic group seems to have developed its own scale.

There are in addition class differences, which are reported in the work of phychologist Marc Fried and sociologists Herbert Gans, Peggy Gleicher, and Chester Hartman, in a series of important publications on Boston's West End.

The Boston plans for slum clearance and urban renewal failed to take into account the fact that the working-class neighborhoods were quite different from those of the middle class. The West End residents were highly involved with each other; to them the hallways, the stores, the churches, and even the streets provided an essential part of living together in a community. As Hartman points out, in computing population density in the West End there was actually several times the living space available than would be apparent if judged by middle-class standards based solely on the dwelling unit. An additional point was made about the "urban village" (Gans' term). The Boston West End was a device for turning immigrant villagers into city dwellers, a process which required about three generations. If it had to be "renewed" a more satisfactory solution would have been renovation rather than destruction of the entire neighborhood, which encompassed not only buildings but social systems as well. For when urban renewal forced removal to more modern but less integrated spaces, a significant number of Italians became depressed and apparently lost much of their interest in life. Their world had been shattered, not through malice or design but with the best of intentions, because in Fried's words: " '. . . home' is not merely an apartment or a house but a local area in which some of the most meaningful aspects of life are experienced." The relationship of the West Enders to their urban village was in addition to everything else a matter of scale. The "street" was both familiar and intimate.

While very little is known about something as abstract as scale, I am convinced that it represents a facet of the human requirement that man is ultimately going to have to understand, for it directly affects the judgment of what constitutes proper population density. In addition, setting standards for healthy urban densities is doubly difficult because the basic rules for estimating the proper size of the family dwelling unit are unknown. In the last few years the sizes of dwelling spaces have had a way of slipping unnoticed from barely adequate to completely inadequate as economic and other pressures increase. Not just the poor but even the well-to-do find themselves squeezed by high-rise speculative builders who shave 6 inches here and a foot there to lower costs and increase profits. Nor can individual units be considered out of context. An apartment which is barely adequate becomes uninhabitable to some people at the exact moment that a rising apartment house next door cuts off the view. .

PATHOLOGY AND OVERCROWDING

Like the link between cancer and smoking, the cumulative effects of crowding are usually not experienced until the damage has been done. So far, most of what is known of the human side of cities are the bare facts of crime, illegitimacy, inadequate education, and illness; our most crying need at present is for imaginative research on a massive scale. Although there are many studies of urban life that will prove to be relevant once the relationship of the urban sink to human pathology has been accepted, I know only one which relates directly to the consequences of insufficient space. This research was done by the Chombard de Lauwes, a French husband-and-wife team who combine the skills of sociology and psychology. They produced some of the first statistical data on the consequences of crowding in urban housing. With typical French thoroughness the Chombard de Lauwes collected measurable data on every conceivable aspect of the family life of the French worker. At first they recorded and computed crowding in terms of the number of residents per dwelling unit. This index revealed very little and the Chombard de Lauwes then decided to use a new index to establish crowding—*the number of square meters per person per unit.* The results of this index were startling; when the space available was below 8 to 10 square meters per person social and physical pathologies doubled! Illness, crime, and crowding were definitely linked. When the space available rose *above* 14 square meters per person, the incidence of pathology of both types also increased, but not so sharply. The Chombard de Lauwes were at a loss to explain the latter figure except to say that families in the second category were usually upwardly mobile and tended to devote more attention to getting ahead than they did to their children. A note of caution must be introduced here. There is nothing magic about 10 to 13 square meters of space. This figure is only applicable to a very limited segment of the French population at a particular time and has no demonstrable relevance to any other population.

The degree to which peoples are sensorially involved with each other, and how they use time, determine not only at what point they are crowded but the methods for relieving crowding as well. Puerto Ricans and Negroes have a much higher involvement ratio than New Englanders and American of German or Scandinavian stock. Highly involved people apparently require higher densities than less involved people, and they may also require more protection or screening from outsiders. It is absolutely essential that we learn more about how to compute the maximum, minimum, and optimum density of the different cultural enclaves that make up our cities.

MONOCHRONIC AND POLYCHRONIC TIME

Time and the way it is handled have a lot to do with the structuring of space. In *The Silent Language,* I described two contrasting ways of handling time, monochronic and polychronic. Monochronic is characteristic of low-involvement peoples, who compartmentalize time; they schedule one thing at a time and become disoriented if

they have to deal with too many things at once. Polychronic people, possibly because they are so much involved with each other, tend to keep several operations going at once, like jugglers. Therefore, the monochronic person often finds it easier to function if he can separate activities in space, whereas the polychronic person tends to collect activities. If, however, these two types are interacting with each other, much of the difficulty they experience can be overcome by the proper structuring of space. Monochronic northern Europeans, for example, find the constant interruptions of polychronic southern Europeans almost unbearable because it seems that nothing ever gets done. Since order is *not* important to the southern Europeans the customer with the most "push" gets served first even though he may have been the last to enter.

To reduce the polychronic effect, one must reduce involvement, which means separating activities with as much screening as necessary. The other side of the coin is that monochronic people serving polychronic customers must reduce or eliminate physical screening so that people can establish contact. This often means physical contact. For the businessman who serves Latin Americans the success of the settee as contrasted with the desk is an example of what I mean. We have yet to apply even simple principles such as these to the planning of urban spaces. The highly involved polychronic Neapolitan builds and uses the Galeria Umberto where everyone can get together. The Spanish plaza and the Italian piazza serve both involvement and polychronic functions, whereas the strung-out Main Street so characteristic of the United States reflects not only our structuring of time but our lack of involvement in others. Inasmuch as our large cities now incorporate significant elements of both of the types represented above, it might have a salutary effect on the relationships between the two groups if both types of spaces were provided.

City planners should go even further in creating congenial spaces that will encourage and strengthen the cultural enclave. This will serve two purposes: First, it will assist the city and the enclave in the transformation process that takes place generation by generation as 'country folk are converted to city dwellers; and second, it will strengthen social controls that combat lawlessness. As it is now, we have built lawlessness into our enclaves by letting them turn into sinks. In the words of Barbara Ward, we have to find some way of making the "ghetto" respectable. This means not only that they will be safe but that people can move on when the enclave has performed its functions.

In the course of planning our new cities and revamping our old ones, we might consider positively reinforcing man's continuing need to belong to a social group akin to the old neighborhood where he is known, has a place, and where people have a sense of responsibility for each other. Apart from the ethnic enclave, virtually everything about American cities today is sociofugal and drives men apart, alienating them from each other. The recent and shocking instances in which people have been beaten and even murdered while their "neighbors" looked on without even picking up a phone indicates how far this trend toward alienation has progressed.

THE AUTOMOBILE SYNDROME

How did we reach this state of affairs? One knows intuitively that there are many explanations in addition to the design and layout of buildings and spaces. There is, however, a technical artifact built into our culture which has completely altered our way of life upon which we are now so completely dependent on to satisfy so many needs that it is difficult to conceive of our ever giving it up. I am referring, of course, to the automobile. The automobile is the greatest consumer of public and personal space yet created by man. In Los Angeles, the automobile town par excellence, Barbara Ward found that 60 to 70 percent of the space is devoted to cars (streets, parking and freeways). The car gobbles up spaces in which people might meet. Parks, sidewalks, everything goes to the automobile.

There are additional consequences of this syndrome that are worth considering. Not only do people no longer wish to walk, but it is not possible for those who do wish to, to find a *place* to walk. This not only makes people flabby but cuts them off from each other. When people walk, they get to know each other if only by sight. With automobiles the opposite is true. The dirt, noise, exhaust, parked cars, and smog have made the urban outdoors too unpleasant. In addition, most experts agree that the flabby muscles and reduced circulation of the blood that come from lack of regular exercise make man much more prone to heart attacks.

Yet there is no inherent incompatibility between man in an urban setting and the automobile. It's all a matter of proper planning and built-in design features which separate cars from people, a point stressed by the architect Victor Gruen in *The Heart of Our Cities*. There are already numerous examples of how this can be done by imaginative planning.

Paris is known as a city in which the outdoors has been made attractive to people and where it is not only possible but pleasurable to stretch one's legs, breathe, sniff the air, and "take in" the people and the city. The sidewalks along the Champs-Elysées engender a wonderful expansive feeling associated with a hundred-foot separation of one's self from the traffic. It is noteworthy that the little streets and alleys too narrow to accept most vehicles not only provide variety but are a constant reminder that Paris is for *people*. Venice is without a doubt one of the most wonderfully satisfying cities in the world, with an almost universal appeal. The most striking features of Venice are the absence of vehicular traffic, the variety of spaces, and the wonderful shops. San Marco Square with automobiles parked in the middle would be a disaster and totally unthinkable.

Florence, while different from Paris or Venice, is a stimulating city for the pedestrian. The sidewalks in the central portion of town are narrow so that walking from the Ponte Vecchio to Piazza della Signoria one meets people face to face and has to step aside or go around them. The automobile does not fit in with the design of Florence and if the townspeople were to ban vehicular traffic from the center of town, the transformation could be extraordinary.

The automobile not only seals its occupants in a metal and glass cocoon, cutting them off from the outside world, but it has a way of actually decreasing the sense of movement through space. Loss of the sense of movement comes not only from insulation from road surfaces and noise but is visual as well. The driver on the freeway moves *in a*

stream of traffic while visual detail at close distances is blurred by speed.

Man's entire organism was designed to move through the environment at less than 5 miles per hour. How many can remember what it is like to be able to see everything nearby quite sharply as one walks through the countryside for a week, a fortnight, or a month? At walking speeds even the nearsighted can see trees, shrubbery, leaves and grass, the surfaces of rocks and stones, grains of sand, ants, beetles, caterpillars, even gnats, flies, and mosquitoes, to say nothing of birds and other wildlife. Not only is near vision blurred by the speed of the automobile but one's relationship to the countryside is vastly altered. I realized this once while riding my horse from Santa Fe, N. Mex., to the Indian reservations in northern Arizona. My route took me north of Mount Taylor, which I knew well because I had passed its southern edge 50 times on the highway from Albuquerque to Gallup. Driving west at automobile speeds one watches the mountain rotate as different faces are presented. The whole panorama is finished in 1 or 2 hours and ends with the red-walled Navajo sandstone cliffs outside of Gallup. At walking speed (which is all one can do on a horse if great distances are to be covered) the mountain does not appear to move or rotate. Space and distance and the land itself have more meaning. As speed increases, sensory involvement falls off until one is experiencing real sensory deprivation. In modern American cars the kinesthetic sense of space is absent. Kinesthetic space and visual space are insulated from each other and are no longer mutually reinforcing. Soft springs, soft cushions, soft tires, power steering, and monotonously smooth pavements create an unreal experience of the earth. One manufacturer has even gone so far as to advertise his product by showing a car full of happy people *floating on a cloud above the road.*

Automobiles insulate man not only from the environment but from human contact as well. They permit only the most limited types of interaction, usually competitive, aggressive, and destructive. If people are to be brought together again, given a chance to get acquainted with each other and involved in nature, some fundamental solutions must be found to the problems posed by the automobile.

CONTAINED COMMUNITY BUILDINGS

Many factors in addition to the automobile are combining to gradually strangle the hearts of our cities. It is not possible to say at this time whether the flight of the middle class from the city can be reversed, or what the ultimate consequences will be if this trend is not reversed. There are, however, a few small encouraging spots on the horizon well worth watching. One of them is Marina City, Bertrand Goldberg's circular apartment towers in Chicago. The towers occupy a city block downtown on the edge of the Chicago River. The lower floors spiral upward and provide open-air, off-street parking facilities for the apartment residents. Marina City has many other features that answer the needs of city dwellers: restaurants, bars and taverns, a supermarket, liquor store, theater, ice skating rink, a bank, boat basins, and even an art gallery. It is safe, protected from weather and possible city violence (you don't need to go outside for anything). If tenant turnover isn't too great because of the small spaces in the apartments, some tenants may actually get to know each other and develop a sense

of community. The view of a city, especially at night, is a delight and one of its greatest assets, yet how few people get to appreciate it? Visually, the design of Marina City is superb. Viewed from a distance, the towers are like the pine trees on the ridges around San Francisco Bay; the balconies stimulate the fovea and beckon the viewer to come closer, promising new surprises with each shift in the visual field. Another promising approach to civic design is that developed by Chloethiel Smith, an architect in Washington, D.C. Miss Smith, always concerned with the human side of architecture, has managed to create interesting, esthetically satisfying, and humanly, congenial solutions to problems in urban renewal. Automobiles are handled as inconspicuously as possible and kept away from people.

City planners and architects should welcome opportunities to experimiment with radically new, integrated forms that will hold an entire community. One of the advantages of Marina City, apart from the excitement it generates, visually, is that it represents a definite, well-delineated amount of contained space without the killing effect of long corridors. There will be no spilling out or spreading or sprawling from this structure. Its principal defect is the cramped living space, which a number of the tenants I have talked to experience as unduly confining. In the heart of the city one needs more space in the home, not less. The home must be an antidote for city stresses.

As now constituted, the American city is extraordinarily wasteful, emptying itself each night and every weekend. One would think that efficiency-minded Americans could do better. The result of the suburbanization of our cities is that the remaining residents are now predominantly the overcrowded impoverished and the very rich, with a sprinkling of holdouts from the middle class. As a result, the city is very unstable.

PROSPECTUS FOR CITY PLANNING OF THE FUTURE

The city has existed in various forms for some 5,000 years and it seems unlikely that there will be a readymade substitute for it. There is no doubt in my mind that the city is, in addition to everything else, an expression of the culture of the people who produced it, an extension of society that performs many complex, interrelated functions, some of which we are not even aware of. From the perspective of the anthropologist one approaches the city with some degree of awe and the knowledge that we do not know nearly enough to plan intelligently for the city of the future. Yet plan we must because the future has caught up with us. There are several points which are crucial to the solutions of the numerous problems facing us today. They are:

1. Finding suitable methods for computing and measuring human scale in all its dimensions, including the hidden dimensions of culture. The proper meshing of human scale and the scale imposed by the automobile presents us with a great challenge.

2. Making constructive use of the ethnic enclave. Somehow there is a close identification between the image that man has of himself and the space that he inhabits. Much of today's popular literature devoted to the search for identity reflects this relationship. A very real effort should be made to discover and satisfy the needs of the Spanish American, the Negro, and other ethnic groups so that the spaces which they inhabit are not only compatible with their needs but

reinforce the postive elements of their culture that help to provide identity and strength.

3. Conserving large, readily available outdoor spaces. London, Paris, and Stockholm are models which if properly adapted could prove useful for American city planners. The great danger in the United States today is the continuing destruction of the outdoors. This can prove extraordinarily serious, if not fatal, to the entire country. Solving the problem of the outdoors and man's need for contact with nature is complicated by the increasing incidence of crime and violence associated with our city sinks. Parks and beaches are daily becoming more dangerous. This only intensifies the sense of crowding which urban residents experience when they are cut off from recreational facilities. In addition to city recreation areas and green belts, setting aside large sections of primitive outdoors is one of our greatest needs. Failure to take this step now could mean catastrophe for future generations.

4. Preserving useful, satisfying old buildings and neighborhoods from "the bomb" of urban renewal. Not all new things are necessarily good nor are all old things bad. There are many places in our cities— sometimes only a few houses or a cluster of houses—which deserve to be preserved. They afford continuity with the past and they lend variety to our townscapes.

In this brief review I have said nothing about the very great strides the English have made in urban renewal under the London plan, first set forth by Sir Patrick Abercrombie and Mr. J. H. Foreshaw in 1943. By the building of their "new towns," the English have characteristically demonstrated that they are not afraid to plan. Also, by preserving barriers of open country (green belts) separating major centers, they have insured future generations against the megalopolis pattern which we experience in the United States when cities merge. There have been mistakes, of course, but by and large our own city governments could learn from the British that planning must be coordinated and courageously applied. It must be emphasized, however, that using the English plans as a model is a matter of policy, not practice, for their plans would not in any case be applicable to America. Ours is a very different culture.

No plan is perfect, yet plans are necessary if we are to avoid complete chaos. Because environment structures relationships and planners cannot think of everything, important features will inevitably be omitted. To reduce the serious human consequences of planning errors, there must be built-in research programs which are adequately staffed and soundly financed. Such research is no more a luxury than are the gages in an airplane cockpit.

3. PROXEMICS AND THE FUTURE OF MAN

MAN'S BIOLOGICAL PAST

Western man has set himself apart from nature and, therefore, from the rest of the animal world. He could have continued to ignore the realities of his animal constitution if it had not been for the population explosion, which has become particularly acute in the past 20 years. This, together with the implosion into our cities of poverty-stricken people from rural areas, has created a condition which has all the earmarks of population buildup and subsequent

crash in the animal world. Americans in the 1930's and 1940's used to fear economic cycles; today we may have more to be alarmed about in the population cycle.

Many ethologists have been reluctant to suggest that their findings apply to man, even though crowded, overstressed animals are known to suffer from circulatory disorders, heart attacks, and lowered resistance to disease. One of the chief differences between man and animals is that man has domesticated himself by developing his extensions and then proceeded to screen his senses so that he could get more people into a smaller space. Screening helps, but the ultimate buildup can still be lethal. The last instance of severe urban overcrowding over a significant period of time was in the Middle Ages, which were punctuated by disastrous plagues.

Harvard historian William Langer, in his article "The Black Death," states that from 1348 to 1350, after a period of rather rapid growth, the population of Europe was reduced one-quarter by the plague. Transmitted by fleas from rats to man, this disease was caused by a specific organism (*Bacillus pestis*). There is little agreement as to why the plague ended, and, while the relationship of man to the disease is certainly complex, there is something suggestive about the fact that the end of the plague coincided with social and architectural changes that must have considerably reduced the stress of urban living. I am referring to the changes in the home described by Philippe Ariès which protected and solidified the family. These changed conditions bolstered by more stable political conditions did much to reduce the stress from crowded urban living.

If man does pay attention to animal studies, he can detect the gradually emerging outlines of an endocrine servomechanism not unlike the thermostat in his house. The only difference is that instead of regulating heat the endocrine control system regulates the population. The most significant discoveries of experimental ethologists are the catastrophic physiological and behavioral consequences of population buildup prior to crash, and the advantages enjoyed by those animals which have a territory, a space of their own.

Recent reports by pathologists H. L. Ratcliffe and R. L. Snyder of the Philadelphia Zoo's Penrose Laboratory may be of interest. Their report on a 25-year cause-to-death study of 16,000 birds and mammals demonstrates not only that a wide variety of animals are stressed from overcrowding but that they suffer from exactly the same diseases as man: high blood pressure, circulatory diseases, and heart disease, even when fed a low-fat diet.

The animal studies also teach us that crowding per se is neither good nor bad, but rather that overstimulation and disruptions of social relationships as a consequence of overlapping personal distances lead to population collapse. Proper screening can reduce both the disruption and the overstimulation, and permits much higher concentrations of populations. Screening is what we get from rooms, apartments, and buildings in cities. Such screening works until several individuals are crowded into one room; then a drastic change occurs. The walls no longer shield and protect, but instead press inward on the inhabitants.

By domesticating himself, man has greatly reduced the flight distance of his aboriginal state, which is an absolute necessity when population densities are high. The flight reaction (keeping distance

between one's self and the enemy) is one of the most basic and successful ways of coping with danger, but there must be sufficient space if it is to function. Through a process of taming, most higher organisms, including man, can be squeezed into a given area provided that they feel safe and their aggressions are under control. However, if men are made fearful of each other, fear resurrects the flight reaction, creating an explosive need for space. Fear, plus crowding, then produces panic.

Failure to appreciate the importance of the intimate relationship of man to his environment has led to tragic consequences in the past. Psychologist Marc Fried and Sociologist Chester Hartman reported deep depression and grief on the part of the relocated Boston West Enders following the destruction of their urban village as part of a renewal program. It wasn't just the environment for which the West Enders grieved but the entire complex of relationships—buildings, streets, and people—as an integrated way of life. Their world had been shattered.

THE NEED FOR ANSWERS

In order to solve the many complex urban problems facing the United States today we must begin by questioning our basic assumptions concerning the relationship of man to his environment, as well as man's relationship to himself. Over 2,000 years ago, Plato concluded that the most difficult task in the world was to know one's self. This truth has to be continually rediscovered; its implications are yet to be fully realized.

The discovery of self on the level of culture is possibly even more demanding than it is on the individual level. The difficulty of this task, however, should not cause us to slight its importance. Americans must be willing to underwrite and participate in team research on a massive scale directed toward learning more about the interrelationship of man and his environment. A point repeatedly stressed by the transactional psychologists has been *the error of assuming that these two were separate and not part and parcel of one interacting system* (see Kilpatrick's book, *Explorations in Transactional Psychology*).

In the words of Ian Mc Harg writing in "Man and His Environment" in *The Urban Condition:*

> . . . no species can exist without an environment, no species can exist in an environment of its exclusive creation, no species can survive, save as a nondisruptive member of an ecological community. Every member must adjust to other members of the community and to the environment in order to survive. Man is not excluded from this test.

It isn't just that Americans must be willing to spend the money. Some deeper changes are called for which are difficult to define, such as a rekindling of the adventuresome spirit and excitement of our frontier days. For we are confronted with urban and cultural frontiers today. The question is, How can we develop them? Our past history of anti-intellectualism is costing us dearly, for the wilderness we must now master is one requiring brains rather than brawn. We need both excitement and ideas and we will discover that both are more apt to be found in people than in things, in structure than content, in involvement rather than in detachment from life.

Anthropologists and psychologists must discover how to compute peoples' involvement ratios in a reasonably simple way. It is known, for example, that some groups, such as the Italians and Greeks, are much more sensorially involved with each other than some other groups, such as the Germans and the Scandinavians. In order to plan intelligently we must have a quantitative measure of such involvement. Once we know how to compute involvement ratios, questions for which we will need answers are: What is maximum, minimum, and ideal density for rural, urban, and transition groups? What is the maximum viable size of the different groups living under urban conditions before normal social controls begin to break down? What different types of small communities are there? How related do they need to be? How are they integrated into larger wholes? In other words, how many different urban biotopes are there? Is the number unlimited or is it possible to categorize them? How can space be used therapeutically to help relieve social tensions and cure social ills?

YOU CAN'T SHED CULTURE

In the briefest possible sense, the message of this book is that no matter how hard man tries it is impossible for him to divest himself of his own culture, for it has penetrated to the roots of his nervous system and determines how he perceives the world. Most of culture lies hidden and is outside voluntary control, making up the warp and weft of human existence. Even when small fragments of culture are elevated to awareness, they are difficult to change, not only because they are so personally experienced but *because people cannot act or interact at all in any meaningful way except through the medium of culture.*

Man and his extensions constitute one interrelated system. It is a mistake of the greatest magnitude to act as though man were one thing and his house or his cities, his technology or his language were something else. Because of the interrelationship between man and his extensions, it behooves us to pay much more attention to what kinds of extensions we create, not only for ourselves but for others for whom they may be ill suited. The relationship of man to his extensions is simply a continuation and a specialized form of the relationship of organisms in general to their environment. However, when an organ or process becomes extended, evolution speeds up at such a rate that it is possible for the extension to take over. This is what we see in our cities and in automation. This is what Norbert Wiener was talking about when he foresaw dangers in the computer, a specialized extension of part of man's brain. Because extensions are numb (and often dumb, as well), it is necessary to build feedback (research) into them so that we can know what is happening, particularly in regard to extensions that mold or substitute for the natural environment. This feedback must be strengthened both in our cities and in our conduct of interethnic relations.

The ethnic crisis, the urban crisis, and the education crisis are interrelated. If viewed comprehensively all three can be seen as different facets of a larger crisis, a natural outgrowth of man's having developed a new dimension—*the cultural dimension*—most of which is hidden from view. The question is, How long can man afford to consciously ignore his own dimension?

GOALS FOR URBAN DEVELOPMENT

by Lyle C. Fitch[*]

Backdrop to the Last Third of the 20th Century

My suggestions on goals for urban development and the institutional machinery for achieving them are predicated on a few salient facts about the urban scene. In a century we have almost reversed the proportions of rural population to urban—100 years ago the United States was about four-fifths rural and one-fifth urban; now more than 70 percent of the population lives, and by the end of the century more than 80 percent will live, in urban places. Given this reversal, given the rate of population growth—more than sixfold since 1860—and given the profound impact of accelerating technology, we have had a great deal of adjusting to do. It is not surprising that we have had many growing pains.

Despite recently falling birth rates, it appears probable that the national population, now about 200 million, will increase considerably between now and the year 2000. The latest Bureau of the Census projections show the increase, 2000 over 1967, to be in the range of 80 million to 160 million. Recent trends of birth rates make the lower figure appear more probable, but even the lower figure implies an increase of more than 50 percent in urban population (now in the 150 million range) and the high projection, if obtained, would more than double the present urban population—all in 33 years.

Recent projections of the Urban Land Institute [1] indicate that in 2000 the urban population will be concentrated in four great megalopolitan corridors (one in California, one along Florida's east coast, one around the rim of the Great Lakes, and one along the Atlantic seaboard), in 13 "outlying urban regions," [2] and in six "free-standing" metropolitan areas with a population of a million or more each.[3] The population of these giant centers is projected at 77 percent of the total population of the 48 mainland States, and would occupy 11 percent of the continental land area.

The density of the urban regions and metropolitan areas would average 708 persons per square mile. In some regions, densities would be much higher as in the Atlantic seaboard region (1,050 persons per square mile) and the New York zone (1,860 persons per square mile). In central city areas, densities would remain much higher—thus New York City already averages 25,000 per square mile. Overall densities in urban regions, however, are projected to be lower than those already

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[1] Urban Land Institute, *Urban Land,* February 1967.
[2] Carolina-Piedmont, North Carolina-Georgia, north central Alabama, central gulf coast, Texas-Louisiana-gulf coast, north central Texas, south central Texas, Missouri-Mississippi Valley, Salt Lake Valley, Colorado-Piedmont, Puget Sound, Willamette Valley, metropolitan Arizona.
[3] St. Louis, Louisville, Memphis, Oklahoma City, Twin Cities, Albuquerque. In addition, Honolulu is projected to have more than 1 million inhabitants.

prevailing in England and Wales (810 per square mile) and the Netherlands (770 per square mile).[4] Average population in the areas outside the centers is projected to drop from 29 persons per square mile in 1960 to 27 persons per square mile in 2000.

The rate of growth and the pace of technological change in effect condense time. Thus, spokesmen for the Department of Housing and Urban Development are fond of saying that there will be as much construction in the last third of the 20th century as in all of the preceding history of the country. This figure may well be modest, even for the smaller population projection—my rough calculations indicate that the aggregate gross national product in the last third of the century will be from two to three times the aggregate produced in the Nation's entire history thus far. Given the volume of output of which the American economy is capable during the next 30 years, and given the rate of accumulation of knowledge and technological know-how, it would appear that we can, by the end of the century, reach levels of material abundance which few now even dream about. This possibility can be quickly dissipated, of course, by catastrophic war, by spending for other unproductive purposes; or it can be dissipated by outdated viewpoints and by obsolete social and governmental institutions.

At the risk of seeming to repeat old bromides, I urge that the best assurance we have of making good use of our promised abundance is to consider what use we should be making of it, and defining goals for our economic, social, and physical development. There is nothing wrong with the goal popularly ascribed to the typical middle-class college graduate—a secure job, a home in the suburbs, an agreeable wife, and several healthy children—but it will hardly suffice to produce the good urban life. It means nothing at all to the increasing number of people who can look forward to nothing better than living out their lives in the slums and ghettos, and it offers little challenge to many of our contemporary younger generation. It is also blithely innocent of the growing problems created by the pace of urban expansion and the tide of migration from the rural areas into core cities. Problems such as the following are already provoking wide protest and demands for more effective solutions:

> Air pollution is already a serious menace to health in many cities; even more apparent is the economic cost of stench, airborne dirt, and chemical corrosion. Beginning with cleaning bills, the annual cost to the Nation is reckoned in the billions of dollars.
>
> Partly because of the extent of water pollution, large sections of the country are already threatened periodically with water shortages which at the least impair comfort and convenience (New York City had to struggle through much of the summer of 1965 short-rationed on air conditioning) and at most force the shutdown of industries. And a society increasingly oriented toward recreation finds some of its most important recreational resources (lakes, streams, and ocean beaches) preempted for use as sewers.
>
> Uncoordinated, badly planned and inefficient transportation acts to frustrate the economic rationale of cities, which is to reduce transportation and communication costs of satisfying economic

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[4] The Urban Land Institute projections assume a year 2000 continental population of 312 million, or an increase over 1967 of approximately 110 million.

wants. It has been a long while since technological innovation has contributed materially to improvement of urban transportation: automobiles, buses, and rail cars are essentially the same vehicles as they were a generation ago, even though mechanical improvements, air conditioning, and radios contribute to comfort.

The migration from southern rural areas to northern urban areas continues. The Nation's 20 largest cities, in the period 1950–65, gained 3.2 million nonwhite population while losing 1.2 million white. In several major cities nonwhites are a majority of the population or soon will be if present trends continue. They come to older core areas for the simple reason that core areas possess the obsolescent housing which is the only housing most of the immigrants can afford and, for Negroes, the only housing to which they will be admitted. Meanwhile, the unskilled and semiskilled jobs they might fill in manufacturing and other goods-handling industries have been moving to the suburbs.

With their spreading stocks of increasingly obsolescent buildings, many of the central cities begin to resemble the slagheaps of our urban civilization. Even in the great national and regional centers such as New York City, urban renewal, exuberant office buildings, and luxury housing have made no more than a dent on the miles of dreary outworn buildings.

The general shortage of housing at rents that low-income people can afford to pay (1) causes serious overcrowding and accelerated deterioration of the housing stock concerned, and (2) poses, in many cities, one of the great obstacles to slum clearance and urban renewal, since there is no way to locate people dispossessed by clearance. Millions of dwelling units are rated as substandards— seriously deficient in one or more respects. Housing construction techniques are still essentially those of a half-century ago, with only minor improvements, and the cost of housing and construction generally mounts disproportionately. Technology is further slowed by archaic building codes supported in turn by fearful labor unions and building supply manufacturers.

The costs of crime and delinquency increase geometrically with population growth, with a consequent decrease in the public's sense of security and enjoyment of life (how enjoy life when one's property, person, and very life are continuously under threat?).

Urban planners, administrators, and physical and social scientists have been pointing out other problems not yet so visible as to arouse wide public concern:

New suburban developments sprawl formlessly over the former countryside, with little consideration of efficient layout in such matters as relating work, residential and recreational centers, providing for open space (not only for recreation but also for hydrological and climatic control), or simply for preserving and creating beauty.

New central city construction repeats the monotonous and inefficient patterns of the old, with buildings located and constructed without consideration of their function or relationships to other buildings, to transportation facilities, or to residential centers.

The most fundamental principle of efficient traffic planning—separation of pedestrian and vehicular traffic—has been little observed. Grand Central Station with its separation of motor vehicle, pedestrian, subway, and train traffic, and Rockefeller Center with its grouping of buildings around a central plaza, were the last great innovations in New York City, but there has been little further use of the principles they employed.

New concepts of organization and management emphasizing systems approaches—extending the scope of planning and management control of an organization or a project to all the interrelated elements—have been too little applied to urban planning and management. One instance is the failure, until recently, to take account of the relationships between intraurban transportation networks and land-use development, or the essential interdependence of transportation modes.

Despite the proliferation of Federal urban programs, the Federal Government thus far has contributed relatively little to urban development *per se*. Thus the amounts laid out for assistance to urban renewals, public housing, community facilities, open space, and pollution control have been largely offset by collections from various programs, mainly insurance premiums derived from housing finance programs. Net Federal expenditures on housing and community development in the first 6 years of the 1960's were in the magnitude of $1.5 billion. Total expenditures on agricultural development and support programs over the same period amounted to some $28 billion; defense expenditures came to $385 billion.

WHAT DO PEOPLE WANT?

Let us accept the propositions that the major development task of the next few decades is raising the standards of urban life, and that without larger goals we shall not mobilize the collective effort necessary to realize our potential. Nonetheless, goals without political substance which can be translated into support at the ballot box are of no avail. So we ask, first, what does the public want enough to vote for and pay for? This question runs into the fact that there are many publics, which want different things. There are different economic classes and groups of different age and family characteristics, racial and ethnic groups, residents of central cities, of high-income suburbs and of low-income suburbs, to mention a few.

Interest in urban goals on the part of the groups trapped in poverty in the slum stems from deprivations about which these disadvantaged people (particularly the Negroes) are flaring into rebellion. (Whether the vintage 1967 riots have been incited by "agitators" is beside the point that gross deprivation makes fertile ground for rebellion.)

When we look behind the riots, the threats, and the other forms of protest, we find demands which on the face of things are entirely reasonable. People want employment opportunities, better housing, better educational facilities, better social environment beginning with neighborhoods free of violence, dope pushers, and vagrants. They want most of all to be treated as dignified human beings, not as inferiors. All of these things reflect existing middle-class values and middle-class opportunities. For the poverty class, wants are defined by what the

majority of Americans already have, despite the offbeat values of the subcultures that tend to form in these groups.

Until recently the contemporary generation of poor have not been politically vigorous or articulate because of their low level of education and sense of alienation. They have tended to look to the welfare bureaucracies rather than to political organization for assistance in meeting pressing needs. Political machines and leaders, which once sought the support of the poor with welfare and other assistance, have been cultivating other constituencies, notably the lower middle class. In both central cities and suburbs, political control has tended to be dominated by the middle class, which demands less from government, rather than by the lower class which demands much, but this situation is changing as Negro and other minorities find strength to protest and numbers to gain political strength.

The working and lower middle classes typically have no great personal aspirations which they expect government, particularly urban government, to fulfill. For improvements in their general condition members of the working class tend to look to increased wages and to union organization. They tend not to seek improvement by upward movement, and lacking this motive for education and self-improvement they tend to resist being taxed for education and other public services. They are typical of the group of which Robert Wood has observed: "The great bulk of the urban population neither is conscious of its public needs nor anticipates that urban governments will fulfill them." [5] They particularly resist being taxed for welfare and other services to the poverty groups; we may confidently expect that this resistance will be further stiffened by the recent outbreaks of violence.

The higher echelons of the middle class also are oriented to the market but at the same time are prone to make more demands on government for better education (for which they depend heavily on the public sector) and for various urban services such as transportation, health services, recreation, and other utilities.

These groups are likely to be more keenly aware of the need for special services to the "disadvantaged" than are the working and lower middle classes. But frequently they escape the problem. Many of the middle class, along with the more affluent part of the working class, can and do move to the suburbs where they tend to encapsulate themselves in homogeneous communities walled off against incursion by the poor. (Scarsdale and Levittown are examples of wealthy and working class suburbs in the New York City area.) Many have no alternative to suburban residence, for the costs of land and construction are tending to discourage the private sector from building residences on anything less than a luxury scale in central cities.

The upper middle and upper class groups have even wider choices—they can wall themselves off, more or less, from the city's unpleasantness if they choose to live in cities or, like the middle class, they can flee to suburbia or exurbia. In either case, they are likely to absolve themselves of any responsibility for the core city or its problems.

If this were all of the matter, urban development goals for those above the poverty class might well focus on continuing growth and

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[5] "Contributions of Political Science to Urban Form," in Werner Z. Hirsch, ed., *Urban Life and Form* (Holt, Rinehart & Winston, Inc., 1963), pp. 108–109.

high-level prosperity, which enable the gradual improvement of living standards over time, mainly through increased purchasing power to be spent in the bountiful market. Physical avoidance of the grosser urban problems, along with the fact that urban and suburban political leadership has been dominated by the middle class, helps to explain the weak response of so many urban governments to growing urban problems. Robert Wood has observed that, "The urban political process is not directly concerned with the provisions of goods and services except when these 'problem solving' activities can be translated into useful resources for the resolution of political conflict or its avoidance, or * * * outright failure of law and order seems imminent." [6] Moreover, various circumstances, of which one is perennial financial stringencies, another unimaginative leadership, and a third the lack of well-defined goals around which to mobilize consensus for positive action, have tended to magnify the power of the negative elements in the community.

The worm in the apple is that the kinds of problems listed above are impeding improvement of middle-class living standards and in part offsetting material gains. In many places some things are getting worse—we are sliding back from levels we had once attained. So while we as a society depend on rising incomes and the market for improvement and the things we want, we are forced to turn to collective action to eliminate things we don't want, such as congestion, pollution, crime and delinquency, and urban ugliness. But this is a negative concept of social action; I suggest that we can do better, and possibly avoid some of the problems which happen to us, if we give more thought to what we want our urban communities to be, say, by the end of the century. Here goals come into the picture.

I think there is increasing acceptance of the notion that national and community goals are essential tools of urban physical, social, and economic development. [7] Goals serve somewhat the same purpose in the public sphere that goods in the shop window serve in the market. They educate, arouse interest, and stimulate action, or support for action. Appreciation of this fact is manifested by political leaders and the public in such efforts as, for example, President Eisenhower's Goals Commission, White House conferences on national policy, and citizens' commissions on goals in a number of cities and metropolitan areas, including Dallas, Phoenix, the Twin Cities, and Los Angeles. The business community is taking interest in urban problems and urban goals; thus the Committee for Economic Development has organized a subcommittee on urban goals, in part for the purpose of lending guidance and support to community efforts.

Aspiration goals may spring from many sources: Existing dissatisfactions, the thinking of people in "leverage positions"—business and political leaders, professional specialists, and so on—and from technological and economic developments. Some aspiration goals stem from development of technical knowledge which makes possible their achievement. Probably the greatest triumph for U.S. social planning thus far in the 20th century has been general acceptance, in a generation, of the goal of high-level employment and stabilization. The prin-

6 *Ibid.*, p. 107.
7 I distinguish between *aspiration goals, achievement goals,* and *performance goals.* My concern here is with *aspiration goals.*

cipal contributing factor was the development of a theory of economic control which would make possible achievement of this goal without unduly impinging on the free market in the process.

I do not think however, that goals can be formulated by taking public opinion polls. People in the large do not spend time pondering what they would like the society to achieve, any more than they spend time thinking of things they would like to have which haven't yet been invented. Goals, like consumer goods, have to be devised and marketed. Public opinion polls can inform the process of goalmaking but cannot substitute therefor. Goal formulation is the job of experts, primarily, and marketing goals is the job of community leadership.

Despite the forces of inertia which today keep so many urban communities in a swamp of mediocrity, some cities and metropolitan areas have developed a public spirit and forward thrust which demonstrate the latent potentialities of local leadership and local cooperation. Thus Pittsburgh cleans up smoke pollution and rebuilds the Golden Triangle; Philadelphia creates a Penn Center; the San Francisco Bay area undertakes to build a billion dollar rapid transit system; New York City undertakes a broad reorganization of city government to equip it more adequately for the new responsibilities; and New Haven carries forward a wide-ranging program of urban renewal and human resources development. In some cases, the leadership comes from elected officials, in some from the business community, in some from civic organizations. Wide-ranging effective programs, however, usually necessitate the cooperation of all these elements, no matter what the initial source of leadership and ideas. To take one example, the Pittsburgh achievements were made possible by a working partnership between a group of the city's top business leaders, largely Republican, and the Democratic administration of Mayor Lawrence.

Goals for Urban Policy

I suggest highest priority should go to two main goals which have already been accepted as objectives of national policy but which have thus far received less than overwhelming support.

The first goal is a decent level of living for all American families.

The other face of this goal is the abolition of dire poverty. I think there is little point in debating with the nitpickers who argue that some people will always be better off than others and that since poverty is only a relative concept we cannot abolish poverty short of absolute leveling. I am referring to poverty which brings hunger and physical discomfort, and social and moral degradation. I mean the poverty implied by the New York City welfare standard, one of the most *generous*, which allows nothing for culture, education, or entertainment (no newspapers, periodicals or books) and for children not even so much as an ice cream cone per week.

Obviously the goal has many dimensions—it requires more emphasis than has thus far been accorded to factors making for individual productivity—good health, aspiration, and motivation; lifelong opportunities for education and training; jobs for everyone who wishes to work. It requires a national policy to provide adequately for those unable to work—the old, the young, the disabled. It necessitates more

social innovation and experimentation with ways of providing decently for the economically stranded without spoiling the incentive to work.

The second goal is continuous improvement of the urban (and rural) environment—as to efficiency, convenience, safety, and attractiveness. Here again there are many dimensions, such as—

1. Offering a greater variety of ways of life and opportunities for choosing among them, such as a greater degree of choice as to where one lives and works, as between living in central cities or suburbs, as between living in homogeneous or heterogeneous communities.

2. Freedom from aggression, such as criminal aggression against person and property and such other environmental aggressions as noise, pollution, congestion, and ugliness.

3. Elevation of central cities to be attractive places to live, work, recreate and do business. In the past they have been conceived of largely as centers of commerce and industry, only incidentally as centers of culture and knowledge, and hardly at all as delightful places to live. Nowadays they are in danger of becoming dumping grounds for the socially and economically dispossessed.

4. Planning for metropolitan development outside central cities with specific concern for efficiency and esthetic appeal, orderly relationships between residential, employment, shopping, and other centers, and preservation of open space not only for recreation but also for ecological values.

RESOURCES FOR ACHIEVING URBAN GOALS

In discussing urban goals with businessmen and others, one invariably encounters the reservations, "Yes, but can we afford it?" and "We can't afford everything at once, what should come first?" These questions are pertinent, for even in the affluent society there are not sufficient resources to implement fully, and in a short period, the goals proposed here, including the patching up of defects already discussed. And we can be sure that new goals will suggest themselves, and that new defects will become apparent, as we go along.

If we take a longer view, however, and consider the last third of the 20th century (1967–2000), the potentialities for goal implementation are enormous. The gross national product, despite several technical shortcomings, is still the best measure of available resources. The value of GNP in 1966 was $740 billion. The average annual growth rate in real GNP in the 37-year period, 1929–66, was 3.2 percent, and the aggregate GNP in that period, in 1966 dollars, was approximately $15 trillion. Assuming a growth rate of 3 percent in the 34-year period, 1966–2000, the aggregate GNP would be $42.5 trillion (1966 dollars). A 4-percent growth rate, which many analysts think well within our capacity, would yield an aggregate GNP of $51.5 trillion. The difference, $9 trillion, is equivalent to about 13 years' output at the

1966 rate. The astonishing magnitude of this difference underscores the importance of a high growth rate to all our other objectives.[8]

With a 4-percent growth rate and an overall population increase of 40 percent (the lower Census Bureau projection, which looks reasonable at present) we could accomplish the following by the year 2000.

1. Double average consumption per household. The goal of eliminating poverty would require that we move toward greater equality in consumption by increasing the consumption power of the lowest income groups proportionately more than that of the higher levels. This in turn depends in part on moving toward greater equality of productive capacity by labor force members and more generous income-maintenance programs for those not in the labor force.

2. Provide new dwelling units for all the new households, replace approximately three-fourths of present dwelling units, and provide second dwelling units for 25 percent of households. Meanwhile, raise quality, as measured by real construction costs, by 50 percent over 1966 levels.

3. Double, by 1975, the real expenditure on education per pupil while eliminating elementary and secondary school dropouts and expanding college enrollments by 50 percent.

4. Triple the annual average expenditure, over the 34-year period, on public facilities including transportation, water and sewer lines, recreational and cultural facilities, health centers, hospitals, etc., with provision for such needs as improved pollution control, development and introduction of new transportation devices (separation of vehicular and pedestrian traffic, new transportation technologies), rapidly growing demands for recreation and culture, and generally higher standards of urban design.

5. Increase the rate of private domestic business investment, as a proportion of GNP, by approximately 50 percent to allow for developing and introducing new technology, provide new types of consumer goods to meet public and private demand, reduce social costs hitherto imposed on the public (such as air pollution), and replace obsolete equipment.

6. Increase annual Federal Government nondefense purchases by an average of 4 percent per year.[9]

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[8] I suggest that the aggregate national output will not be greatly affected by the rate of population increase, within the limits of the projections previously mentioned (the range is 80 to 160 million population increase by 2000). The reasons are as follows:

(a) A larger population would require more funds for the support and education of the population differential, part of which alternatively could be expected to go into private and social capital formation. (On this point see Stephen Enke, "Economic Development Through Birth Control," *Challenge*, May–June 1967. While Enke's analysis is addressed primarily to less developed nations, it has also some relevance for the United States.)

(b) Because the differential between high and low projections would all be borne (except for immigrants) between now and the year 2000, much of it will not be in the labor force by 2000; thus the labor force differential would be relatively much smaller than the population differential.

(c) A relatively high proportion of the differential labor force would come from the low-income, low-culture groups; their productivity in the year 2000 almost certainly would be under average, no matter what we could do in the meantime.

(d) Continued technological progress may keep on depleting the number of jobs for low- and semi-skilled workers, and might make part of the differential portion of the labor force redundant.

[9] The crucial element in the Federal account is defense-war purchases which were $60 billion in 1966 compared with $17 billion for nondefense purchases. Here I have optimistically projected defense-war purchases at an average of $65 billion a year (1966 prices) for the rest of the century.

7. Increase State and local government purchases for purposes other than public facilities and education by about 4 percent per year.[10]

The following table shows the aggregate amounts of gross national product that would be absorbed by these various quantitative objectives in the period 1966–2000.

TABLE 1.—*Projected demands on gross national product, 1966–2000*

	Trillions
Consumption	$27. 2
Housing	1. 6
Education	4. 4
Urban public facilities	2. 0
Business investment (plant and equipment)	7. 7
Federal Government:	
Defense	2. 2
Other	1. 2
State and local government (excluding education and public facilities)	3. 1
Foreign balance, and unallocated	2. 1
Total	[1] 51. 5

[1] Projections for a population increasing to 280,000,000, with a 4-percent annual growth rate in GNP.

While a 4-percent growth rate would supply the demands as projected in table 1, a 3-percent growth rate would fall $9 trillion short of meeting these projected demands; they would have to be reduced in some degree. But up to a point, lower levels of expenditure on such items as private domestic investment and human resources development (particularly education and training) themselves dampen the gross national product growth rate.[11] Various other assumptions, such as a larger population increase, would somewhat change the detail of the above projection but would not alter the main point: that the Nation has the power to achieve within the foreseeable future the goals proposed above, if we measure achievement by present standards. Of course, by the end of the century standards will have greatly risen and we will have new and higher goals.

URBAN PUBLIC POLICY AND URBAN GOVERNMENT

I hold that in the last analysis the impetus for improvement in any urban community must come chiefly from the community itself. Federal and State Governments can provide financial and other assistance and a certain amount of stimulation, but only with lively local leadership and citizen participation can a community realize more than a fraction of its potential. Moreover, there are many values and goals which only vigorous urban governments can achieve.

One of the most important objectives is variety and experimentation, along with flexibility in meeting local requirements in ways appropriate to local traditions and conditions. The need for variety and experimentation stems partly from the fact that there is no con-

[10] This is the approximate increase rate in the 1960's, the period of most rapid recent growth.
[11] Leonard Lecht's study for the National Planning Association, "Goals, Priorities, & Dollars (the Free Press, 1966), presents a somewhat more elaborate projection of the cost of meeting the main goals called for by the Eisenhower Goals Commission, in terms of the demands on GNP in 1970 and 1975. The amounts required to meet Lecht's projected demands total about 10 percent more than the projected supply of GNP in 1975, assuming a GNP growth rate of 4 percent. Lecht's projections differ from the ones presented here in that they apply only to selected single years.

sensus among urban planners or other urban experts as to what constitutes an ideal city in size, configuration, transportation systems, and other components of urban design. Some experts believe that further deconcentration and lower densities, made possible by the ongoing revolution in communications technology, are the wave of the future; other experts, exemplified by the new housing panel of HUD's 1966 conference on technology at Woods Hole, call for greater densities to facilitate communication and reduce the cost of transportation and other utilities, and promote multiple uses of land devoted to urban purposes.

Many communities have great but unmobilized resources for attacking their own problems, including resources in the private sector which could be put to work on applications of technology and other matters if there were a way of creating the demand therefor. But most urban governments are always fighting holding actions against accumulations of past deficiencies and unforeseen developments. With financial resources perennially strained, there is little left for innovation except in response to major crises. Recently, most innovation has been stimulated by the Federal Government and by Federal grants for housing and redevelopment, highway construction, antipoverty programs, and health and education.

Urban governments are handicapped also by structure. Most are built around the traditional service functions for which they were responsible in the 19th century—protection, regulation, health, sanitation, sewage disposal, and some aspects of transportation, education, and various utility services.

Beginning in the depression and continuing at an accelerated pace after the Second World War, urban governments began perforce to assume additional responsibilities having to do with the physical and economically disabled, with economic development, urban redevelopment and renewal, poverty, and new kinds of relationships with Federal and State Governments having to do with all of these.

Urban governments have not yet digested these new responsibilities, which tend to be lodged in newly created authorities and special agencies such as housing and redevelopment authorities. Thus the new functions have tended to remain outside the mainstream of planning and decisionmaking, though intrinsically they are as important to community welfare and as imbedded in community politics as are the old-line service functions. (This fact is being impressed on many urban administrations by the often violent protests of large-city poverty groups against their own deprivation and misery and the inability of the community to supply them with decent housing and amenities or with jobs.)

Many systems of logically related functions cut across traditional departmental lines. For instance, it is now clear that the effective education of children from lower culture home environments may require, in addition to education, the combined resources of welfare, health, police, housing, and other departments which in practice are seldom to be found working together on coordinated programs. Development of efficient urban transportation systems has been impeded by the fact that numerous facilities and controls having to do with the movement of people and goods—private motor vehicles, bus, rail transit, traffic

controls, parking facilities and controls, toll and fare systems, etc.—
tend to be lodged in many different, uncoordinated agencies.

And finally, the systems way of thinking has long since informed us
that some types of urban services cannot be efficiently provided or pro-
vided at all by governments of less than metropolitan scale. Trans-
portation, water supply, air and water pollution control, and efficient
land-use planning, are prime examples.

Commenting on the deficiencies of local governments, the Committee
for Economic Development's recent policy statement on *Modernizing
Local Government* makes the following observations:

> Few local governments are large enough—in population, area,
> or taxable resources—to apply modern methods in solving cur-
> rent and future problems. Even the largest cities find their major
> problems insoluble because of limits on their geographic areas,
> their taxable resources, and their legal powers.
>
> Overlapping layers of local governments abound—municipali-
> ties, townships, school districts, special districts—which in cer-
> tain areas may number 10 or more. They may all have the power
> to tax the same land, but frequently no one of them has the power
> to deal with specific urban problems.
>
> Public control of local governments is ineffective or sporadic,
> public interest in local politics is lagging. Contributing factors
> are the confusion resulting from the many-layered system, pro-
> fusion of elective officers without policy significance, and increas-
> ing mobility of the population.
>
> Personnel are notoriously weak. Low prestige of municipal
> service, low pay scales, and lack of knowledge or appreciation of
> professional qualifications all handicap the administrative process.

State governments by and large (there are exceptions) have a long
history of unresponsiveness to needs created by urban growth, central
city obsolescence, migrations from rural to urban areas, and the de-
mands for more services. The Advisory Commission on Intergovern-
mental Relations in a report of March 1967, comments that only a
handful of States have moved to meet the problems of their urban
areas and that State governments are on the verge of losing control
over the mounting problems of central city deterioration and the rapid
growth of urban areas.[12] Prof. Roscoe Martin observes that while
States are critical "of the growing practice of direct dealing between
Washington and the cities, which they regard both as a perversion of
the Federal system and a pointed threat to State sovereignty" the
States themselves have displayed little interest in taking action.[13]

PLANNING MACHINERY

By now, most large cities and many metropolitan regions have plan-
ning agencies, but these tend to concentrate on certain aspects of phys-
ical planning such as the location of highways, water and sewer lines,
and other public facilities, and on administering zoning controls and
subdivision regulations. Most city planning agencies lack resources to

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[12] Advisory Commission on Intergovernmental Relations. *Eighth Annual Report,* 1967.
[13] Roscoe C. Martin. *The Cities and the Federal System* (Atherton Press, 1965), ch. 6.

develop new concepts and designs for helping their communities find their way in the future. But such basic work is essential to the goal-making process; without it there is no adequate basis for informing public opinion or stimulating political and other community leaders to push for betterment.

Few are staffed to take full advantage of Federal grants now available or to prepare first-rate model cities programs. Little is done to relate planning for commercial and industrial improvement to the needs of slum dwellers. The planning for development of human resources which goes on is generally confined to specialized agencies— education, welfare, and so forth—which deal only with pieces of the problem.

Lacking adequate planning machinery, urban governments predictably will continue staggering from one crisis to the next, continually out of line with the demands of the times. In New York City alone more than a million people live in 40,000 old-law tenements that were outlawed and scheduled for demolition and replacement in 1905. Many more live in other substandard dwellings. The city planning agencies thus far have only nibbled at the problem : there is no grand strategy for providing decent housing for the city's residents in the foreseeable future. And there is even less consideration given to solving the problem arising from the fact that, as in many large cities, the unskilled and low-skilled population congregates in the core while many of the jobs they might fill locate in the suburbs. I do not know how many jobs in the region remain unfilled because of lack of access to people who might fill them, but the figure in Chicago a couple of years ago was put at 35,000.

State planning agencies have been under the same handicaps as urban agencies and (with few exceptions) have had little impact on the course of urban and metropolitan development. The State highway departments, which do substantially affect metropolitan development, have been largely oblivious to planning values not immediately related to moving motor vehicles.

State and urban governments, then, have done little basic planning and introduced little innovation—their bureaucracies and political officials have been resistant to change. Most of the recent spurt of planning activity in these fields has been fostered and financially assisted by the Federal Government; for instance, through the workable program and other planning requirements posed as conditions for Federal aid.

INTERGOVERNMENTAL COOPERATION

The remarkable development since 1930 of Federal, State and local cooperation—in education, highways, urban redevelopment and renewal, health, housing, poverty and other areas—has served to motivate State and local governments to do things they would not otherwise have done, and to raise administrative and technical standards. The response to Federal grant programs, demonstrated most recently by the scores of applications for model city programs, shows that money is still the best incentive and most powerful energizer in the public as well as the private sector of the enterprise system.

I think that testimony by urban officials before the Congress within the past year has made clear that in their view the leading difficulty

with Federal programs is not simply with redtape and complexity but with the fact that most are still grossly underfinanced. The urban development goals I have suggested imply much higher levels of Federal grants whereby urban governments take advantage of the Federal Government's superiority as a revenue collector.

If we accept the premises—

(1) that the primary responsibility for setting and implementing urban goals must rest on the individual cities and metropolitan areas.

(2) that most urban communities can marshall more intellectual and economic resources to solve their problems than they have thus far,

(3) that urban (and State) governments need to be modernized and better equipped to handle their responsibilities, but

(4) that in the urban political arena the forces of inertia tend to outweigh the forces for innovation,

I think Federal support is justified for State and local innovation in governmental and political arrangements as well as programs. And I believe that encouragement and assistance to urban (and State) governments to improve planning and administrative machinery are better than trying to control every detail of Federal grant programs through minute regulations and supervision.

AGENDA FOR MODERNIZING STATE AND LOCAL GOVERNMENT MACHINERY

If States are to participate more effectively in urban development, most need substantial reorganization and reform of administration, planning, and budgeting systems. Here I draw upon the Committee for Economic Development's recently published policy statement *Modernizing State Government* (1967), which lists the following needed reforms:

Abolition of quasi-independent administrative boards and commissions (frequently they have earmarked funds), insulated from any responsibility for State welfare as a whole.

Concommitantly, centering administrative responsibility in the office of the Governor, and equipping the office with planning, budgeting, and administrative expertise.

Limitation of legislative responsibility to matters of broad policy and budget approval; abolition of legislative budgets and exercise of administrative powers by legislatures or by individual legislators.

Comprehensive merit personnel systems.

Comprehensive budgets covering all funds and expenditure categories; preferably based on program budget concepts (these have been notably unsuccessful thus far for reasons having little to do with their intrinsic merits).

Strict conflict-of-interest laws.

Constitutional provisions affording maximum latitude to local governments which meet reasonable standards of adequacy.

In *Modernizing Local Government* (1966), CED presents an agenda for local government reform which includes:

Reduction in number of local governments by at least 80 percent, and severe curtailment of overlapping layers of local govern-

ment ("townships and most types of special districts are obvious targets for elimination").

Limitation of popular election to members of legislative bodies and the chief executive in the "strong mayor" type of municipal government.

A single strong executive: elected mayor or city manager.

Modern personnel systems.

Use of county, or combinations of county, jurisdictions to attack metropolitan problems.

Use of Federal (and State) grants-in-aid to encourage local government administrative reforms, particularly reforms having to do with consolidation and organization to meet metropolitan problems.

A Federal Role in State and Local Government Modernization?

Although I favor, and consider inevitable, much larger Federal grants for urban development and improvement, I am equally concerned about the ability of State and urban governments to make good use thereof. For this reason I have reservations about the formula of the Heller plan distribution of a "national dividend" (a fraction of the annual increase in national output) through the medium of per capita grants to State governments. If Federal tax machinery provides the wherewithal for a "national dividend," would it not be profligate to use Federal funds simply to bolster up existing inadequate and archaic institutions? If we are going to depend, as I think we should and must, on the decisionmaking and innovational capacities of State and local governments, should we not seek to improve those capacities?

The Congress has attached conditions for administration and performance to many grants, going back at least to the 1930's when State unemployment insurance agencies were required to be under civil service. A few other instances include the design and construction standards required of Federal-aid highways; the requirement that Federal-aid highways in urban areas of more than 50,000 population be based on a continuing comprehensive planning process carried on cooperatively by State and local agencies; the requirement of general State plans for hospital development as a condition for Federal grants for hospital construction; the provision of more general grants for water pollution control under metropolitanwide plans, as opposed to purely local jurisdiction projects; the requirement for comprehensive community planning and the submission of community "workable plans" as conditions of urban renewal grants; the requirement that Federal aid community development projects shall be reviewed by metropolitan agencies designated "to the greatest practicable extent" by elected local officials.

While few such stipulations have wrought wonders, many of them have wrought improvements. For example, while many "workable plans" submitted in support of urban renewal applications have been rudimentary and the provisions of many have not been complied with, the requirements have made urban governments more aware of the elements of urban renewal and of the necessity for professional planning than they otherwise would have been.

The instances cited above all relate to specific grant-in-aid programs. Is it possible to establish general standards for planning and

administration as a condition of per capita grants or other general grants? Admittedly the task of administering such requirements would be difficult. There is first the job of devising criteria for acceptable standards of administrative organization. Next there is the job of evaluating State and local governments to determine whether they meet established criteria. Inevitably there would be protests from offended State and local interests and congressional protests against adverse rulings.

One possible formula is that set forth in the bill introduced in the House of Representatives by Congressman Henry S. Reuss of Wisconsin in January 1967. Under the Reuss bill, block grants would be made conditional upon the submission by States of acceptable programs of Government modernization; the review and evaluation bodies would be regional coordinating committees and the U.S. Advisory Commission on Intergovernmental Relations, which would certify as eligible programs reflecting "sufficient stated creative initiative so as to qualify that State for Federal block grants." Among the items suggested for consideration in drawing up such programs are:

1. Arrangements for dealing with interstate regional, including metropolitan, problems;

2. Strengthening and modernizing State governments;

3. Strengthening and modernizing local, rural, urban, and metropolitan governments; and

4. Proposed uses of Federal block grants, including provisions for passing on at least 50 percent to local governments.

Any general formula that might be established should be related to administrative standards already imposed by other Federal grants-in-aid. This leads to the point that the Federal Government itself is not a model of organization, least of all with respect to urban programs. The scores of urban-oriented programs and grants administered by the Departments of Housing and Urban Development; Labor; Commerce; Transportation; Interior; Health, Education, and Welfare; the Office of Economic Opportunity; Army Engineers; and General Services Administration, and others; still suffer from a lack of centralized planning and direction. Down below, State and local governments are handicapped by the number of, and administrative requirements imposed under, the Federal programs ostensibly established to spur, not hog-tie, local initiative. Several coordinating devices established in the last few years have made little impact, and the situation overall is little changed from what it was a decade ago. Obviously more muscular measures, of which several variants have been proposed, are needed.

The prospect of the urban concentrations of the year 2000, as described by the urban land institute, poses still further questions of administrative organization. Two of the great megalopolitan areas projected will be contained within the boundaries of single States (California and Florida), but the metropolitan belts around the Great Lakes and along the east coast will encompass a dozen or more States. Aspects of many of the problems now plaguing metropolitan areas, such as water supply, air and water pollution control, and transportation, will be transferred to the larger areas of the future. The States offer the only organizational building blocks below the Federal level for coping with megalopolitan-scale problems. In some cases, they

may be able to organize into regional blocks (as through the device of interstate compacts) for dealing with interstate megalopolitan problems. An interesting possible precedent is offered by the Delaware Valley Authority compact encompassing the States of New York, New Jersey, Delaware, and Pennsylvania with the Federal Government as an equal partner. This may be the megalopolitan counterpart of the emerging federations of municipal governments at the metropolitan level.

I should say at least a word about personnel to man planning and administrative posts in urban governments as well as urban program posts in Federal and State governments. This is, of course, the resource in shortest supply. There are, for instance, no more than a handful of people who can direct the preparations of a first-rate model cities program application. It is no secret that New York City, despite the attractions offered by a reorganization of city agencies along modern program lines, relatively high salaries, and vigorous chief executive, has had great difficulty in finding competent people for top staff positions in the human resources administration, housing and development administration, and transportation administration, not to mention posts in the top staff agencies.

In the long run, the shortage of personnel trained for modern urban planning and administration will be alleviated only if the universities assume responsibility for attracting and training many more people, and if urban governments become more aware of the nature of their manpower needs and show a willingness to compete for talent. In the short run, Federal assistance for training urban planners and administrators, as in programs backed by Senator Muskie and others, would help to break the logjam.

FOSTERING LARGE-SCALE INNOVATION

There is wide agreement that problems of urban improvement offer the greatest challenge (outside the field of national defense) to innovators of our time. It is offensive to our general notions of progress that many aspects of urban life, for many people, are not improving while some are retrogressing. The lack of progress has a disproportionate impact on people lowest in the income and cultural scale, but no participants in urban life remain unaffected by deterioration somewhere. Everyone endures the irritations of poor transportation and traffic congestion, air and water pollution, noise, lack of recreation facilities, crime and delinquency, and the ugliness of the urbanscape.

The main point is not whether things are better or worse than they formerly were, however, but whether research resources of modern social and physical science and technology have been utilized to the maximum practical extent in the solution of urban problems. The consensus of most physical scientists and engineers, and social scientists, is that they have not been and are not.

Technology, we are assured, can provide means for achieving more efficient, more beautiful, more livable cities. But the engineers, scientists, and designers complain that they have not been given the opportunity to demonstrate what they can do to improve urban environment. This is hardly surprising, because there is little demand for their talent, and there is little demand because much of technology's potential is on the drawing board or in the conceptual or preconceptual stages.

(By contrast, the consumer products sold by the private sector are already in existence and are promoted with all the resources of modern advertising.) The politicians and the public can hardly be blamed for failing to demand what does not exist. Somewhat analogous factors impede organizational and political innovation, as illustrated by the slowness to develop machinery for coping with metropolitan-scale problems.

As already implied, technological innovations must depend upon organizational and political innovations, and in many cases innovations in the social sciences as well. So-called systems approaches are an attempt to assemble in packages all the necessary components of solutions to particular problems—thus an urban transportation system involves demographic, economic, physical design, financial, political, organizational, and other policies, all of which depend upon the particular technological approaches selected.

Most of the significant innovations having to do with urban improvement have been stimulated not by State and local governments but by the Federal Government (sometimes, but sometimes not, pushed by urban government interests). But with the exception of the highway program, the amount spent by the Federal Government systematically to stimulate urban improvements has been insignificant compared to expenditures for agricultural improvement and support, or for space programs.

Objectives and Incentives

Experience thus far indicates that more resources and energy can be mobilized if there are defined generally accepted objectives, and incentives for pursuing them. Four cases are in point:

1. The urban development and renewal programs have been utilized by many cities with some failures but with some notable successes. In the process there has been a great conceptual development (more significant than the physical development that has occurred thus far), and a great improvement in planning standards and in the number and quality of planners employed.

2. The space effort has demonstrated the potential of technology organized under a public program, with the participation of both public and private sectors.

3. The war on poverty has mobilized a great national effort, again with the participation of both public and private sectors.

4. The competition for the site of the proposed giant (200–300 Bev) nuclear particle accelerator, involving a construction cost of several hundred million dollars and an annual payroll of some $60 million, drew in all the major regions and many individual States and localities in the United States, who spent millions of dollars preparing their cases.

All of these programs have in common (a) clearly defined objectives and (b) large prizes in the form of Federal funds for programs which would galvanize the public sector and furnish incentives for the participation of the private sector. All have in common also the fact that though the objectives were clearly defined the means of

achieving them were still to be worked on at the time of their initiation—technological approaches had still to be developed.

A difficulty with most Federal urban improvement programs is that they never concentrate enough resources in any one place to demonstrate what an adequately financed "systems approach" can do in any particular field. The model cities (demonstration cities) program, which seeks to concentrate Federal grants in limited areas of cities, will inevitably be handicapped by fiscal malnutrition as well as Federal redtape; it will end up with some improvements in most areas, no doubt, but with nothing conclusively demonstrated. Much of our experience with Federal grant programs recalls the experience of the 1930's with spending: when toe-in-the-water spending programs did not promptly produce full employment and an economic boom, Government spending to create demand was written off by many as a failure until the very much larger spending of a defense-war demonstrated that the problem of the 1930's had been simply one of inadequate scale.

I suggest that as soon as the military situation is resolved and Federal funds are available, the Federal Government should make a number of substantial grants for urban improvements in a number of selected fields, each designed to produce a major impact. Project designs would employ systems approaches encompassing both technology (applied science, hardware design, etc.) and all the machinery necessary for planning, making decisions, and implementing the projects concerned. Following are some of the areas in which such large demonstration projects might be run:

1. A comprehensive, integrated intraurban transportation system such as exists nowhere at present.

2. A comprehensive, metropolitan areawide health and hospitals program.

3. A 20-year housing development plan, taking into account not only the provision of decent housing to all families in the area but also (a) the efficient location of housing with respect to employment centers, (b) the probable rise in incomes and housing standards over the planning period, and (c) feasible approaches to geographic dispersion of minority groups.

4. A metropolitan area recreation development plan to make recreation facilities available to all inhabitants of the area on approximately equal terms.

5. A design for a new town or a system of new towns in a metropolitan area.

Any project for which a large-scale "innovation grant" is made should meet rigorous specifications. For example, the specifications for a transportation plan (transportation breakthroughs are particularly needed) might include the following:

1. The plan should encompass all forms of intraurban transportation—private motor vehicle, bus, rail transit, traffic controls, parking facilities, parking controls, tolls, fares, and fees (or as many of these as would be appropriate for the particular region).

There should be provision for integration with interurban transportation facilities through such devices as integrating interstate and other highways into physical development plans, and efficient transportation links between air terminals and other points in the area.

2. A project development plan should encompass a period of 20 to 25 years. It should be constructed for maximum flexibility to meet future demographic and economic changes and to take advantage of unforeseen technological developments.

3. The plan-and-program should provide for continuous planning machinery capable of revising plans in accordance with experience gained in developing and operating the system and for keeping transportation and related planning up to date; decisionmaking machinery capable of taking necessary decisions for implementing various aspects of the transportation plan including highways, streets, parking facilities, bus transportation, traffic controls, etc., and administrative apparatus. The elements of planning, decisionmaking and administrative machinery should be parts of the same "system," but each element should be constituted to meet the needs and changing institutional framework of the particular urban area.

4. The plan should also lay out the conventional requirements of a conventional intraurban transportation system in terms of capacity for movement of people and goods, and devise a preferred development plan for meeting these requirements, with emphasis on employment of improved technologies.

5. The various systems should be integrated economically as well as organizationally, with each transportation mode bearing appropriate costs consistent with overall criteria laid down for the system. Economic specifications should be devised, first to guard against wasting resources on overelaborate or grandiose plans, but more important, to permit maximum freedom of consumer choice.

A transportation plan of the scope indicated would involve drastic changes in local government organization, arrangements between local governments, State highway departments, and the Federal Transportation Department. But the purpose of the innovation grant would be to stimulate this kind of political and organizational innovation as well as innovations in hardware. In this respect, the program would differ sharply from the usual Federal grant program, which stays within the bounds of existing political frameworks so as to permit everybody to participate without undue strain.

COMPETITION FOR LARGE-SCALE INNOVATION GRANTS

The certainty that there would be intense competition among cities and metropolitan areas to be selected as recipients of large-scale innovation grants suggests that the grants be made through a series of national competitions and awards for best "plans-and-programs" dealing with various urban needs. The awards would be made, in any specified

field, for the best plan and program to be submitted by a government or consortium of governments representing a metropolitan area. The plans submitted should meet specifications laid down, such as those suggested for an intraurban metropolitan transportation plan. To qualify for an award, the competing area should give evidence of its willingness and ability to make any necessary organizational changes.

Such a system of awards would, I suggest, have the advantage of attracting wide-scale attention and interest and of drawing a number of metropolitan areas into competition. The activities involved in competing, and coping with specfications of the kind described, would have a high educational value. The "losers" in each competition would benefit in many ways from the experience of competing. It is probable that meritorious plans which did not win awards would be eligible for Federal assistance on a matching or other basis under Federal programs that already exist or which would be enacted in the future. The competitions themselves, if successful, would furnish valuable guidance to the Congress in expanding the Federal grant program.

Many details would have to be worked out, a few of which are considered here:

Selection committees.—Competition entries should be judged by panels of experts of national reputation in relevant fields, drawn from the universities, industry, and nonprofit institutions. Selection of panels to avoid any favoritism or political influence would be of highest importance in realizing the objectives of the competition. (Experience with the selection of the site for the new accelerator indicates that a certain amount of controversy would be inevitable in any case.)

Financing research and planning.—Preparation of plans and programs of the scale contemplated would involve, for most communities and most functions, heavy expenditures on research and promotion. Referring again to transportation as an example, preparing an integrated plan and program would entail coordinated work of demographers, economists, city planners, traffic engineers, highway engineers, specialists in urban technology, political scientists, specialists in finance and administration. New hardware (as new types of transportation vehicles) might need to be developed to the point of demonstrating feasibility for purposes of submission as part of the plan. New political arrangements would require time-consuming negotiation, public education, and in some cases legislative action. Private firms should be drawn in. This suggests the possibility of setting up award competitions among private firms for development of various aspects of an overall plan and program, particularly aspects having to do with development of physical technology and systems design. Management consultant firms might be invited to enter competitions for plans for governmental reorganization, financing, and other matters within their competence. The device of competitions has already been successfully employed in several fields, notably architectural design and military and space hardware.

To help finance plan and program preparation, including competitions among private firms, the Federal Government, following established precedents, might make available research and planning funds for plan and program preparation—some funds already available

under such legislation as section 701 of the Federal Housing Act, highway-related research funds provided under the Federal Highway Act, and funds for research on health, education, and various other urban-related activities.

Basically, research funds for award competitions should be part of a more general system of encouraging and assisting work on urban problems, just as the proposed awards system should be only one part of an expanded national effort for urban improvement.

Time allowed for plan preparation.—The time required for plan preparation would depend upon the subject matter of the particular competition. In the case of intraurban transportation plans, a period of 3 years is about the minimum for preparation of a major plan, and the kinds of plans contemplated here are considerably more expansive than any undertaken to date. In addition to the preparation of plans per se, a considerable amount of negotiation and political engineering would be necessary to commit the community fairly definitely in advance to organizational and institutional changes. This suggests that transportation plans might require as long as 3 to 4 years for proper preparation and presentation. Other functions may require less time, and a few are likely to require more.

Amounts of awards.—One possibility is that the Federal Government meet the capital construction costs of award-winning plans. Where high operating expenses (or deficits) are likely to be a deterrent, the award might also cover operating expenses (or deficits) for a limited period of, say, 5 years.

One hundred percent financing might not go a great distance beyond amounts already available for some kinds of projects, as two-thirds Federal financing for development of urban mass transportation, two-thirds for urban redevelopment, 90 percent for construction of interstate highways, and 50 percent for primary highways, and various other Federal matching grants. In many programs, a major limitation is appropriations rather than the percentage of Federal matching.

The absence of any requirement for local matching under the award program would remove incentives for economy, but extravagance might be held in check by making economy one of the criteria for evaluation and by introducing appropriate pricing systems and other devices to make projects such as transportation, water supply, and so forth, more efficient from the economic standpoint.

The awards would have to be very large to produce innovations of the scale required, however. A transportation plan alone for a major metropolitan area might cost a billion dollars or more. But the amounts should be compared, not to what we have been accustomed to spending on urban improvement, but rather to (1) needs, (2) prospective resources as measured by our rising gross national product, and (3) what we are already spending for innovation in other fields, for example, military hardware, space, the SST, and so on.

It seems obvious that no competition could be devised that would cover urban areas as widely disparate as the New York metropolitan region at one end of the scale and, say, Lubbock, Tex., at the other.

The kinds of problems confronting urban areas, and optimal solutions thereto, will vary greatly according to size, age, demographic characteristics, wealth, governmental, and political traditions, and other factors. It therefore would be desirable to divide cities into classes for purposes of an awards program, as:

Class:	Population
1	100,000 to 500,000
2	500,000 to 1,000,000
3	1,000,000 to 5,000,000
4	over 5,000,000

Areas under 100,000 are not included: first, because of the large number of such areas; second, because their needs for innovation are generally less acute, and third, because it seems unlikely that they could contribute much of interest to larger areas. For such areas, it might be desirable to establish special awards, perhaps administered by State governments with financial help from the Federal Government and with competition on an intrastate rather than in interstate basis.

COMMUNITY SIZE : FORCES, IMPLICATIONS AND SOLUTIONS

BY WERNER Z. HIRSCH[*]

INTRODUCTION

Since the turn of the century the urban population of the United States has increased at a rapid pace, both in absolute terms and as a proportion of the Nation's inhabitants. Most of the growth is a result of migration from farms to cities. It could have taken place without huge urban complexes being formed. However, forces of urban agglomeration prevailed and produced huge urban complexes, such as the New York metropolitan area and the Los Angeles Basin. This development did not necessarily mean large local governments. While some cities and counties grew into very populous jurisdictions, strong forces led others to fragmentation and balkanization of their governmental units.

This paper discusses some of the forces responsible for the creation of huge urban complexes, briefly speculates about the future implications of such complexes, and then points to some steps the Federal Government might take to counteract ill effects that may result from excessive urbanization. Thereafter, it looks at local urban governments and discusses how concentrated growth and balkanization have taken place side by side and then points out steps the Federal Government has taken to encourage these developments and steps it might take to cure the evils of excessively small or large jurisdictions.

DIMENSIONS OF URBAN SIZE

The population of standard metropolitan statistical areas (SMSA's) has greatly increased since the turn of the century. While in 1900 about 24 million Americans lived in SMSA's (less than 32 percent of the population), by 1960 the figure had risen to 112 million (63 percent).[1] The National Planning Association projects a 1975 metropolitan population of 164 million (73 percent of the total population).[2] Although the 12 years between 1950 and 1962 saw an SMSA average annual growth rate of 3.1 percent, recent projections by the National Planning Association estimate that this rate will fall to 2.2 percent between 1962 and 1975.[3]

In spite of a 45-percent increase in metropolitan population between 1940 and 1962, the size distribution of metropolitan areas remained

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constant. The large metropolitan areas absorbed 60 percent of the metropolitan population growth, yet the medium sized and small metropolitan areas (including several new SMSA's) maintained their share of the total. Ten percent of the total metropolitan population lived in metropolitan areas with less than 200,000 people in 1962 and comprised 43 percent of the total number of metropolitan areas. Thirty-six percent lived in areas of 200,000 to 1 million people, representing 47 percent of the metropolitan areas. But the largest concentration of metropolitan population was in large urban complexes of over 1 million people: 54 percent of the total metropolitan population lived in these complexes and comprised only 10 percent of the total number of metropolitan areas.[4]

There are strong economic and cultural forces of agglomeration that have prevented urbanization from following a set pattern of forming either all large urban complexes or all small- and middle-sized cities. Some of the forces that create large metropolitan complexes are based on the desire of businesses to minimize transportation costs, improve communications, etc., by locating near a large labor market with plenty of suppliers and customers at hand. People follow the businesses into the same area to take advantage of the job opportunities thus created. Other people move to large cities because they offer a greater choice of cultural events, professional sports, speciality shops, kinds of jobs, or friends. Also it should be noted that, to a large extent, the population growth of the large urban complexes is a result of inmigration of the poor; they assume that the city offers a greater probability (if not actuality) of improved economic opportunity and that there is a greater likelihood that subsistence can be maintained in a large community with better organized welfare services.

But there are also forces leading away from agglomeration. Some private enterprises find that the costs of doing business in a large community are too great; some public services become increasingly expensive for them in a large community. And some individuals prefer the kinds of recreational, cultural and educational opportunities more easily obtained in small communities than in large ones.

Size has both population and geographic dimensions. Some large urban complexes, for example the New York metropolitan area, covers a large area and is also densely populated. Other complexes, equally large in territory, have areas of high and low population density intermingled. And some small- and medium-sized urban complexes are densely populated while others are not. We often hear acriminious voices raised against large, densely populated urban complexes, but we also hear complaints about sprawl and the parochialism of small cities. All of these things are found in our urban environment.

To the best of my knowledge there is no study that definitively indicates that the social costs of huge urban complexes outweigh the benefits accruing to society. Nor do we know whether urban sprawl, on balance, is socially desirable or undesirable.

In the absence of convincing evidence that the urbanization of America has been moving in the wrong direction, it might be assumed that the Federal Government could neglect this issue. This is not altogether

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[4] *Ibid.*, p. 11.

true, if for no other reason than that the Federal Government in the past has taken steps that have affected the form of urbanization in a major way, and is likely to continue to take such steps in the future. At the same time it should be noted that even if Federal action influences the size of urban areas, this does not mean that size needs to be a factor in easing the solution of problems or creating new ones.

Since the early thirties the Federal Government has played an important role in promoting urban sprawl, perhaps inadvertently. The Federal Housing Administration, since 1934, and the Veterans' Administration, since World War II, have insured, and thus subsidized, loans for the purchases of homes. For the sake of sound investment they limited themselves to financing certain homes in surburbia, and by 1959 the Federal Housing Administration was able to declare proudly that it had "helped to make it possible for three out of every five American families to own their own homes." [5] Furthermore, the Federal Government's interest in a superhighway system had the unintended effect of encouraging more people to live out of the city, while working in it, and in some cases, to live and work in suburbia.[6]

Few would disagree with the need for the Federal Government to be more aware of potential implications of proposed legislation. Major programs can affect the pace and form of urbanization and should be considered in this context.

The Federal Government might also be persuaded to carefully consider the side effects of existing programs. To quote Edward C. Banfield and James Q. Wilson, "The Federal Government is now in one way or another involved in an astonishing range of city activities: low-rent public housing, urban renewal, civil defense, sewage treatment construction programs, hospital grants, rivers and harbor improvements, National Guard armory construction, air pollution control, public health, the school lunch and school milk programs, library services, airport construction, highways, surplus property distribution, FBI training of local police officers, training for sanitary engineers, mental health, and public facility loans." [7] To these programs others in education, rent subsidy and so on have been added in recent years. In short, as new programs are formulated, thought should be given to their potential effects on the size and shape of the urban complex they serve.

As was pointed out earlier there is no definitive study that appraises the desirability of very large urban areas. Indeed there is often confusion as to what constitutes desirability. For example, large areas may be less efficient than smaller areas yet this does not mean that all large areas should be reduced because large cities may be needed to improve the overall efficiency of a nationwide system of cities. But supposing that evidence could be produced that some of our urban

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[5] U.S. Federal Housing Administration, *The FHA Story in Summary,* 1934–59 (Washington, D.C., Government Printing Office) FHA 375.
[6] U.S. Department of Commerce, "Studies of the Economic and Social Effects of Highway Improvement," *Final Report of the Highway Cost Allocation Study,* pt. VI House Document 72, 87th Congress, First Session, 1961.
[7] Edward C. Banfield and James Q. Wilson, *City Politics,* (Cambridge, Mass.: Harvard University Press, 1965) p. 74.

complexes are getting too large, unwieldly and inefficient. Then the Federal Government could contemplate two strategies: one would be to produce new, smaller cities; the other would be to develop efficient and liveable areas within each large urban complex.[8]

If the establishment of new cities becomes a goal, they should be built some distance from existing ones. A distance of about 100 miles would prevent people from commuting to the existing center, thus feeding the fires of urban sprawl. Artificial planning and nursing of "growing points" would require the participation of State, local and Federal Governments as well as private industry. It could become a self reinforcing process and create new areas of high density to fill in the checkered industrial and residential landscape of the United States. Regions could be selected that would lend themselves to profitable development by leading industries, taking into account markets, labor force, and so forth.[9]

In a sense, new towns do not really deal with existing social and economic problems so much as they try to avoid future intensification of these problems. Therefore, if building "new towns within cities" becomes a goal they are likely to be concerned with alleviating current inequities, discomfort, and inefficiencies, but they should also be concerned with improving the neighborhood housing, recreational and cultural opportunities; home-to-work access; and the quality of and accessibility to public services.

To advance programs for building new cities outside the existing urban complexes, the Federal Government might consider the creation of a New Town Corp. patterned after the Communication Satellite Corp. New cities outside the complex might be established by having the Federal Treasury and State government hold half the stock and sell the other half to profit-seeking private investors. A Federal or State official could serve as chairman of the board and have the power to break a tie vote in favor of the public interest.

Federal assistance might be given in the form of long-term loans or grants matched by State funds to acquire land for new cities or to develop new cities within the old. Furthermore, the Federal Government might assist in all stages of planning and development. Perhaps all three levels of government could join forces in financing public improvements, such as utilities, roads and city transportation networks, parks and green-belt areas, schools, and hospitals.

Once a new city reached a certain size, it could incorporate, and the State could enter into a contractual relationship with the new city to regulate matters in accordance with the original plan, along with land ownership, repayment of loans, and so on.

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[8] Both these strategies can be simultaneously adopted. For example, the private sector which faces similar problems of size as it relates to industrial organization has adopted both strategies; namely, new enterprises are created to meet demands at the same time that large organizations such as General Motors, decentralize into effective but independent operating units.

[9] Efforts of this sort have been undertaken in Japan, England, Sweden, Norway, France, etc. For example, in France eight new cities of 30,000 to 1,000,000 inhabitants are planned between Le Havre and Caen.

Local Urban Governments

Virtually all of our cities greatly increased their population after the turn of the century. The New York City population grew from 3.4 million in 1900 to 7.8 million in 1960, while during the same period Los Angeles grew from 100,000 to 2.5 million. However, since the middle of this century city growth has been retarded or even reversed in the older cities along the east coast and in the Midwest. Between 1950 and 1960, for example, the population of New York City decreased by about 100,000 while that of Detroit decreased by almost 200,000. With no change in land area, the population of Boston declined 13 percent and Princeton by more than 16 percent.

The picture is quite different in the West and Southwest. Between 1950 and 1960 Los Angeles increased by about half a million inhabitants, while Phoenix increased its land area tenfold through annexation and its population more than tripled. Oklahoma City had a land area increase of 530 percent and a population increase of 33 percent.[10]

As densities increased in the huge urban complexes of our country, some areas were subjected to fragmentation and balkanization of governmental units within the existing complexes. This came about mainly as a result of the incorporation of new cities, particularly in the 1950's.[11]

Numerous forces seem to bring about new incorporations. In some cases residents might want to incorporate a city in the hope of seeking an identity or to emphasize a common concern for some issue. In other cases, economic forces play an important role in the decision to incorporate. There may be a strong temptation to carve out a tax haven with few zoning restrictions to attract new industries, or a desire to escape stringent planning ordinances which urban counties inflict on unincorporated areas. Or there may be a move to build homogeneous little pockets of people with similar backgrounds, aspirations, and income. In all cases there is a desire to isolate an area from the large urban complex that surrounds it.

What are some of the major virtues large urban governments claim? Basically they fall under the headings of resource allocation efficiency and distribution of costs and benefits. Perhaps the single most important efficiency consideration relates to scale economies. Theoretical as well as empirical investigations appear to indicate that most urban government services require relatively close geographic proximity of service units to service recipients. This prevents the establishment of huge primary schools, firehouses, police stations, or libraries. Also urban government services are labor intensive with wages and salaries often accounting for more than two-thirds of the current costs. Concentration of manpower required by large government can increase the bargaining power of labor, and this, in turn, can increase costs. While there are some economies of scale resulting from bulk purchases of supplies and equipment, such savings can be outweighed by inefficiencies

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[10] U.S. Bureau of the Census, *Statistical Abstracts, 1966* (Washington, D.C., 1967) pp. 20–21.

[11] W. B. Watson, E. A. T. Barth, and D. P. Hayes, "Metropolitan Decentralization Through Incorporation," *Western Political Quarterly*, vol. 18 (I), March 1965, pp. 198–206.

resulting from topheavy administration and the ills of political patron-
age in very large governments. It appears that in terms of scale
economies a government serving from 50,000 to 100,000 urbanites might
be most efficient.[12]

The second efficiency claim for large urban governments relates to
coordinated planning for growth. Large jurisdictions, it is claimed, are
better equipped to plan, coordinate, and consequently bring about de-
sirable growth. However, it also has been claimed that one adverse
result is the sacrifice of freedom for citizens to act individually and
independently. Perhaps the most serious challenge in this context has
been raised by James R. Schlesinger who is convinced that "Large
organizations suffer from a geometric increase in the difficulty of
(a) successfully communicating intention and procedures; (b) estab-
lishing a harmonious system of incentives; and (c) achieving adequate
cohesion among numerous individuals and subunits with sharply con-
flicting wills."[13] He goes on to point out that "large organizations find
it hard to anticipate, to recognize, or to adjust to change * * *. Changes
in the environment can only be appreciated by small groups initially.
To influence a large organization—to get the prevailing doctrine
changed—is a time-consuming process, and by the time it is accom-
plished the new views will themselves be on the verge of obsolescence.
This may account for the organizational propensity to zig and zag."[14]

A third virtue of large urban complexes relates to equity. Large juris-
dictions have a broad tax base and, therefore, can service everybody in
an equal manner. However, since reliance is placed on both income- and
wealth-related taxes for financing urban government services, it is pos-
sible to obtain equity with regard to one or the other but not to both.
There is also a philosophical issue of whether we benefit from giving all
urbanites the same service, since not everybody has the same
preferences.

It is clear that large urban governments are likely to have some
distinct shortcomings. They tend to eliminate consumer choice with
regard to urban government services. And small local governments
have sentimentally, but perhaps correctly, been extolled as the last
bastion of "town meeting" government, the only level at which people
and government can effectively meet and engage in democratic dialog.

Considering the various pros and cons, the conclusion of the Royal
Commission on Local Government in Greater London makes much
sense:

> * * * As many local functions as possible should be given
> to local authorities of the smallest practicable size. Our reason
> for this is that we believe that local authorities should be
> small enough to maintain and promote a sense of community
> in local affairs, and, if possible, to stimulate the practical
> interests of electors. On the other hand, we believe that they

[12] Werner Z. Hirsch, *About the Supply of Urban Government Services*, (Los Angeles:
Institute of Government and Public Affairs of the University of California, 1967) 76 pages.
[13] James R. Schlesinger, *Organizational Structures and Planning*, (Santa Monica, Calif.:
The Rand Corp., Feb. 25, 1966) P-3316, p. 1.
[14] *Ibid.*, p. 19.

must be large enough and strong enough financially to carry the necessary staffs for the performance of their functions. The ideal size logistically varies between function and function, and some round average must be produced. We thought that the optimum size would be a minimum of about 100,000 inhabitants, and a maximum of about 250,000, and we thought that these boroughs should be achieved partly by keeping existing boroughs unaltered and partly by amalgamations of the smaller boroughs, urban district councils, and rural district councils.[15]

Whereas there is probably little that the Federal Government can do to prevent large cities from growing, it can take steps to induce very small governments to consolidate into more efficient governmental units. Such steps have been taken by State governments with reasonable success, mainly in the form of financial incentives for school boards. Other incentives could be offered to make it possible for smaller governments to join others in cooperative purchasing efforts, or in purchasing services from a larger and more efficient governmental unit. Such arrangements are commonly known as the Lakewood plan.[16]

Then there are various steps that can bring about further cooperation among governments at different levels, especially in the planning field. The Federal Government has already taken a number of steps to encourage areawide cooperation. For example, in the National Capital Transportation Act of 1960 Congress declared that the continuing policy and responsibility of the Federal Government is to encourage and aid in planning and developing a unified and coordinated transportation for the Capital region.[17] Furthermore, Congress has encouraged interstate regional cooperation in the planning, acquisition, and development of outdoor recreation resources.[18]

The Housing and Urban Development Act of 1965 explicitly requires "significant effective efforts" by all available public and private resources in projects designed to beautify and improve open space and other public lands in the Nation's urban areas.[19]

Finally, equity can be attempted, even in the presence of small governments, with the aid of various intergovernmental fiscal arrangements. Federal and State subsidies to local urban governments are not new. They have effectively increased equity, as is shown in studies by Jesse Burkhead and Donald J. Curran. Their case studies of Cuyahoga County, Ohio, and Milwaukee County, Wis., indicate that in the postwar period differences in per capita expenditures of urban governments have grown increasingly smaller.[20]

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[15] Sir Edward Herbert, "The Reorganization of London's Government," *The Metropolitan Future: California and the Challenge of Growth,* (Berkeley, Calif.: University of California, 1964), pp. 9–10.

[16] Vincent Ostrom, et al., "The Organization of Government and Metropolitan Areas," *The American Political Science Review,* vol. 55, No. 4, December 1961, pp. 831–842; and Robert Warren, "A Municipal Services Market Model of Metropolitan Organization," *Journal of the American Institute of Planners,* vol. 30, No. 3, August 1964, pp. 193–204.

[17] *Public Law 86–669.*

[18] *Public Law 88–29.*

[19] *Public Law 89–117.*

[20] Jesse Burkhead, "Uniformity in Governmental Expenditures and Resources in the Metropolitan Area: Cuyahoga County," *National Tax Journal,* vol. 16, December 1961, pp. 337–348; and Donald J. Curran, S.J., "The Metropolitan Problem: Solution From Within?" *National Tax Journal,* vol. 16, No. 3, September 1963, pp. 213–223.

In the middle 1940's Federal aid to both State and local government, much of it to urban areas, amounted to about $1 billion, less than 10 percent of State and local government revenue. Twenty years later, in 1965, Federal aid exceeded $11 billion and constituted about 15 percent of total revenue of these governmental units.[21] Differential endowment of different cities and regions is obviously only one reason why the Federal Government should participate in financing certain local government services. Nevertheless grants are an important factor in effecting greater equity between various urban jurisdictions. It should be recognized, however, that Federal aid given to numerous separate departments of local and State governments tends to further fragmentize the government. More coordination and integration is badly needed.

CONCLUSION

We appear to know rather little about the effects of large urban complexes or urban governments on urbanites. Even less is often known about the side effects Federal legislation may have on the urban community. Steps could be taken by Congress to assure more funds for urban research and thoughtful inquiry before new legislation is passed. However, it should be noted that although urban problems are sometimes effectively attacked by Federal legislation, they are very often solved only by State and municipal legislation and by private sector activity. There is urgent need for the Federal Government to create an environment in which the various actors on the urban scene can further enhance the welfare of all Americans.

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[21] Laslo Ecker-Racz, "A Foreign Scholar Ponders the 1957 Census of Governments," *National Tax Journal*, vol. XII, No. 2, June 1959, p. 107; and U.S. Bureau of the Census, *Statistical Abstract, 1966* (Washington, D.C., 1966) pp. 419–423.

GOALS AND SOCIAL PLANNING

BY HOMER C. WADSWORTH*

The message that all of us are now getting from our cities, reeling under the stress of riot and disorder, is loud and clear. It is simply that we are face to face with problems of such magnitude and complexity that small doses of cure, new Federal-aid programs piled on top of old ones, will not make much of a dent. One thinks of Bernard Shaw's magnificent *"Preface to Heartbreak House"* (1919) :

> Nature's way of dealing with unhealthy conditions is unfortunately not one that compels us to conduct a solvent hygiene on a cash basis. She demoralizes us with long credits and reckless overdrafts, and then pulls us up cruelly with catastrophic bankruptcies. Take, for example, common domestic sanitation. A whole city generation may neglect it utterly and scandalously, not with absolute impunity, yet without any evil consequences that anyone thinks of tracing to it. In a hospital two generations of medical students may tolerate dirt and carelessness, and then go into general practice to spread the doctrine that fresh air is a fad, and sanitation an imposture set up to make profits for plumbers. Then suddenly Nature takes her revenge. She strikes at the city with a pestilence and at the hospital with an epidemic of hospital gangrene, slaughtering right and left until the innocent young have paid for the guilty old, and the account is balanced. And then she goes to sleep again and gives another period of credit, with the same result.

It is well that we make some serious effort to see the problem of our cities in reasonable perspective. The central fact of current matters is that for more than 25 years our attention has been riveted on international affairs. Our economy has been inflated to gargantuan levels of public expenditure by the defense effort. We have waged wars, small and large, throughout most of this period. We have devoted vast amounts of our wealth to reconstruction and rehabilitation in the aftermath of conflict. We have joined with other nations in constructing international agencies needed to keep alive the hope of peace in the world. The wonder of matters is that the American people have been so steadfast in support of policies that have strained our resources, raised our taxes, sent our young men to fight on foreign shores, and involved us in the murky business of world politics—an arena for which our past experience prepared us all too little.

This is the background of our current concern. No one would suggest on present evidence that the American people are drifting back to

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isolationism of any kind. Far from it. It is rather that during these eventful years a host of new problems has grown to giant size, and has had far less attention than it deserves. Our cities need to be rebuilt; our transportation system is in need of a major overhaul; our education lags behind the demands made upon it by the scientific revolution; our agriculture programs seem to please no one; the precious national resources we possess are being used up at an alarming rate; our rate of unemployment, especially among young people, is cause for alarm; our major social services are jerrybuilt and the connecting links between their several parts have not yet been fashioned.

These are the matters that press on the public nerve, and they are likely to determine the politics of the years that lie ahead. What shall be in contention is essentially various ways of dealing with these matters and related questions. What may be crucial is the priority rating we give to this whole range of domestic issues.

This paper is an effort to look at reasonable goals for the urban areas in this country, and rather from the standpoint of the local community than from the viewpoint of the Nation at large. There are a number of reasons why this approach to the subject seems to hold considerable promise. The first is that ours is such a large nation, and conditions vary so in different sections that the development of a national program must take full account of these differences. Most of our general prescriptions for dealing with urban affairs have foundered on this central point, including the new efforts in poverty and education launched during the Kennedy-Johnson years.

Secondly, it is inconceivable that any new program can be organized in which significant efforts are not now being fostered by local and State authorities and by private agencies. The problem therefore becomes one of finding ways of integrating new and old effort—a problem enormously complicated by the lack of appropriate planning machinery for urban communities.

Thirdly, none of our efforts get very far unless people are willing to join with their agencies of government in accomplishing the purposes intended. Our traditions support local control and local initiative. The problems we now deal with require that we reach beyond our communities for resources to assist us in doing what needs to be done. The problem, therefore, becomes largely one of giving some substance to the notion of a creative partnership between local, State, and Federal authorities, and between officials of government and private citizens.

There is much evidence that involvement is probably the crucial issue of our times, and probably the determinant of the measure of our success in whatever we may attempt to do.

The foregoing is not to suggest that the problems of our cities are not of national significance. Indeed, they are, and they cannot be dealt with effectively except as national power and national resources are brought to bear upon them.

What is intended rather is to suggest that while the Federal Government may take appropriate actions in setting national goals, and in establishing guidelines for Federal programs, the true measure of our success may turn in the final analysis upon developing appropriate ways of combining old and new effort, encouraging responsible and imaginative local leadership, and retaining in local communities the

initiative and decisionmaking where the dominant factor is local conditions.

A look at the picture from the standpoint of our schools is somewhat illustrative of the conditions we deal with and the routes that are open to us to get better results. No one has questioned for a very long time the need for additional funds to sharply improve our efforts in education. We have come to know since the passage of the Elementary and Secondary Act of 1965, however, that this hardly tells the whole story. We know now that to double the size of our effort, and to double the salaries of those who teach or direct school efforts, will not get the job done.

The new legislation, especially the Elementary and Secondary Act of 1965, serves two main purposes. It finances through the States local efforts to upgrade the quality of education at all levels, and to extend its services to all children of school age. The act also gives special attention and significant resources to deal with the problems of children from families caught in the vicious cycle of poverty. Many other pieces of recent legislation, notably the Economic Opportunity Act, and various bills designed to improve technical and vocational education, are designed to serve quite related purposes.

The consequence of the act is to greatly extend the range of services offered by the school systems, many of them services in health and welfare areas. The school systems of the country, and notably the city districts, are now fully engaged in a great variety of health and welfare services ancillary to programs of instruction. A child who is hungry or disabled or blind or emotionally disturbed or mentally retarded or exceptionally bright or whatever the nature of his condition, requires all sorts of special attention if we are to bring out his natural abilities to the utmost. In response to these conditions all of our school systems are providing special services of all sorts, ranging from clinics to home visits by social workers, from remedial reading to breakfasts for youngsters who would otherwise begin the day desperately hungry. One of the opportunities arising from the Education Act is that of extending the benefits of many of these services to the millions of children who attend private and parochial schools—a task of infinite difficulty, and one upon which few guidelines from past experience are available. What becomes increasingly clear is that we need very much to have ways of relating school efforts in this regard to the thousand and one other health and welfare efforts organized in our communities.

Our recent experience, and notably since the passage of the Elementary and Secondary Act of 1965 and with subsequent modifications, opens up new vistas and brings to light new problems. Our city schools have the semblance of a system; i.e., the basic responsibility extends to all children of school age within the community, children who come from the most diverse of circumstances. The system can be extended to much larger units—for example, to encompass the whole of metropolitan areas—and can draw from past experience in so doing. We have learned that the school can do many tasks, perhaps more so than any other agency that functions at a neighborhood level and operates within walking distance of most people living in city areas. Schools have the capability of involving people rather easily: they are close at hand and their main job, that of guiding the growth and development of

children, pulls the heartstring as well as the purse of all citizens. The schools have learned to staff with people trained in many different ways—from various branches of medicine and the behavioral sciences as well as education in the customary sense. Indeed, they have had to do so to meet problems presented by the child population, and notably the children who come from slum areas.

What we have seen emerge is the school as the pivotal agency for community services, embracing a wide range of activities. What then can be said of its future role in relation to the reconstruction of city life?

I think it is now clear that the school is the focal point around which to organize the basic services of a neighborhood within a city. The school of the future—indeed, a few schools in the present—will operate on a 6-day per week schedule from early morning to late evening each day. They will house medical, dental, and social services and will provide a wide range of leisure-time services, as well, in cooperation with many other agencies. It is entirely likely that the school will assume major responsibility for the guidance of *all* children between the ages of 3 and 21. Our present preschool operations suggest that the sooner children are reached the better. Many of our present difficulties in cities derive from large numbers of youngsters who are out of school, unemployed, and have very little to offer that anybody is willing to pay for. This suggests the very likely prospect that the school will emerge as an agency with counseling responsibility for all young people beyond the school-leaving age. A youngster who graduates from high school and goes on to college has made his own plans and, in any case, comes under the guidance of collegiate authority. A youngster who does not enter any form of post high school training must be given assistance in making a connection; i.e., a connection that prepares him for employment, helps him to locate the job, and assists him when dislocation makes the job no longer available. This is a very sizable and yet important enterprise. That some such systematic management of young people is necessary seems all too clear. An appropriate place to begin is with that agency that has had the most consistent contact with him over the period of his growing up. This the school can do, and it can do it better than anybody else.

The foregoing, of course, implies a very considerable reorganization of the way in which most school systems now function. It implies as well that we shall be able to develop ways of coordinating a vast array of public and private social services, both at planning and operating levels. This will take some doing. It will probably take some incentives to encourage the doing, as well.

A close look at the way in which all of our urban areas go about planning health and welfare services may throw some light on the nature of the problem involved and perhaps suggest some of the steps necessary to improve the machinery we now use. The apparatus we now have is fragmentary, at best. Some of it is left over from the day when health and welfare services were primarily charitable efforts by private persons and organizations. Some of it is to be found in a maze of ad hoc committees formed usually by mayors to deal with acute problems that have caught the public eye and require that something be done about them. There isn't much sense to this procedure—not in an era when we have determined to put the full resources of all levels

of government and the assistance of many private agencies as well at the task of fundamentally improving our educational system and rehabilitating those families who have lived for a generation or more at subsistence levels.

Moreover, the conditions we deal with are constantly changing, and at ever more rapid rates. Our population will continue to grow, and will be increasingly mobile. Our slums will persist, and will spread. The proportion of minority groups in central cities will mount to the point where most of our large cities will have the pattern now observable in Washington. The training requirements for employment will continue to advance, just as automation will continue to make inroads on jobs requiring little or no skill. In about 3 years we shall have two persons employed in the service industries for each person employed in industry and agriculture combined. We shall remain chronically short of key personnel, not all of them people requiring high levels of training, which is simply to note a dangerous irony in a period in which unemployment will fluctuate around 4 to 5 percent of the work force.

It is hardly necessary to extend such a list of reasonable guesses. It is important to note, however, that none of us has yet devised ways of guiding our policies and practices in these interrelated fields, though the knowledge necessary to do so is available for our use.

It seems to me that every metropolitan area in this country desperately needs a social planning commission that would be charged with two main tasks. The first is that of looking for ways to better coordinate the great varieties of local effort, whatever the source of funds, directed toward the widest possible range of social and educational problems. The second is a direct charge to constantly study our ever-changing picture in these areas that we may devise, and in good time, programs that anticipate change and seek to guide our efforts accordingly.

Comparable arrangements have existed for many years to guide the efforts of our cities in physical planning. Our planning commissions have been far less than perfect instruments, to be sure, but they have managed in most cases to inform us about the questions uppermost, and to lift our sights to the scale of the problems involved. No such guiding force informs our policy and practice in education and the social services, and with the result that we stumble from illusion to illusion, from fad to fad, hoping that we shall strike miracles. The availability of money will not provide the solutions necessary. It is intelligence and systematic effort, appropriately organized, that will produce better answers than we now have and efficient use of all of the resources that we can muster.

There appear to be a number of serious defects in our current approach to urban problems. Most of the ideas with which we work currently are warmed over from experience in the 1930's. There is little to suggest that they are especially applicable to a situation that calls for long-range planning as distinguished from a series of emergency efforts to deal with matters that have belatedly hit the public consciousness. Poverty is hardly a new phenomenon. Neither is the need of the schools for massive support to provide special education for those who come from deprived circumstances, nor is the desperate

plight of many Americans with medical and psychiatric problems. Our poverty is in part a poverty of ideas for a period of revolutionary change—one which has the best of our minds groping for even guesses about what comes next.

The Federal effort is not a single one. It reaches into our communities in multiple ways through an unbelievable array of departments and agencies, each assigned categorical tasks impossible to achieve without a broader framework of reference. It is not only that the right hand does not always know what the left hand is doing. It is a serious question whether they have any common connection. Every mayor and school official can give his own chapter and verse to this story.

There seems no reasonable alternative to decentralization of the Federal effort, and some measured effort at community and regional levels to bring about that coordination of affairs necessary for even moderate success. I see no good reason to give the States this job: city people have all too much trouble convincing country boys in State legislatures and State bureaucracies that the cities have problems of magnitude to deal with. What appears to have much more promise is the strengthening of regional offices of existing departments and agencies of the Federal Government, and empowering them to function much more freely than at present. It may be assumed that Congress will fix the general policies, and will establish the general guidelines for Federal action. It may be assumed as well that the Washington offices will establish standards to guide regional effort. From that point on it seems to me that the regional offices must have power and freedom to operate. No other system can possibly generate that kind of necessary mix of public and private effort essential to bring fresh ideas and imaginative effort to bear on problems that cannot have solution any place except in the community.

All of our current efforts suffer from the lack of a sound base in information. That which we have is too thin and fragmentary to tell us what we need to know. Apart from census data, most information collected is for the purpose of guiding specific programs or making a case for continued support. The result is mountains of stuff but all too frequently little or no information on the most vital questions before the public.

The foregoing suggests the merit of seeking ways to create research and development agencies in all of our metropolitan areas to guide policy formation and to sponsor action research programs designed to test out ways of improving our knowledge and improving our services. Perhaps social indicators are possible—that is, the compilation and publication of data in such a way as to indicate alternative paths of action for public decision that will ameliorate conditions so exposed or prevent difficulties somewhat predictable. At the moment we know too little to be sure that this is possible, though vigorous effort along these lines appears highly desirable.

It is of singular interest that communities do not sponsor systematic procedures through research and development to improve our grasp of the community picture as a whole, and to seek constantly ways of improving our performance. Our current tendency is to approach this question on a piecemeal basis—that is, to provide grant funds in large amounts for extensive studies of particular problems, more or less on an ad hoc basis, and usually though not always through universities.

What seems to be missing is a permanent agency drawing considerable parts of its support from local sources, governmental and voluntary, and dedicated day in and day out to looking at the community writ large. There are a few such agencies now in existence, the Institute for Community Studies in Kansas City being one of them. That they can help communities and various levels of government to approach questions objectively, and with sufficient community involvement to assure some movement following systematic study, seems entirely correct from the limited evidence we now have on such agencies. Such groups can also play a large part through affiliate arrangements with universities in training practitioners in many fields. Our supply of social scientists is very thin. Conceivably, the social sciences may have much to gain by following a line of development parallel to that of medicine over the past 50 years, this being to combine much of the research work of the field with the training and service obligations of existing agencies.

The rediscovery of the cities and the development of new and significant financing to deal with some of their problems, makes it possible for communities for the first time in history to think of areas of community service in system terms. This will probably require the development of new kinds of institutions, among other things, and forging useful links between institutions that now exist. A noteworthy example is in the field of medical care. The high costs involved, the sophistication of the equipment used, the shortages of skilled manpower, together with the revolution that has taken place in the way most of us pay our bills through third parties, simply means that all of our communities face the task of creating a system of medical care that will work well for all of us. What we now have is a radically different thing. It consists of a collection of hospitals, nursing homes, convalescent centers and the like, having little or no relationship with one another. Some are very good; others are very poor—often in the same community. They are governed in all but the most essential ways by a multitude of accrediting bodies both governmental and professional in nature.

The amendments to the Social Security Act providing medicare and medicaid present us with the necessity of thinking about how these parts may best be fitted together, how efficient service at appropriate standards may be delivered to large numbers of people, and how professional personnel now in chronically short supply may be used most appropriately. A collateral problem is clearly one of finding ways to induce large numbers of young people to enter the many areas of training necessary. In effect, we confront a particular problem that, on the one hand, is directed toward a sufficient supply of trained personnel, and on the other, opens up new and important job opportunities for young people not now pointed toward useful careers. Here we are likely to see that community planning requires precisely what is not available under present terms—for example, good connecting links between the education system, the health care system, and the counseling bodies that serve not only in traditional health and welfare agencies but also in labor exchanges and the like.

It is one thing to state that a system of medical care needs to be developed for each American community and for the regions of which they are a part. It is still another to find appropriate ways to bring into

joint action the many parties whose cooperation is essential to the building of such a system. This suggests the validity of some degree of experimentation in developing nonprofit corporations to operate public hospitals where they exist, and through such institutions to develop viable arrangements with the wide array of voluntary institutions that most communities of size now possess. In all probability the development of a community system of medical care will require the development of a community system of training. It involves the designation of specific tasks for institutions best suited to perform these functions in most cases, involving building upon strength where strength now exists. Clearly, every institution cannot emerge precisely as it is now constituted, though it is perfectly possible, it seems to me, to find appropriate ways to respond to its present needs.

It is in tasks of this sort that the future of our American communities must be worked out. A better way of putting it may be perhaps they should be hammered out, for many of the thorny questions involved will require concessions of all kinds from many parties. This is where the action will be in the period ahead, and it should be an exciting and important action for those who understand the important stakes involved.

Cities exist for people, and not the reverse. The conditions of city life require systems of service that are efficient and productive and geared to needs. Instruments to guide our efforts must be created, and they must be so directed that new talent is constantly encouraged to develop. A job with a career line prospect is the main need of all young people. Lacking such, young people will join any adventure that is an exciting relief from the tedium of unemployment. Most young people will find jobs and useful careers if the educational system performs well, and if its program is geared to reasonably accurate estimates of vocational needs. Others will have to be given public employment and with assurance that what they are required to do serves useful purposes and deserves respect.

These are among the tasks that we must learn to perform well in our cities, especially. To do them well requires involvement as well as financial resources, for either one without the other can have only partial success. Involvement means local determination and initiative— not in the sense of resistance to national effort, but rather as a corollary to any viable statement of national purpose.

This is the way things look from Kansas City, circa 1967.

THE CONCEPT OF COMMUNITY AND THE SIZE FOR A CITY

BY PERCIVAL GOODMAN*

I. COMMUNITY—AN OBSOLETE CONCEPTION

"What are the goals, values, and priorities which we seek to achieve through the organization of community environments, whatever their size or character? What functions do communities perform that are unique to them? Is there any functional relationship between the size and density of the community and the way in which it performs its function for those who live and work there?"

The questions posed are considered here as they apply to some of the social and environmental situations occurring in our technologically advanced society within the center of our large cities. These exist to some extent in smaller towns but have little relation to the grinding poverty under which two-thirds of the world live though probably forecast their future.

HISTORICAL COMMUNITY

As historically understood, a natural community was a group living in face-to-face proximity, having common interests, a way of life conditioned by their special material resources, technology and tradition. The group, individually and as a body, acts to protect and enhance the commonly held values. To belong means loyalty to the commonly held belief, continuity of personal relations, and permanence in geographical location. The organization of the community is a result of slow growth, not intentional plan. Over 50 years ago Robert Parks distinguished these aspects of community as biotic, moral, and spatial. He, however, was not in a time able to recognize the impact of the new technology.

The community of intentional organization was of another kind: Utopias on the one hand, the conquered town or penal colony on the other.

MODERN COMMUNITY

To begin to understand what is meant by a community in a technologically advanced country we must redefine the word "urbanization." It no longer means "the coming together of a large, heterogeneous population within a relatively small area," for physical proximity is not a necessity in the urbanization of people. Instant communication of information and rapid transport of people and things link all whether on farm, in hamlet, town, suburb, or city; all are pressured by the same industrialization, bureaucratization, and dedication to an

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ever-rising "standard of living." Life styles tend to become similar as Lewis Mumford suggests—"Yesterday the city was the world, today the world is a city."

The historical description of community is then only peripheral to our present mobility of people and things, of centralized authority in social and political decisions, standardization of information and process through automation and computerization. Any discussion of community today should discard the importance of geographical contiguity and accept the diminution or eventual disappearance of cultural differences. In a seeming paradox, as people are homogenized, community is fragmented.

For the physical planner this suggests circulation routes rather than fixed places; the plan symbol is not the village green or public square but the road, whether subway, throughway or airway, the paths of telephone, radio and television networks. There are no centers and no margins in such a model.

As urbanization homogenizes the total culture, the customs and values of historical community life diminish, replaced by the contradictory possibilities of technology as enslaver or liberator of man. If the first is taken, the tendency is toward isolation of people from each other, social effort depersonalized and sifted through "channels," specialization of role, and anomie. The second way is suggested by Hobbes' phrase: "Leisure is the mother of philosophy" and I might add—all the arts.

In this context how do the questions relate to New York City where we find the typical problems of the center city? Influx of the underprivileged Negro and Puerto Rican; decrease in job opportunities for the unskilled while their numbers vastly increase; invasion of middle-class neighborhoods by the underprivileged and flooding of the public school system with their children, are major causes of the exodus of the middle class. Among the poor, with the exception of remnants of older ethnic groupings, the population is rootless, transient. They organize or can be organized for social action only in crisis. Home, friendships, and occupation are rarely permanent, the spheres of activity are fragmented. As there is little functional connection there is little interaction so group identification is limited and loyalty is almost unknown.

The economically more fortunate may be roughly divided into those who use the city as a *pied á terre* and those who feel some citizenly responsibility and will occasionally organize for social action on local and citywide issues. Friendships are generally maintained regardless of physical proximity for speed and ease of movement to and from a home (or two home) base is considered vital to the way of life.

The dominant mass media celebrate the style of the middle and upper income groups, so intentionally or not it is the model to which the underprivileged are taught to aspire.

Yet, the middle class style shows signs of deterioration. Changes in standards and attitudes, though laggard, inevitably obey the technological demands so we find, especially among the young, personal and group disorganization (or is it reorganization?).

If the above sketchy statements are generally correct the effort to establish ongoing community organizations on any basis seems dubious, on the basis of geographically defined districts, seems doomed in advance.

If There Were a Community

But supposing in spite of what has been said a community were organized: Surely a major requirement in a democratic society would be to give genuine decisionmaking powers to people residing in, let us assume, the rather arbitrarily drawn boundaries of New York's so-called community districts. We must then ask, "How shall they decide what benefits them and also meshes with the city's overall need? Shall they decide against education as administered by the board of education and establish their own system? May they decide people with skins darker (or lighter) than theirs are unsatisfactory neighbors and should be discouraged, say, by voting against government-sponsored low-rent housing? Shall they write building and zoning laws, revise street lay-outs, and so on, in fact, master plan their area?

Dwellers in our suburban villages make decisions of this sort but (though we know whatever community spirit exists resides in the individual's belief that he has a say) few of us are pleased with the chaotic conditions directly due to the multiplicity of local regulations created by such decisionmakers, nor happy about the single class character, *de facto* segregation, backward politics, and general dullness of these suburbs.

Surely these bedroom communities are no model for us and just as surely nostalgia for the historical community will get us nowhere.

Learning by Doing

A new formulation is required which takes into account the vast corporate control demanded by our technology and that single man each of us is. It is my belief that this gap cannot be bridged except by basic changes in our thinking and organizational structure, changes which there is no sign we are prepared to make.

Let us, therefore, not speak of values, goals and priorities, but rather of worthwhile small and simple tasks, readily accomplished without elaborate organization. Let the social action be based on single issues, citywide or local, but absolutely concrete and, where possible, having wider implications than is apparent. Find the people to whom the issue is relevant and enlist them in a "task force." The approach of a task force is based in present reality and is not systematic; the small changes it attempts may, with luck, turn out to be increments ulti-mately modifying or changing the existing organization.

As an example: Many streets are ill-kempt and ugly, they are not streets but combined trash receptacles and parking lots. Such a street is (say) in a Puerto Rican neighborhood and even though the sanita-tion department does a fair job it is continually littered, for some of the tenants dispose of their garbage by "airlift" (you drop a paper bag out of the windows, a reminder of Boswell's description of 18th century Edinburgh). Chewing gum, popsicle and cigarette wrappers, dog droppings, beer cans, as well as overflowing garbage cans add to the scene. Antilittering ordinances are unenforceable, so what's to be done?

I would guess that if a group of kids were made members of a cleanup gang and *paid cash* for the job it would not be long before the street was spotless and kept that way.

The task force has a simple job—get money from the city or a foundation for a pilot project, organize and inspire the boys with the importance of the job, keep tabs on the results. If it works, extend the idea to the neighborhood, perhaps it will become citywide policy. And so on with tree planting, window boxes, house painting. Even banning the car, for it is hard to keep streets clean when they are used as garages, hard to have a decent environment when the streets are filled with traffic and the air with its noise; besides, children like to play in front of their own doorways and stoop sitting has its charm. Who knows what pride in a place, once engendered, can lead to?

II. Is There a Size for a City?

"Is there an optimum size of cities or an optimum environment? If so, is it possible to suggest criteria or standards by which we can measure the performance of communities of varying sizes and composition?"

Though man has been building cities for some 7,000 years our knowledge of the art is fragmentary, and, even if it were not, the totally changed conditions created by our technology bring into question whether the organization and planning of past or existing cities has much relevance to the future or even to today. Yet, because we are faced with the need to build on the vastest scale to house wildly expanding populations as well as replace a good deal that has been built, any clue which may have a bearing from either the past or the present is worth intense study.

Such an inquiry is of the utmost complexity for it involves man's total physical environment. The problem is to find a method in which we start with the established and obvious factual information, proceeding, as best we can, to more difficult matters.

Three consecutive studies suggest themselves in the order not of their importance but of ease in information gathering and evaluation: the economic (the things people use); the social (people in their present relation to others and the things they use); analysis (forecasts, based on continuation or change in trends).

The first inquiry then bans all value judgments and prognostications, restricting itself to finding the kind and amount of services and facilities provided to the city dweller and their costs as related to size and density.[1]

To my knowledge such a comparative study has not been made, which is surprising, for in the literature of city planning figures are bandied about establishing populations and densities based on flimsy or no evidence. The British new town planning is an example—around 80,000 was the magic number which had to be revised to about 150,000.

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[1] To make clear the limited scope proposed: Consider an item under *cultural activities*, say, art museums. Do we look to see whether there is a Manet and if so a good one, judge the level of the various collections, seek evidence of the visitor's taste or appreciation or whether the museum has any effect on community esthetics? To the contrary. We find there is a structure called *art museum*. It has a certain number of square feet devoted to exhibition space. It is visited by certain number of people, local or transient, of certain age, educational levels and income ranges. The museum publishes and distributes a certain number of pamphlets and its exhibits are given so many minutes of air time or inches of newspaper coverage during a year. It costs the citizen x dollars to maintain, was built by public subscription or private donation, and so on.

Yet, Cumbernauld (near Glasgow), the most recent, is planned for 70,000. In the Soviet Union the magic number is 100,000. The much admired Tapiola Garden City (outside Helsinki) houses 17,000 and if we hark back to Ebenezer Howard we see his magic number as being 32,000 for the subcenters and 58,000 for his central city. Still further back, Robert Owen (like Fourier) proposed for his ideal community a population of 1,000 to 1,500. In Japan the *Metabolists* under the leadership of Kenzo Tange have said to talk of less than 10 million in the modern city is unrealistic. Back in 1948 [2] my brother and I proposed one kind of city with a population of 4 million which we guessed would suit a consumer society, another housing 300,000 guessing it good for an economy devoted to production. There is a whole movement—the believers in megalopolis—who deny the possibility of establishing population size and propose the indefinitely expanding city in lineal or centrifugal configurations. Finally, there are those who say the city as a geographical entity has lost its reason of being (F. L. Wright and Buckminster Fuller).[3]

We have, it seems, plenty of theory but few facts on which to test a theory of city size.

That cities have been growing at fantastic rates is not news—a hundred years ago five cities had a population of more than a million, today there are 115 such cities. Tokyo has passed the 20 million mark and New York's actual population is around 16 million. Los Angeles in 1880 had 10,000 inhabitants, now there are 7 million *and* 3 million private cars. Such sizes are staggering when we recall that in 1500, Paris was the largest city in Europe with a population of 300,000, Rome at the height of the Empire had 1,100,000, and Athens in the Age of Pericles counted 110,000 freemen.

Any or all of these population sizes may be right; it may be there is no optimum for there are too many circumstances altering too many cases. Nevertheless, our need for information exists so I propose the following *modus operandi:*

Survey A—Utilitarian efficiency

The census establishes 224 standard metropolitan areas in the continental United States. "The major characteristic of an urbanized area" as defined by the census "is that it contain at least one city of 50,000 inhabitants as well as contiguous incorporated places of 2,500 or closely settled areas having 100 housing units or more in each."

A team [4] chooses certain of these areas (say 25) for intensive examination of elements (whether privately or publicly owned) which can be determined quantitatively. What is sought in all cases are three things—the amount of service provided, the cost each inhabitant pays for it, and the extent it is used. A preliminary listing of facts sought might look like this:

(1) Population: size, income, occupations, ethnic, indigent, retired, divorce rates, religious affiliation, etc.

[2] Communitas—Means of Livelihood and Ways of Life: Vintage Books, 1960.
[3] See Percival Goodman's "A Plan for Planning"—*Tri Quarterly Review,* winter 1967.
[4] The team would consist of specialists in each field listed and would include systems engineers, operations researchers, and computer programers.

(2) Physical environment: natural climate, effects of technology (air pollution, decibel ratings where abnormal), etc.

(3) Public utilities: water, electric and gas systems, garbage removal, incineration, disposal areas, number of employees in each category, etc.

(4) Circulation and traffic: area and length of paved or other road, parking facilities, public transport, car ownership, etc.

(5) Parks, outdoor and indoor physical recreation facilities: types, areas, zoos, aquariums, botanical gardens, convenience to living place, etc.

(6) Law enforcement: crime rates and kinds of crimes, number of arrests, convictions and acquittal, illegal enterprises known to exist, insurance rates, size of police force, etc.

(7) Fire protection: number and cost of fires, speed of service, insurance rates, size of staff, kind of equipment, etc.

(8) Public and private health facilities: types of facilities and areas, statistics relating to health, mortality, number and kinds of employees, etc.

(9) Public and private educational facilities: types of facilities and areas serving different age levels, academic rating of students, rate of dropouts, truancy, number of teachers, etc.

(10) Religious organizations: built area and how used, number of edifices, number of persons affiliated, attendance rates, amount of community service, etc.

(11) Community centers and settlement houses: areas, number of people served, types of programs, etc.

(12) Residential housing: types and their condition, rental and homeownership, quantity of usable space per inhabitant, amount of overcrowding, zoning, building code evaluation, age of buildings, deterioration and dilapidation, convenience to public facilities, workplace, shopping, etc.

(13) Transient housing: hotels and motels, types and their condition, rates of occupancy and costs, conveniences, etc.

(14) Shopping and public eating facilities: types and size of buildings, cost of items sold as compared to national averages, variety and quality of goods, convenience to residential quarters and transportation systems, etc.

(15) Professional: number and categories of professionals (doctors, dentists, accountants, etc.), amount of area used, etc.

(16) Employment: variety of employment offered, amount of area built and unbuilt given to offices, manufacturing, convenience to living place in time and distance, working conditions, number of wage earners, wage rates, etc.

(17) Cultural facilities: number of square feet given to museums, art galleries, libraries, number and amount of seating in concert halls, theaters, attendance figures, etc.

(18) Entertainment facilities: number of square feet and seating in places such as popular cinemas and nightclubs, kinds of private recreation facilities, attendance figures, etc.

(19) Civic administration: amount of floor area used, number of employees, participation by citizens measured quantitatively, etc.

(20) Communications media: local and other TV and radio stations, newspapers, magazines, books, circulation, coverage, etc.

(21) Community organizations: numbers, kinds and membership in clubs, fraternal, business, etc., organizations, etc.

This list is surely not complete but outlines the kinds of facts which can lead to a statistical summary of the goods, services, and facilities the city provides for its inhabitants. Because almost any area studied will indicate a laggard use of immediately available technological improvements the final step would be to include them in the evaluation. The net result would at the least be interesting and would have real importance if it demonstrated there was no shadow of doubt, that certain towns of x population offered more services and facilities at less cost than any other. Let me stress that in itself such economic determinism may be worthless for though a place is cheap to live in and even offers a great variety to choose from it is no demonstration that the inhabitants are virtuous, intelligent, creative, and contented.

Survey B—Human efficiency

To discover whether there is a correlation between utilitarian efficiency and human efficiency is the aim of this second survey.

Those areas which in the initial inquiry were found either to score best in an overall pattern or in some special, uneven pattern, are singled out for a study in depth of the people.

The inquiry, this time, carried out by a team which includes sociologists, ecologists, psychologists, ministers, urban designers, artists, social critics and, hopefully, even philosophers and statesmen. They would evaluate those complex areas such as effect of urbanization, family and community relations, cultural interests, individual and social maladjustment, loyalties, pride, and prejudice.

Survey C—Analysis and the future

How interesting and informative it would be if both teams agreed, finding a coincidence between utilitarian efficiency and its human use. Here we'd have a factual basis for establishing standards and criteria in physical planning. But, even if there was such an agreement, the usefulness of our previous inquiries may be questioned for we live in a time of rapid change in which (to name only two) an acceptance of complete cybernation or a guaranteed income for all could happen—our answers then might have only historical interest.

On the other hand, if there were few correlations found the question could be considered meaningless. There may be no optimum size for cities; there are too many circumstances altering too many cases; the city is not an entity but a congeries of economic, social, and historical forces so various as to defy analysis.

Finally, the city, in any presently accepted understanding of the word, may have lost its reason of being in an era where "leisure" values supersede those of "work" as we move from an industrial to a cybernated society with its challenge and its danger.

Whatever the results, there are two things that are clear. Man, for the first time in his history, can completely control his physical environment so we have no excuses. We face a building job of such magnitude that if carried out on the massive scale called for will make small errors into major catastrophes.

Clearly then we must move with both caution and speed.

The analysis of what is, what may be, and, what should be is the purpose of the final inquiry.

PART II

FUNCTIONAL PROBLEMS

Can programs be designed—and if so, how—that permit us to simultaneously realize such goals as decent housing for every American, adequate transportation, adequate recreational, educational, and health services, the elimination of poverty, and the integration of racial and ethnic minorities into the economy of metropolitan areas? Or, do programs and policies aimed at each of these separate goals necessarily interfere with the achievement of the others? What are the conditions which stifle the individual's involvement in his community? How can the individual's sense of responsibility and his search for identity be reinforced and fulfilled in the urban community?

URBAN PLANNING AND POLICY PROBLEMS*

By Donald N. Michael**

1. The Future Urban Problem

In the next 20 years the United States will become steadily more megalopolized. By 1980 about 75 percent of our people will be living within the metropolitan areas growing from present core cities and in newly constructed cities and towns interspersed around the present ones. We expect around 215 million people in the United States by 1975; about 235 million by 1980 (and about 50 percent of our population will be 25 or under). Over the next decade the number of women between 20 and 29—prime childbearing age—will increase from 12.1 million to 18 million; the number of people over 65 will increase by 20 percent. And all this is based on the unlikely assumption that no major medical developments will increase the length of life for more people.

From this geographical spreading and fusing, and from the concomitant population growth and organizational complexity, will grow acute ecological and social problems that cannot be solved within the framework of conventional political units or by presently conventional means.

Emphasis on "social planning" for new and old cities, areas, and regions, corresponding to the emphasis in recent years on physical planning, can be expected. Growing interest in delinquency control, community mental health, eliminating poverty, and related activities will encourage more experiments in which physical planning is subordinate to social planning—but not without intense arguments and infighting among the professionals and politicians involved. However, as social planning begins to demonstrate its capacity to smooth social transitions and operations it will become more useful and used. These various circumstances will lead to growing opportunities for professional and technical personnel in regional and subregional institutions and on staffs of city-building and community-development organizations.

Thus, there will be more rationalization of activities for planning, guiding, and controlling the development and operation of regionwide activities and of new cities. By the same token there will be fewer jobs for the untrained and unskilled political appointees as their jobs are eliminated through rationalization and as remaining jobs become in-

creasingly meshed with apolitical special purpose agencies and "authorities." Among the victims will be those who hold jobs by virtue of their memory for data or because various government offices now need their own information collecting and retrieving people in the absence of a common data bank accessible to all offices. Such data banks will increasingly become the norm.

Widespread geographic diffusion of urban problems, combined with the sophisticated techniques which will be used to analyze and evolve programs for dealing with them will mean that many relatively well-educated citizens may find metropolitan and regional problems too technical and complex to follow closely, and will attempt a detailed knowledge of them only when they become scandalous or critical. Apathy will be a typical response, and so will large and small protest actions based on and appealing to the emotions. In addition there will be more informed participation by some citizens in strictly local problems, for example, in schools, libraries, and police protection. Involvement in local issues may compensate some citizens for their sense of impotence in influencing affairs at the national, metropolitan, or regional level.

It is not at all clear that local interest in local issues will be sufficiently enlightened or inclusive to encourage attention to problems in neighborhoods less intellectually and economically endowed. But if domestic "peace corps" activities (e.g., the poverty program's project VISTA) are not crushed in local political vises, they may set the style for all kinds of volunteer "consulting" in which the "haves" gain a sense of civic potency by helping the "have nots" with their local problems. Of course some volunteer activities are already underway, sparked by the poverty program, but they do not begin to encompass the range of persons or activities that could be approached in this way. This area of urban activity also harbors the potential for social disruption and consequently the need for careful and extensive social planning: it is the "have nots" who must gain a sense of potency from helping themselves. Their ways of helping themselves and the goals to which they aspire will not always be compatible with the styles of the middle class. In this way too the previously potent middle-class urbanite may feel himself further disposed and frustrated.

Local civic involvement may also be accelerated by a tendency for big business to encourage its executive personnel to be active in local civic projects. The pressure to do so may increase as business faces more problems in community relations as a result of its introduction of new technologies that produce changes in the shop and the front office. (Using middle-level managers in this way, who would otherwise be displaced by cybernation, might save top management the discomfort of firing these men and also provide some public relations bonus.)

Of course, very large parts of the population will be unmoved by these governmental and operational changes, even as they are unmoved by the issues presently facing cities and suburbs.

Recreation and other nonwork activities will be increasingly important in the United States. For those with good incomes, other than most top professionals, working days or weeks will be shorter and vacations will be longer. The well paid will have more spending money and more encouragement to consume. More leisure time will provide an outlet from rationalized work environments, will release some from their

anxieties, and will deepen the anxiety and boredom of others. "Leisure" will also be a growing problem for the slum ridden, the poorly paid menial worker, the unemployed and the disemployed of all ages—and for those concerned with their welfare.

As a result of expanding population and expanding urban areas, plus lagging or nonexistent programs to set aside recreation areas for future use, close-in recreation areas will grow more crowded and the time needed to reach more remote areas will increase. Facilities used by a few people at a time will be saturated even if the wait is long, because there will be enough people to saturate them who are willing to wait. Waiting itself will be a way to fill free time. Commuting for hours, waiting around the clubhouse, first tee, ski lift, or boat landing will be the natural evolution of standing around on the street corner or sitting around in the drugstore. Indeed, sufficient exposure to "just waiting" may unwittingly build habits which later can be applied to the cultivation of less active, more "loafing" leisure.

The trend to active sports and related activities will continue, but as the load on available outlets becomes heavier not all those who would like direct participation in low-density recreation will be willing to fight traffic, commute for hours, or make reservations days or weeks in advance. Even if they were willing to, many simply would not be able to find congenial circumstances. Some portion, then, will at least partially abdicate direct participation for vicarious involvement in high-density spectator sports and other recreations. Facilities for high-density, vicarious participation and spectatorship will increase greatly in the years ahead. Professional and amateur sporting events, theatricals, concerts, and circuses of all sorts will proliferate, as will museum touring and similar activities. But television, in particular, will further increase its appeal as the key to vicarious living. An audience supporting a very substantial educational and cultural television output will grow. Seeking sensation and novelty per se will increasingly be attractive recreational and leisuretime activities for that substantial portion of the population which will have the time and money for leisure but not the inclination to cultivate it in other ways.

Of the many problems associated with the growth of megalopolis, two which are bound to become critical during the period under discussion typify the scope of the planning tasks confronting us.

In many urban regions a fresh-water shortage will be sufficiently serious to require great investments in purifying and recycling systems, new fresh-water sources, and usage control. Efficient use of scarce or more expensive water supplies will make long-range planning and governmental involvement mandatory in all kinds of water-using activities. The cost of water will increase, and with the increase may well come inhibitions on the private use of it (in curious contrast to a life style stressing high consumption of almost all other commodities).

The second critical problem that will have to be faced squarely during this period is application of wide-ranging solutions to the social and economic ghettoizing of some low-income groups, especially Negroes. In spite of Federal actions, growing local white support for change, and some acceptance of Negroes in previously all-white neighborhoods, the white suburbs and middle-class residential areas are not even beginning to absorb Negroes at a rate comparable to the rate of growth of central-city, high-density Negro residential areas. For one

thing, most Negroes cannot afford more expensive housing. For another, it is a brave person indeed who will leave his familiar environment for one which historically has been intensely hostile. The enormous problems involved in providing slum children with adequate education, and adolescents and adults with adequate job training, mean that both young and older Negroes will bear disproportionately the economic and psychological consequences of unemployment and disemployment of the unskilled, at least over the next decade. Poor education and poor income and the associated style of life, with its concomitants of delinquency and violence, will encourage many white entrepreneurs and politicians to preserve present housing patterns. Indeed, major extensions of urban renewal and redevelopment will be indefinitely delayed—with all the adverse consequences for urban areas resulting from slums and ghettos—until this problem is resolved.

This situation is bound to become more socially complicated and emotionally intense as the growing Negro proportion of city populations results in more Negroes being elected to important posts, and, in some cases, in their domination of government. With increased political power will come opportunities for Negro politicians to channel funds into Negro education and retraining. They will also have more opportunity to force private organizations, dependent for contracts on city regulations, codes, and funds, to open their doors to Negro participation. Whether the transition will be predominantly conservative and tranquil or demagogic and violent remains to be seen. Part of the range of likely responses can be inferred from the history of the political behavior of once-deprived groups such as the Irish, Italians, and Jews. It also remains to be seen how local Negro-dominated governments will come to participate in regional, multistate, or multicity "authorities" and agencies. In part, the responses will depend on the values of the whites who do not leave the city for the suburbs and of those who return from the suburbs (as their children grow into adults) to live in select white urban areas. It will also depend on the extent of and conditions for Federal aid for urban needs—in particular, on the degree to which the Federal poverty program succeeds in overcoming entrenched local political power and its own tendencies to fossilize. In any case, the growing strength of Negro action groups guarantees that Negro needs will crucially affect all urban developments in the next years.

2. COMPUTER TECHNOLOGY AND THE RATIONALIZED SOCIETY

A combination of circumstances, including the size of our population, the complexity of the social welfare programs needed to operate a technologically based society effectively and felicitously, the increasing availability of powerful and esoteric techniques for planning and implementing these programs, and an insufficiency of highly skilled professionals to do all that needs to be done, will drive us toward an increasingly *rationalized* society in which the computer plays a powerful role.

It is inevitable that much greater effort will be put into applying the methods of science and engineering to set all sorts of goals and to organize men, work methods, and administration so that those goals, can be attained by the most efficient means. This highly logical

approach to applying the most efficient means for determining and realizing ends is usually referred to as "rationalization." (It is not to be confused with the psychological processes described by the same word, though the appeal to logic as an excuse for efficiency has been and doubtless will again be a form of rationalization in the psychological sense.) It should be clearly understood that rationalization is only a technique—albeit, a particularly powerful one. Of itself this technique has no necessary connection with wisdom. It can be applied to outrageous, idiotic, satanic, wonderful, wise, or angelic goals. Value preferences are always implicit in its application, whatever the ostensibly logical or necessary goals. And values themselves are nonlogical and not necessarily consistent in a person or in an organization. Two fundamental consequences arise in this context. The assiduous application of rationalization need not lead to a world of enlightened interest and sweet reason. In particular, it need not lead to the reorganization of competing organizations into a harmonious whole which pursues whatever task the members previously pursued separately. Each rationalized agency may more intensively and efficiently pursue its own gains, still driven, by whatever myths, whims, or traditions define the goals of the organization. In the second place, rationalization can and has tricked many into thinking they were being reasonable, if not wise. It has also helped wise and reasonable people in the pursuit of their goals. The point here is that rationalization will be used more than ever, foolishly or sensibly. Also, a variety of reasons having to do chiefly with the inability of institutions to change as fast as their roles in society require, plus the need to give occupational self respect and income to the many mediocre professionals displaceable by computers, will encourage the persistence and proliferation of nonrationalized patterns of behavior.

These counterpressures are not likely to result in stalemate; rather, there will be an increasing separation or tension between operating missions, life styles, and social roles for those institutions and individuals involved in highly rationalized activities compared to those involved in essentially—often deliberately—nonrationalized ones. Just how wide this bifurcation and conflict will become remains to be seen. For many years to come, however, the trend will be toward the rationalizers. It is becoming clear that given the increasing complexity of the society, if we are to avoid social disaster we must have long lead-time planning and be confident of its implementation. It is also becoming clear, though more slowly, that the coming social and material technologies possess such enormous potential for remaking man and his environment that all the good inherent in them may well be more than balanced out by the socially and perhaps biologically disastrous consequences of their shortsighted use.

The computer, by virtue of its ability to manipulate enormous amounts of data and to stimulate the behavior of complex human and material systems, becomes the core component conceptually and organizationally—as well as materially—in modern rationalization methods, though the techniques of rationalization and associated attitudes extend, in principle, far beyond the computer. In order to maximize the full potential of humans, the full application of rationalization would include opportunities for the operation and display of the extrara-

tional—the whimsical, the intuitive, and the aesthetic. (Note that *extra*rational is not the same as the irrational. Tipping one's hat to a lady is extrarational; jumping on it in a fit of pique is irrational.) In some cases today, highly rationalized activities try to recognize these factors as significant for overall system efficiency, and doubtless others will do so in the future. But the emphasis will often be on "cold logic" partly because the decisionmakers will be ignorant of or indifferent to the role of the extralogical; partly because the actual significance of the extralogical may be unknown in the particular program; and partly because a particular situation may in fact require that cold logic be given the highest priority.

Computers are especially useful for dealing with social situations that pertain to people in the mass, such as traffic control, financial transactions, mass-demand consumer goods, allocation of resources, and so forth. They are so useful in these areas that they undoubtedly will induce planners of all phases of human activity to invent a society with goals that can be dealt with in the mass rather than in terms of the individual. In fact, the whole trend toward cybernation (that is, the use of automation and computers) can be seen as an effort to remove the variabilities in man's on-the-job behavior and off-the-job needs which, because of their nonstatistical nature, complicate production and consumption. Increasingly, the attempted solutions to social problems will be statistical solutions, partly because the aggregate needs of such large numbers of people lend themselves to statistical solutions, and partly because the techniques for defining as well as solving those problems depend so much on the statistical methods and "world views" of the social technicians. This is very important—the people to whom we will increasingly turn for advice in defining problems as well as for expertise in solving them will be those who will define the problems (because of their success in applying their techniques) as statistical problems. Already policymakers are tending to place emphasis on—that is, are coming to value most—those aspects of reality which the computer can deal with, just because the computer can do so.

Thus, while we are exploring here the circumstances for and implications of rationalization for human behavior, for the most part, the computer will be the basis of and the opportunity for this increased rationalization. In order to better appreciate the context over the next couple of decades in which problems and opportunities for individual growth and organizational process will present themselves, it is necessary to keep in mind some specific circumstances which will both *push* and *pull* this society toward increasing rationalization.

Of the many factors which will encourage the use of rationalizing techniques the demographic characteristics mentioned earlier will be overriding over the next two decades. The unprecedented numbers of Americans living in a continental scale urban environment, when transformed into potential demands on the society, point to the first factor pushing us in the direction of greater rationalization: greater *complexity* among the conditions with which the society will have to deal. Eliminating poverty is one such condition. Appropriate education for high rates of occupational change and increasing amounts of leisure time is another. The multiple problems of environmental pollution, traffic, water resources, crime control, and adequate tax bases,

which will increasingly plague those cities now fusing into megalopolis are already familiar examples. All these problems will overlap and interact on a scale of mutual influence which has never before confronted those trying to sense the problems and opportunities for the public welfare or for the private sectors of the economy.

A second factor has to do with the sheer *scale* of the efforts involved in coping with tomorrow's problems and in taking advantage of tomorrow's opportunities. Small efforts and hesitant programs simply will not do. Supporting the evolution of emerging nations will require enormously expanded programs operating over many years. Vietnam-type wars likely will be a continuing drain on resources. Space and oceanography will consume huge material and skilled human resources, as will city building and rebuilding necessary if only to cope with our growing population. While estimates vary, it is likely that we will have to build on the order of 30 million *new* dwelling units over the next 35 years. Almost any socially worthwhile program will take unprecedentedly large investments in humans and hardware, to say nothing of dollars.

A third factor, and a relatively radical consideration for Americans, will be the requirement for *long leadtime planning*. It will become increasingly apparent that planning an education system adequate for the future will mean research on learning, teacher selection, preparation, and so on, which will have to be initiated years before it is applied in the classroom. City building will require that plans be worked out and reliably implemented so the city can evolve systematically. So, too, with large-scale oceanographic programs aimed at developing an underseas farming or colonizing capability. So, too, with packaging long-range developmental programs for emerging nations. But such programs cannot be turned on and off easily; too much material, psychological, and political commitment will become involved. Research, development, and capital investment programs get built into everything from congressional pork barrels to university empires, and the subsequent interlocking vested interests produce a supporting inertia of commitment of formidable proportions. Hence, in some parts of public and private institutions, there will be greater need for and application of powerful rationalized methods for assigning program priorities, for evaluating program progress, and for terminating or modifying programs when they no longer merit high priority.

A fourth factor encouraging rationalization will be the persisting *shortage of topflight professionals* and managers. We do not turn out many of these; we do not know how. We will make increasing attempts to mass-produce excellence and wisdom, of course, but if we do succeed it will not be in the next decade or so, and not on a scale commensurate with the increasing demand for first-rate hearts and minds to guide our ever more complex society. Even now we are short of topflight professionals and managers to the point of jeopardizing or at least inhibiting the full growth of socially desirable programs. Therefore, we can expect developments in organizations aimed at more carefully selecting the problems to which the experts apply their skills and more carefully organizing activities to insure that these skills are efficiently used. The conservation of the highly skilled will encourage rationalization in another way—one which will

have novel effects on organizational arrangements. There will be increasingly extensive use of technicians and subprofessionals to do the nonessential work of the professional. We have the precursors of this type of occupation in the teacher's aide and the laboratory technician. The aide role will be used along with the computer to lighten the burdens of many professions, especially at the top. To develop such aide roles will require a careful breakdown of the essentialities and nonessentialities of skills and procedures within the professional task. As a result, what the professional does and how he or she does it will become a more precise, more rationalized activity with an increasingly rationalized state of mind frequently associated with it.

In addition to these *pushes* toward rationalization, there will be strong *pulls* in that direction. In the first place, we can expect very substantial increases in the knowledge needed to understand and manipulate society and to alter its institutions. Without the enormous capacity of the computer there would probably be only modest improvements over the next couple of decades in the ability of the behavioral scientist to combine as many variables as he wants in complex models to simulate the behavior of men and institutions. In the past it has always been argued that, aside from conceptual limitations, the behavioral scientist simply could not deal with as many variables as were important in understanding and predicting human behavior. The computer, however, allows him in principle to manipulate as many variables as he can formulate in logical or numerical terms. (This is not to say that everything that is important about the human condition can be so formulated, but certainly much that is important can be put in these forms, enough so that substantial improvements can be made in our formal ability to understand and predict behavior.) Increasingly he will be able to test these models against conditions representing "real life," for the computer provides a unique capacity for collecting and processing enormous amounts of data about the state of individuals and society *today*—not 10 years or five years ago. Thus the behavioral scientists not only can know the state of society *now* as represented by the data, but he can use them to test and refine his theoretical models.

Moreover, there will be increasing incentives for large-scale Government support of such real life studies in which the computer's ability to similate social data and process data are prerequisite: the poverty program, the extended education program, and, though it is not talked about, political and psychological studies aimed at increasing the Nation's counterinsurgency ability through psychological and political manipulation of target populations. In particular, the convergence of government funds, the computer, and the pressures to rationalize the urban condition will result over the years in longitudinal studies on individual and institutional change as functions of the changes in the social and physical environment. Such knowledge will significantly increase our ability to affect social change and thereby increase our capacity to rationalize many programs and projects. Such knowledge will, of course, also increase our capacity to destroy our Judeo-Christian democratic values. The ethics of

manipulation will present a growing moral dilemma for planners and decisionmakers.

In the second place, our society emphasizes technology and science as the most efficacious means for solving problems. Given this belief, the proliferation of scientists and technologists newly turned out by our universities presage an increasingly influential role for these people. Since society and its leadership are eager for their contributions to hardware development and for information useful for policy planning and implementation, we can expect more of them in decisionmaking and policy planning positions in Government and industry. In those positions we can expect that their temperamental tendencies and trained capacities—as well as trained incapacities—will result in greater emphasis on and attraction to rationalized procedures for dealing with the issues society poses.

Thirdly, there are many frustrated decisionmakers and policy planners presently deflected from their potentially rationalized approaches to these issues. Others in the system refuse to give them the information they need, using the privileged information they possess to block planners and decisionmakers higher up. Still others in the system are able to redirect programs and to obscure the results because those in planning and policy have inadequate means for discovering or verifying what has happened "out there" or "down the line." Naturally, planning and policy people will be attracted to institutional arrangements which would remove these impediments to systematic planning and its systematic implementation. Rationalization, and particularly the vast capacities of the computers used as data banks to store, compare, and process information, will be more and more attractive to those whose farsighted plans are blocked by shortsighted, indifferent, or contrary human beings with other less inclusive plans to implement. This will give further impetus to the trend toward centralized decisionmaking, planning, and operations management, for the resources needed to bypass present barriers are the same ones which can be more effectively used by centralized planning personnel reaching out through their computers and related techniques into the working environment and obtaining from it much better data than was ever before available for planning, managing, and evaluation.

At this point it is worth reemphasizing that there will be men and institutions opposing the trend toward increasing rationalization of the urban condition. There will be those who have a deep emotional commitment as well as a practical interest in continuing to operate in less rationalized ways. The newer approaches will necessarily disrupt status and empires and even as now, rationalization will be fought, often bitterly. Also there will be those who will see their task as preserving those life styles which insist man is much more than a logical machine and his proper environment as much more than an efficient scheme of things. The confrontation will be intense for, after all, valuing efficiency and logic is itself an emotional commitment transcending logical considerations. The argument then will rage at many levels with much infighting and crossfighting. Finding the balance between a rationalized approach to the urban challenge and a more inclusive approach to human fulfillment will confront our society with a continuing and profound dilemma.

3. THE ROLE OF PLANNING

There are two fundamentally different views on the present capabilities and utility of social planning. One view holds that there is available a sufficiently developed theory for predicting and understanding the fundamental trends of society so that program alternatives may be set forth from which the social planner can choose for guiding the overall development and direction of our whole society over the next 20 years. Underlying these assumptions is another basic assumption: that there is a sufficient societal concensus and a sufficient monopoly of power so that present institutional processes have the capabilities needed to deal with critical social issues and to find solutions to them if they avail themselves of the help of social planning and theory. Consequently social crises are to be viewed as peripheral factors rather than ones which, to an unknown degree, make the unfolding of the future a dialectical process. In other words, present good planning, operating through present institutional machinery, can anticipate, ignore, or override crises and somehow render them relatively unimportant in shaping the future.

A second view, which is also my own, holds that no such theory exists for describing our society adequately—much less predicting changes in it. Aside from some statistics about existing population characteristics, the state of formal knowledge about these matters is so small, compared to the magnitude of the circumstances examined, that it is not profitable to judge many of the speculations by the data. The data are by no means trivial, but in themselves they are seldom uniquely interpretable in terms of the range of conditions. In fact, all we have are bits and pieces of theory, some of it complementary, some contradictory. We do not even have good theory for predicting changes in birth rates. Ithiel de Sola Pool, chairman of MIT's Political Science Department, wrote in 1964 that "The nemesis of applied social science up to now has been the hideous complexity of the systems of variables—nonlinear, and discontinuous ones at that—with which they deal. The evaluation of social factors by policy planners has had the character of spinning a roulette wheel." There have been improvements in some areas of social theory and model building and, as I argue herein, there will be substantial improvements to come. But it will be a long time indeed before we will be able to afford to disregard careful speculations about the future simply because they are made outside of an overriding theoretical framework and without the conviction that a sturdy theory would justify.

As of today, no one knows with certainty which of the many variables that interact to form modern society are the critical determinants and no one knows with certainty which institutions and social structures are most responsible for stimulating social change. At any given time social change does not seem to be produced by some predetermined ordered relationship between the family, military, and the business enterprise, or the economic, the technological, and the educational sectors. Evidently changes are introduced by individuals, or groups of individuals, sometimes clustered within some table of organization,

more often diffused within and without it, working with some state of affairs "located" more or less within or without those organizations. As for "social structure," some changes are introduced from the "top," some from the "bottom," some from an emergent circumstance of co-operation or conflict, sometimes as a result of enabling mechanisms such as legislation or technology. And on and on with elaborate feedback mechanisms and unanticipated consequences further feeding the process. How does one judge the present and future critical or dependent social significance of LSD, for example? Or of the Cuban missile crises? Or that L. B. J. followed J. F. K. (and what if L. B. J. had followed a nonassassinated J. F. K.) ? Even historians do not agree on the significance of institutions, social structures, and the criticalness of various social facts when interpreting events that have already happened. As Norbert Weiner has taught us, the behavior of closely coupled feedback systems cannot be projected with precision indefinitely into the past or future, as one can do with linear cause and effect relationships of the sort described in Newtonian systems. Social processes become less and less predicable the farther off in time we go. Since we still perceive much of our world within the conceptual structure of Newtonian thought it is understandable that some should want and that some should believe it possible to describe social change through some clearcut unchanging structure of relationships. But we should recognize that the desire and belief may not be realizable.

But to some of us the situation is even murkier. We believe the future will be rich in social crises which can upset the best predictions. Sources of change-inducing crises might include Berkeley-type demonstrations, multiple Watts-type riots, Vietnam and Vietnam-type wars, the struggle for and redistribution of power in consequence of politicizing the poor, the first crash of a 500-passenger superjet, the ethical agonies produced by a national fallout shelter system, the endemic use of hallucinogens, a fresh water shortage, too much free time, thousands of deaths from air pollution, hundreds of millions of deaths from famine. The point is change—at least partially unpredictable from theory because of the discontinuities involved—will certainly be partially produced through big or little crises. However, since the evidence is fairly clear that the best opportunities for institutional change occur during and right after crises, it ought to be in the interest of planners and those they aid to look carefully at situations which might result in crises and, using the trained ability of planners to anticipate and coordinate many of the factors involved, to package substantive and procedural programs, which, though desirable now, are presently politically unfeasible. These programs probably will turn out to be a good deal better than nothing when the crunches come—if they do.

I reject the complacent and oft asserted view that planning is now an established condition of survival in all large organizations if by planning we mean more than the disjointed and usually encapsulated exercises in market research, economic forecasts, budget appropriation strategies, the programing of development projects, and the like.

For social planning, which is what we are concerned with, requires the integration of such activities with many more factors, including an appreciation of the characteristics of various social processes, considered in long-term, wide-range, societal context, and continuously evaluated as to the quality and direction of the consequences of plan implementation as it proceeds. Many other observers concur that in government and industry such an integrated approach is relatively rare. This is not to say that social planning on the scale and with something of the sophistication desperately needed by this society is not happening at all; it is here and there to the extent we know how, and doubtless it will increase. Hence the emphasis here is on the trend toward greater rationalization. But it can hardly be assumed that we have won the day. We have just begun to engage the enemy who consists of those who refuse to use planning techniques because they are insensitive to or threatened by the changes needed.

4. HUMAN RESOURCES PLANNING PROBLEMS

There are very real problems—sometimes dilemmas—that arise in the conduct of social planning, i.e., of human resource planning, in association with physical development planning. These problems emphasize the integral character of physical planning, physical development planning, and human resource planning.

The first problem concerns the fact that planning depends on rapid institutional change. The question is, can we, in fact, get rapid institutional change, and what happens if we don't? I don't think we can, by and large, get rapid institutional change under present circumstances, on the scale needed. If institutional activity is successful, and usually it is if the institution exists, its personnel are also successful; to an important degree they define themselves by that success. In effect, requesting major institutional changes, requires people to reperceive themselves, to make themselves over, and, what is more important, to recognize that what they are is no longer adequate.

In general, we seem to be aware of this difficulty. For example, OEO was set up because we could not expect to make the kind of changes in HEW or Labor that we needed, given "the bureaucratic nature of things," but which I am suggesting is much more basic than that phrase implies. And now OEO is subject to the processes that stabilize and fossilize it through its own learned successes and associated definition of self that the individuals in it are acquiring.

Under *present* operating circumstances institutional change will be slower than the rate of change in the society with which the institutions ought to be dealing. What's more, the time and rate of change will naturally vary from institution to institution, from agency to agency. This means that in important areas such as education, urban redevelopment, new cities building, pollution control, etc., the lead-time needed for dealing effectively with the environment will be inadequate. Very importantly, it also means that, in terms of the lead-times that are realistic, given the slow and unequal rate of institutional change, planners would have to be making plans based on predictions projected so far into the future that the chances are that those predic-

tions (as a basis for planning) would be substantially wrong in many cases. And plans based on wrong predictions will turn out to be bad planning indeed.

Thus, we are faced with a profound dilemma: If we assume institutional change will be rapid and pervasive, our plans will be wrong. But if we assume inadequate degrees of institutional change we can't plan well.

This leads to a second problem: How to plan to take good advantage of social disasters without disrupting the predisaster political situation and agencies that are going to be the recipients of the disaster planning. There is much research that demonstrates that one time there is rapid institutional change is in a disaster (social disaster, natural disaster, etc.). I think that one of the best chances we have for doing human resource planning and implementing it effectively is to prepare plans that might be feasible in the postdisaster period even if they are politically unfeasible in a business-as-usual environment. Recall, for example, that one could get nowhere with a European trade community *before* World War II.

These social disasters become likely and serious not only because of the gap between the capacity to make institutional changes appropriate to the environment and the rate of environmental change, but because, with the growth in population, even small percentages involved in those disasters become large numbers of people. Sputnik is a good example of a social disaster catching us unprepared with the result that the potential for major changes in education were not fully exploited; the response was ad hoc instead of being directed from the base of a carefully designed plan. Thereby, much of the opportunity that was potential was lost. But, given the likelihood of such social disasters, how can one go about planning for postdisaster changes without demoralizing people in organizations who, postdisaster planning would imply, are incapable or are likely to be incapable of avoiding the disaster; and how do we plan for disasters given the political environment in which we plan?

The third problem goes like this: The better our techniques for producing changes in the institutional environment necessary to implement "good planning," the greater the *possible* threat to the existence of the fuller and richer human being that planning is seeking to produce. How, then, can behavioral engineering be both encouraged and controlled in order that it can be used to facilitate and increase the rate of institutional change? As indicated earlier, in the years ahead we will have an increasingly potent behavioral science engineering capability which will facilitate the social changes, particularly the organizational changes we seek to produce, through an increased capacity for manipulating behavior, for guiding it and for motivating it. And the pressure to do so will be great. *If* there is to be rapid institutional change, there will have to be changed behavior, accompanied perhaps by manipulating public opinion, or by manipulating the environment of an institution so that there is change within it, etc. On the other hand, when this is done, we profoundly threaten the whole democratic process and the ethical basis of our Judeo-Christian society with its assertion of the primacy of the individual.

A fourth problem: While the role of education is critical in the design of a human resources plan and in physical design, there is no consensus on what the appropriate educational context is in which to prepare the next generations for tomorrow's world of values, of leisure, of work. I am not at all prepared to accept the definition that human resources planning is after all simply a matter of producing a new source for greater capital formation. Of course, many people feel that education for tomorrow is chiefly a matter of producing more scientists and engineers and other skilled people. But that is not enough. The kind of education required for tomorrow's environment involves developing capacities to cultivate self, feel compassion, be empathic, struggle with ethical dilemmas—very often to suffer—as well as the more recognized capacities to use leisure, and cope with the changing work environment. These are capacities our present education system not only doesn't teach but doesn't know how to teach—at least not to more than a few people.[1]

The fifth problem is how to balance, in the rough and tumble of the day-to-day political world, the virtues of applying program planning and budgeting, and the larger purposes of human resources planning. I think that program planning and budgeting systems (PPBS) is a fine thing. Through it, for the first time in many cases, there will be produced some coordinated and integrated program packages where in the past there was just a jumble of disconnected line items which did not remotely represent a purposeful program (that is, derived from goal-defined requirements). But, on the other hand, I am not nearly as convinced as are some people of the effectiveness of PPBS even as applied in the Pentagon. (I argue this as a one-time member of the Joint Chiefs of Staff's Weapons Systems Evaluation Group and as one who has kept in some touch with life at the Pentagon and its private "think tanks.") In many applications, the Pentagon has it easy; no one can really evaluate the validity of the cost-benefit models which underlie its program planning and budgeting. The cost-benefit models criteria are based on alternate payoffs of alternate "kill rates." But, of course, no one knows what those kill rates will actually be.

It is significant that PPBS began well before the present escalation in Vietnam and in this case it has been less than an infallible guide. According to some reliable and competent observers and analysts, at one time in Vietnam too few helicopters were sent to meet the needs of the kind of warfare being conducted, and the B–52's were being misused. The logistical situation with regard to shells and ship unloading also seems to have been a miserable mess. And the economic disruption of Vietnam caused by our presence, appears to be a social disaster of the first magnitude. Yet one would imagine that in a counterinsurgency action, the socioeconomic affects of weapon system deployment and use would be an integral part of a cost-benefit analysis. So in one "real life" example PPBS hasn't been a great panacea at the Pentagon either.

Also, it is very important to recognize that in the case of the Pentagon, we have a relatively extra-political situation which makes life

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[1] John Holt argues that much of the pressure on youth in school is the result of the aggressive and compulsive aspirations of the members of the educational institutions for prestige and status, John Holt, "The Fourth R—The Rat Race," *New York Times Magazine*, p. 46ff., May 1, 1966.

much simpler. (Of course, there are internal politics to deal with—which keeps life and the straightforward application of PPBS from being *too* simple!) Much of what PPBS is applied to in the Pentagon is classified "secret." When the consequences of PPBS do hit the papers and the congressional committees, they become very hot political issues indeed, as the hearings about the F-111, the all-service fighter, demonstrate. In the area of human resources planning, politics is the ever-present condition, and other less quantifiable rational considerations than those encompassed by PPBS will have to have their day too.

Then, finally, the Pentagon is usually averaging out human factors or not considering human factors at all. In one way or another, literally or in terms of the behavioral conditions imposed by the models, they are dealing with dead people, nonpeople or, as I have called them elsewhere, "paper people." Their paper or pencil models don't deal with the multiplicity of extra-rational motives or the unique human (e.g., the "emergent" leader), or the "grammar of rhetoric," if you will. But we can't afford *not* to deal with these, and we can't afford to deal with them by "averaging" them out—dealing with them statistically or in the aggregate. PPBS is an enormously valuable tool; it also can be an enormously dangerous tool; if it is used effectively it will place critical new demands on the political processes.

A sixth problem: Programs require evaluation but how is consistent good evaluation to be done in the face of the political commitments that usually underlie and are preconditions to the implementation of the program in the first place? Consider, for example, the well-known case of the premature "evaluations" purporting to show that Operation Headstart was a "success." One would have had to have been naive indeed not to recognize the strong political element in these early "conclusions." Yet reliable evaluation input is critical; developmental planning can't be done without systematic and continuing evaluation to assess ongoing efforts as inputs to next stages of plan implementation. (Otherwise, all we are doing is carrying out a *ritual* called "human resources planning.") Yet I don't think we have the political forms, the operational forms, that allow this. One reason why the whole proposal of the demonstration cities program had such a rough time in and so limited support from Congress was because it required that programs be evaluated. And, as a rule, mayors and Congressmen don't want them evaluated. They politically identify themselves with a city program in order to get a program underway in the first place and they don't want people to find out their initial judgment was wrong or their support misplaced.

This brings us back full circle to the need to prepare for social crises. For any potent program may have unanticipated, serious consequences which evaluation studies could reveal, even if surface manifestations of the consequences were not evident. So there must be included, as part of planning and as part of the budget, contingency planning for the kind of political or social crises that may result from good evaluation studies.

A seventh problem that grows out of concern for human resources planning as a part of the planning context: How to give real meaning to citizen participation in an increasingly complex society which needs ever larger direction from highly skilled experts? By "citizen" I mean

us most of the time, as well as the man out there "on the street." Planning increasingly involves regional scale planning; often continental scale planning, implemented over a timespan of decades in many cases. Planning uses the methods of operations research, sophisticated economics, behavioral science, computer simulation, and the like. Very often much of this will happen in the realm of closed politics. Given that complexity, given the fact that at any time as far as we can see, most of the population is going to be technically incompetent to judge the personal and public implications of the proposed plan, and unable to judge the adequacy of the arguments upon which the plans are based, how then is an effective democratic political system to operate under such circumstances?

In summary, one way or another these problems confront us with a super problem: How to go about inventing new social institutions and then how to get those institutions institutionalized—fast?

5. ROLE OF GOVERNMENT

As local problems become crises, extra-political institutions organized to deal with them will become far more prevalent. There will be, to be sure, more political experiments attempting to transcend conventional State and local governing units. The shift to regional or subregional governments, however, will be slow, for the political and economic resistance of entrenched interests is enormous.

Encouragement for change will come in the forms of Federal Government funds and technical advice for needed programs, contingent on more efficient governing machinery. Melvin Webber has suggested that some larger governing units may develop when white political machines try to retain power in the face of Negro dominance in central cities by extending city boundaries to include surrounding white suburbs. But for the most part, the needs of regions and subregions will be ameliorated through increasing use of special-purpose agencies which span political boundaries; the New York Port Authority, the Chicago Transit Authority, and the Milwaukee Metropolitan Sewerage Division are examples of what is to come.

The inexorable expansion of the Federal Government as the dominant device for social guidance will be a major factor in the increasing rationalization of society. More and more major social problems and opportunities will have to be met on a national scale if they are to be met adequately. Long leadtime planning and phased implementation of the plans will be vitally important in order to keep society from jamming up here and running down there as our population grows and as everything becomes more interrelated, complex, and demanding of scarce time and resources. Such planning will require detailed knowledge about local parts of the socioeconomic system as well as the power to affect those local parts in order to affect the national system, and vice versa. It will involve new arrangements between Government and industry. Industry increasingly will be dependent on Government formulations and funding of programs and Government will depend on the rationalized methods of industry to carry out directives. The distinction between the two institutions will be further blurred.

Detailed nationwide information about government and business intentions and potentials (to the extent they can be elicited from business), combined with advanced systems analysis methods, will increasingly be applied to the planning and implementation of long-range national programs—whether they be for the conservation of water resources or human resources, the development of space programs or medical programs, the subsidy of education or supersonic air transport, or for the planning of cities or regions. These the Government will have to develop, direct, and coordinate because only the Federal Government will have resources and responsibilities to meet the requirements. It will be under increasing pressure to assign priorities and stimulate such programs as urban renewal and new town construction through the use of legal, tax, subsidy, and regulating procedures. To carry out such projects on the grand scale required will necessitate assiduous application of rationalization techniques.

In particular, Government will play the major role in coping with the problems of disemployment, unemployment, and low wages, whatever the sources. The Government will collect detailed data to assess the situation, plan retraining and relocation programs, and determine how the contingent costs are to be shared. The chances are that unemployment and disemployment will become sufficiently serious in the next 10 years to require public works programs (such as improving national park facilities and cleaning up and revitalizing slum areas), especially for unskilled young people.

The role of Government as the chief "social direction" agency in the society will not enlarge suddenly, evenly, or ubiquitously. Those elected to government will for many years be chiefly the products of our past, and they will reflect the perspectives of a population that will still be chiefly a product of the past. Thus, further rationalizing of government activities will be unattractive to many politicians and their constituents, and rationalizing trends will be slowed by their objections and tactics. Many powerful bureaucrats, of course, will have much to gain by delaying further rationalization in the offices and agencies in which their status and operating styles are deeply invested.

The problems and opportunities foreseen here have so far been sensed by only a small fraction of the population. Various public groups and various parts of the Federal and local governments will differ as to when and in what ways government involvement must be enlarged and rationalized (as legislative-executive differences and State-Federal clashes demonstrate). Moreover, many of the changes to come will seem to be simply amplifications of trends already underway. Thus it will take time for the general public and for the governments to appreciate that changes in degree and in meaning, in the light of other trends, will be profound. This appreciation will rest, in large part, on the effective application of more rationalized methods to the processes of government themselves, and on the nature of other institutions' responses to government involvement.

In particular, top policy leadership will find that while the computer relieves them of minor burdens, it will enormously increase the demands on them to wrestle with the moral and ethical consequences of

the policies they choose and implement. In the past, the policymaker has been able to avoid facing many of these consequences by claiming he had too little knowledge of the real world to feel very much responsibility for the consequences of his feeble attempts to deal with that essentially unknown environment. With the new tools at his command, he will be able to use this escape less and less. The implication seems clear: the top-level decisionmaking professional will have to seek intensively for wisdom all his life. He will have to be a perpetual student of the techniques of rationalized decisionmaking, to be sure, but even more of the humanities—philosophy, history, theology, and aesthetics. If he is not wise—if he is unthinking or too single minded in his application of the techniques and goals of rationalization—he will fail eventually and our society will fail under such leadership. Providing wise men in the numbers and places needed and, equally importantly, inventing and applying the institutional and operational contexts which will allow them to use their wisdom will be an increasingly pressing necessity. Short of war between the great powers these very likely will be the most central and crucial challenges this democracy will face in the next two decades.

EFFECTIVE RESEARCH ON URBAN PROBLEMS

BY CHARLES KIMBALL*

Within the scientific community today, and among its millions of onlookers, there are two great misconceptions about what we now call urban problems.

First, we tend to consider the territory of urban problems as a finite battlefield, containable, nicely packaged in the Census Bureau's classic SMSA's. In our collective imagination these become neat little settings for military-type encounters. All we need do is identify the targets, find the range, mop up, and move on to the next urban problem front.

We thus miss the point that cities are much more like rivers than ponds. If we purify or poison the waters at one point, the effects move on downstream both in geography and time.

The second major self-delusion of the technical community is the "black box syndrome." It's all too tempting to believe that a nation which can build space ships can apply the same technical skills to building glittering, happy, viable cities. Black boxes, we like to think, can lead us magically to a pollution-free environment, better, cheaper housing, comfortable, reliable, public transportation, and first-class education for all. The danger of the black-box sydrome is not that it's completely untrue—better black boxes are needed for all our urban problems. The danger is that we look to black boxes as a way around the baffling imponderable which lies at the heart of all our urban problems—that is, people.

A good illustration of this drive toward one-time, simplistic solutions for our urban problems is the current enthusiasm for planning new cities so evident among American scientists and technologists. The appeal is natural. Our scientists are normally trained to look for ideal laboratory conditions. If they can design a city from scratch on virgin lands, concentrating on hardware and putting the people in last, so much the better—or, at least, so much the easier.

It's appealing, yes. But it simply won't work except on a demonstration scale.

If these points need further emphasis, Detroit's summer tragedy can provide it; nowhere has a vigorous city government done more to improve the physical environment and all its associated hardware. But despite physical renewal, and valiant attempts at social renewal, the human problems ran too deep to be contained.

These misconceptions must be understood when we consider how science and technology can contribute more to identification and improvement of urban problems—health services, recreation, transportation, elimination of poverty, and so forth. This country has enormous technical capacity to apply. A major question, as I see it, is how to engage these resources to make progress at a faster rate; to begin to

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catch up with the problems generated by growth and change before they catch up with us.

Furthermore, how can we do this in a "real world" context, dealing with old cities as well as new, and with full recognition of the human element involved?

This is a more basic question than whether we deal with problems one at a time, or as a whole in the total urban context. Surely, a great deal of each approach is needed, with our growing competence in systems analysis providing much of the glue.

It's clear that the Federal Government will play a central role in bringing about more effective engagement of the technical community in urban problems. This role includes providing the guidance, money, incentives, and rewards to energize a technical community naturally leery of moving from the laboratory into the streets. To do this, both Congress and the agencies must recognize that there is a definite process by which such engagement takes place. Federal programs responsive to real public needs can expedite or retard this natural process of initiation, depending on how they are designed.

As one oversimplified example, look at air pollution. Urban smog was named as a technical problem more than 20 years ago in Los Angeles. Since then, the technical community has tackled air pollution in fits and starts with uncertain leadership and unspectacular results. Only recently, perhaps in the last 18 months, has the problem begun to receive the attention and direction it deserves. Extensive engagement of the research community is certainly coming in air pollution (and in all areas of environmental control), but it hasn't yet been achieved.

For contrast, look at the field of crime control and law-enforcement technology—an urban problem much more closely bound up in human factors than air pollution. Only 2 years ago it was difficult to find many people in the research community interested in or knowledgeable about any aspect of our national crime-control problems. Today, it's hard to find a research institute, university, or industrial laboratory where there aren't at least a dozen people exploring ways to improve law enforcement and criminal justice. What happened?

The answer is that the Federal Government exerted strong leadership in a way which engaged the attention of the scientific and technical community very quickly and very effectively. The two triggering events apparently were a creation of the Law Enforcement Assistance Act by the 89th Congress and appointment of a Presidential Commission on Law Enforcement and Administration of Justice by the White House. Both actions focused national attention on crime as an urban problem. Both groups also worked hard to give the technical community an opportunity to begin a dialog within itself and with concerned Government people. This quickly began to produce problem definitions, ideas, and most important, action.

Surprisingly, very little money has been involved thus far; appropriations for the Office of Law Enforcement Assistance have been miniscule when compared with Federal spending for research and problem solving in many other areas. But if Congress provides the necessary research funds, it is likely that more progress will be made toward better law enforcement in 5 years than we have made toward air pollution control in 20.

Would the same kind of quick engagement of the technical community result if Congress were to act favorably on the Fire Research and Safety Act now under consideration? This is another national problem, and particularly an urban problem, producing a vast and tragic toll in life and property each year, and one that is largely unresearched. I believe that the answer is "Yes." If the Government provides the stimulus, the money, and the direction, the energy of our technical community can be focused on improving fire prevention just as it has been on bettering law enforcement.

The same can be said about most other so-called urban problems. In many problem areas new programs have recently been launched under new or revised legislation: mass transit, highway safety, solid waste disposal, improved health services, and so on for almost any functional area one can name. No two programs are organized or administered in exactly the same way, and most are so new that their ultimate effectiveness cannot yet be measured. But the country can learn a great deal from watching these programs closely with some of the following performance criteria in mind:

In terms of the points already raised, how quickly and effectively are our national technical resources brought to bear on the mission of the program with a proper understanding of the political obstacles?

To what extent is private industry encouraged to innovate and to become directly involved? Do the program administrators succeed in harnessing the investment capital, product development skills, and planning capacity of private industry to contribute to their specified problem area?

How well does the program adjust itself to true local needs, peculiarities and regional differences across the country? Do State and local officials grow more enthusiastic about the program as time goes on or less so?

How effectively is technology transfer accomplished with the mission area of the program? This includes both the transfer of technology developed for one purpose to a new application (e.g., some concepts and devices developed for military applications can be used in law enforcement), and the transfer of successful innovations in one city to another.

Finally, how well does the program anticipate and cope with consequences which change or progress in one mission area inevitably create in others?

This last point might be called the "cross-functional ripple effect." It's all too easy to ignore the implications of solving one problem at the expense of others. For example, do improved methods of solid waste disposal actually increase air pollution? Do better devices for police surveillance cause infringement of civil liberties? Do the same pesticide compounds which insure our food supply endanger the long term health of our population? (I mention these three examples of the ripple effect because, in each case, the program administrators are acutely aware of the dangers involved.)

Two existing trends within the research community need to be encouraged and accelerated if we are to make faster progress in resolving our urban problems. First, we need to concentrate more on interdis-

ciplinary work—a term given more lipservice than trial by research buyers and performers alike. Interdisciplinary approaches to urban problems require more than loose coalitions of chemists, engineers, and mathematicians. We urgently need to bring about on a day-to-day working basis a true merger of the technologists with the "people scientists"—sociologists, psychologists, political scientists, and economists who can measure the consequences of alternate technical approaches. We need to look at the social costs of our problem solutions in the broadest possible sense. Applied research provides an ideal meeting ground for these two largely unacquainted groups. If we succeed in designing pollution-free buses for our city streets, will we also remember to adjust the entrance steps for arthritic oldsters and miniskirted teenagers?

The other, related trend which needs to be accelerated is the application of systems analysis across the whole range of urban problems. This is the best means we now have to deal with complex side effects and consequences of change. In the broadest sense, we know very little today about synecology—the environmental circumstances in which all of our urban problems coexist. Hard work and collaborative thinking, guided by systems analysis, can bring the increased knowledge of interrelationships necessary for sensible progress on any problem front.

Two months ago, 200 American cities submitted model cities planning applications under last year's legislation. In many cases, these proposals represent a first attempt by city management to apply systems analysis, crude though it may be, to its own local synecology. Most of the cities we know well that applied found the process costly and agonizing. But most also found the experience educational in the extreme. In some cases, these shirt sleeve planning sessions represented a first face-to-face encounter between public works officials concerned with civic hardware and their poverty and education counterparts whose daily fare is civic people. This suggests that the exercise itself has done much to prepare the ground for better coordinated, more truly three-dimensional attacks on urban problems.

At the same time, the model cities application process did much to highlight those structural faults in Federal-State-city relationships which retard our progress. The newest issue of the OEO Catalog of Federal Assistance Programs, for example, lists 459 separate channels through which Federal help and dollars can flow to cities, States, and individuals. This fact alone is enough to frustrate the best intentioned mayor who knows that he must have Federal aid to meet his daily problems, much less make progress on a longer term basis. He also knows that each program has its own peculiar set of application requirements, time cycle, funding uncertainties, and after-the-grant discount factors (e.g., reporting requirements; need to continue a program, once started, entirely with local funds; maintenance costs, etc.). He also knows that he must deal with the special requirements imposed on many of these programs by State government.

He will ask, if he's wise, which of the five public works grant programs (administered by three Federal agencies) he should look to when he needs to expand his sewer system. Each has its own guidelines, its own costs and benefits.

What does this gigantic "wish book" have to do with research on urban ills? It is important simply because many of the dollars we now spend to support research on urban problems are also channeled through these programs. This creates obvious problems as we strive for a more coordinated approach toward urban problems. While program fragmentation can mean better directed efforts on specific missions or targets, it can also lead to a smaller return on the investment we make in research and planning.

There is a growing awareness that much of our best planning talent, in Government and out, goes into duplicative, incompatible, fragmented efforts. Any professional research group like Midwest Research Institute knows very well the frustrations of mismatched planning controlled by the fine print of Federal program guidelines. Under a grant from one agency we may prepare detailed long range recreation plans for a particular State. For the same State, this time with funds from a different agency, we may develop a computerized highway development plan for roughly the same time period. New recreation facilities can be useless without reasonable highway access; but if the programs in our computer aren't compatible, and if neither Federal agency has the legislative authority to coordinate its planning with the other, our best intentions and skills can be frustrated. At the same time, why not use the existing highway plans already on computers as a basis for projecting optimum State police patrol routes? This, alas, would mean adaptation to the guidelines and planning requirements of still another agency and program.

To get more for our research dollars, we need to bring about more planned spillover from one program or problem area to another. This means better coordination among program administrators in Washington and more concentration on the art of technology transfer—adapting workable ideas from one situation to another.

More attention should also be paid to the very real problem of implementation—getting things done. All too often brilliant research reports, plans, and system analyses end up on the shelf because no one has thought through in advance the process of implementation and the selection of ends—on a priority of action basis.

It is too easy, when surrounded by charts, flow diagrams, and computers full of cost data, to underestimate the real cost of human inertia at the application end. We hope for instance this will not be the fate of the exciting studies carried out by aerospace companies for the State of California. The methodology developed should be refined and applied in States and cities across the country; most important, however, the conclusions of these landmark studies need to be debated, digested, and implemented.

To overcome inertia, to move from research to planning to action requires time, money, and skilled continuing help. We are impressed over and over again by the dedication and tenacity of the local government people we work with in our research. Nevertheless, the manpower and money shortage in local government is so acute that most city governments find it difficult to do much more than maintain the status quo. If our cities are to benefit from the kinds of innovation which good research can produce, we need to put more emphasis on

designing assistance programs which provide for continuing relationships between city hall and the research community.

My remarks here are addressed almost entirely from the point of view of the independent research centers like Midwest Research Institute—that part of the overall technical community which I know best. They reflect the experience we have accumulated over the past two decades working on problems in many areas, and with governmental groups at all levels. In recent years, our involvement and that of similar institutes in urban affairs has grown at a very rapid pace. None of us are satisfied, however, that this involvement has been either deep or broad enough to provide all the answers we need about effective research on urban problems. But we have made some important beginnings. We have learned much about the major points mentioned in these pages—the necessity to understand relationships between different kinds of problems in the total urban system, and the critical need to stick with the problem beyond the research phase itself.

I don't mean to imply by these thoughts that the whole job of engaging national research resources on the urban scene should fall to government—local, State, or Federal. There is much that can be done by institutions like my own and by private industry. With a few notable exceptions, the muscle of industry and free enterprise has hardly been applied. But today we are developing a mood and a consensus for change in both areas. As more and more corporations explore the new Government-supported social markets—low-cost housing, Job Corps training, educational technology, even building new cities, a new generation of managers is learning new ways of doing business. Along with Government, corporate managers are learning that—with great care—certain aspects of social and political responsibility can be "contracted out" to professional managers whose performance can be carefully monitored. Many new mechanisms are needed before joint ventures by Government and industry in these areas can blossom. There is still a reservoir of mistrust and disbelief—on one hand that these markets are real, on the other that the profit motive is compatible with social problem solving.

This is where groups like my own have an important responsibility and a vital role as matchmakers and organizational innovators. Our business keeps us constantly involved with both industry and Government as a trusted source and objective observer. Such institutions, therefore, can do much to speed the evolution of new joint approaches to physical and social programs.

We have the technological base in this country to create real progress across the entire front of urban needs. If we can improve the ways we apply these resources, we can be on the way toward better, happier cities at a price the Nation can afford.

AN ATTACK ON POVERTY: HISTORICAL PERSPECTIVE

BY ROGER STARR*

The cities of the United States have been passing through another hot summer. In the troubled consciences of many American students of urban affairs, the riots, looting, sniping, and gross property damage have become as inevitable a sign of July as the chirping of cicadas. They constitute the inescapable price, we are told, of having left unsolved the urban problems of the mid-20th century. By this account, the riots reflect the dissatisfaction with the quality of public education available to the impoverished urban Negro; they constitute a protest against his unemployment, a demand for jobs and adequate earnings. The riots, we are also told, are a street demonstration against the evils of slum housing and the inhumanity of the large low-rent project, and against the antifamily bias of the welfare system, the sense of desperation, neglect, and of being forever outside, which constitute the dominant facts of life for the improverished urban Negro.

As a factual description of the problems faced by many Negroes in American cities, this accounting is accurate and quite comprehensive. As a diagnosis of why riots happen, it leaves out one category of facts that have equal importance: the rioters themselves. Without an understanding of the fact that riots are made by men and women, not by objective circumstances, one cannot sense the interplay between objective conditions and those who must endure those conditions. The "protest" account of the riots falls short as an explanation especially when it must deal with the problem of leadership; those who claim that the riots are a form of protest against objective conditions quickly assure their auditors that the rioters are acting spontaneously. There are no leaders, or "outside" stimulators.

This explanation of the riots as spontaneous protest is somewhat at variance with most experience of social protest; social history suggests that protest movements are always led and stimulated by a small group of leaders. The leaders are those more sensitive to the implications of the conditions endured by their followers, and more articulate in formulating a set of demands that ignites the realization that conditions may be changed. If these riots are to be read as social protest, why is it so important to claim that they have no leaders? In contrast to historical riots for bread, or against the draft, these recent events are not preceded by specific demands uttered by those who have leadership over the rioters. Instead, the truce demands, with which we are familiar today, follow the outbreaks, and seem to be formulated by those whose leadership is not recognized by the rioters.

A fuller explanation of the riots might amplify the recital of objective facts with painful insights into the long-continuing effects of objective conditions on the urban Negroes who must endure them.

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One cannot understand the riots without studying the psychological structure of the rioters and their sympathizers, or investigating their family constellations, education, and personal history. Such an investigation might reveal that the riots themselves are not so much a form of protest as a form of gratification; that they express the extent of the disorganization of some low-income Negro families as well as the economic and social deprivation of the Negro community as a whole. Such an investigation might reveal that this family disorganization is partly the cause of the conditions complained of, and partly an effect of those conditions. From this point of view, the riots become, for those engaged in them, a substitute for the gratifications of work, and the socially acceptable masculine satisfactions of family leadership.

The question in social policy becomes then not only how are the objective conditions in the Negro ghetto to be changed, but how will the ghetto resident be brought to derive satisfaction from the process of education and work? The question is not only the provision of jobs, but the provision of jobs that are within the capacity of those whom one is seeking to help, and that will contribute to a sense of satisfaction. The need is not only economic stimulation, but action to break the endless circle of dependency and delinquency that results from family disorganization. This social disorganization must be dealt with, for it lies at the heart of the poverty problem that has its locus in the cities of the United States.

Just as the analysis of the riots cannot be successful until one has glimpsed the problem from all sides, so any program dealing with poverty must fail unless soundly based. If it is based on inaccurate or insufficient attention to the nature of the poverty problem, it may interfere with the generation of economic activity which is clearly necessary if the impact of poverty is to be seriously reduced.

The present poverty program appears to me to be based on no such investigation. On the contrary, it rests on the strange hypothesis that the poor constitute, in effect, a nationality. Accept this and you accept the notion that the poor must progress as any backward nation must, first by heightened self-consciousness or nationalism; second, by the development of their own economy. Accordingly, the workers in poverty have attempted to organize their clients for greater self-expression through community activity as poor persons.

The analogy between poverty and nationalism is grossly inexact. The poor share neither a private language nor a natural geography. Above all, they lack sovereignty over the natural wealth of the land they occupy, and therefore cannot be encouraged to develop their own national economy. They have no indigenous economy to be stimulated with large infusions of foreign capital. They must be enabled to enter into more significant relationships with the general economy if their condition of poverty is to be alleviated.

Heightening the self-consciousness of the poor, and enforcing their own identification of themselves as poor, stimulates them very little to move in the direction of more effective participation in the general economy. It also fails to stimulate the general economy to absorb their work and to provide them with goods and services in return. The persistence of poverty must mean that two conditions exist in the United States: (1) a significant number of Americans must be prevented by age, sex, personality problems, or inadequate training and blighted motivation from participating in the work of the econ-

omy, even if the economy were prepared to avail itself of their services; and (2) the economy must be lagging too much to require the services of these marginal people and to provide them with a worthwhile level of goods and services. In the case of any specific poor person, both conditions may help to account for his poverty, but the relative importance of each of the two factors may vary from case to case. Many, perhaps most, poor people of all races have no significant personal problems—their poverty results entirely from the underperformance of the economic system.

For the moment one might defer consideration of the problems of those who are clearly and permanently disqualified for gainful work. These are the aged, the physically handicapped, the men and women who suffer from serious psychological and mental disorders. They have no power with which to assert an economic claim on the products produced by their fellow citizens. Accordingly, they must depend for their support on the charitable impulses of their fellow citizens and their government. I am well aware of the fact that with intensive therapy many of the wholly or partially handicapped workers might be returned to full participation in an economic system. The poverty program avoids dealing with the family disorganization that is the greatest psychic handicap to the young prospective worker; it pretends that families are "normal" within the parameters of their culture, as though, again they were a foreign nationality, not a social class. In fact, the goal of a program directed toward the personal causes of poverty must be to make these persons "normal" within the parameters of American society taken as a whole.

Setting the physically disabled victims of poverty aside, the remainder of those afflicted with poverty will improve their economic conditions only by skillful attention to their individual work problems on the one hand and a gross effort to increase economic activity in general on the other hand. This effort is sometimes impeded by the theoretical underbrush of the present poverty program. Thus, the emphasis on participation by the poor in determining their own destiny frequently seems to impede the redevelopment and reconstruction of the part of the city in which they live, and to block the pioneering of quasi-family institutions which might break the cycle of disorganization. In addition, the local participation may well discourage economic activity which might directly or indirectly make it easier for these same poor people to obtain employment.

The suggestion in a large part of the publicity that has been released about the poverty program that the poor are to participate in the framing of decisions does not seem to mean that they will exercise their numerical voting strength in the general ballot. Rather, each individual decision made by the city in poverty stricken areas must be judged by its appeal to the subjective feelings of those most intimately affected. It may well be that those most intimately affected will disapprove of a program which, in the long run, may do them the most good. It is a misunderstanding of the way in which the American form of government has worked to suggest that leadership depends on constant consultation with the governed. American government has been driven, rather, by the formulation and execution of policies by those who were elected to represent the people in a general election.

The test of whether a proposal will benefit the poor cannot simply be whether at first blush it appeals to them or to their representatives.

The test is rather the extent to which it generates general economic activity and more particularly the kind of general economic activity in which semiskilled or unskilled members of the work force can proudly take part. There is another question involved here which should be mentioned. The work thus developed must have national or universal significance; if it is to be supported on an adequate scale in the Congress, it cannot be a merely local program. In many cities the suggestion has been made that the poor be put to work raking leaves or doing minor cleanup jobs in public places. The years of the Works Progress Administration indicated that the electorate in general will not support such programs over a long period of time, and, perhaps worse, that the general scorn in which they are held reduces to nothing their ability to raise the pride of the poor, the feeling that they are indeed part of the main body of American life.

What kinds of economic activity can be used to generate job opportunities for the unskilled and low skilled? We might instruct ourselves by looking at the way in which the poor emerged from penury in the past. We should note that this emergence resulted from the ready availability of a tremendous workload which was ready to be undertaken by workers of low skills. The first Irish laborers who came to the United States were put to work in the early 19th century digging the Erie Canal. Later immigrants from northern Europe cleared the western lands, developing wheat farms and the lumber industry in what was then the Northwest. Building the steel mills and the urban housing, the railroads and the other great civil engineering works of the 19th century absorbed millions of arrivals from southern Europe. A great surge of construction, and the rise of mass-produced clothing and packaged food absorbed other millions.

One important quality is the fact that the work today must be provided within the cities. What opportunities similar to those enumerated await today's unskilled workers in the cities? The development of huge earthmoving machinery has greatly limited the need for laborers in most civil engineering construction. Materials handling equipment has lowered the demand for porters and other strong backs. The construction of residential buildings in today's world has become highly specialized, with strong union membership affiliations. This type of work provides almost no opportunity for the low-skilled person unless the volume of construction of this type is at a tremendous peak.

It is my impression that the emphasis on participation by the poor in the determination of their own destiny today helps to prevent these public programs from reaching peaks which stimulate more employment. Soliciting the views of the local people, especially in a deteriorated, poverty-stricken part of the city impedes demolition and redevelopment for public purposes, many of which help the poor as much as, but no more than, they help other members of the economic community. Even those housing programs which are assisted by the public through partial or complete subsidies must in the end be susceptible to market appeal. Housing for so-called middle-income families will not attract these middle-income families under conditions which wound their self-esteem and pride of accomplishment. Even fully subsidized low-income housing, under public ownership, will not attract all of those who are economically eligible for entrance into public housing if it fails to live up to their own view of themselves.

The intrusion of those poverty-afflicted citizens who are unable to organize themselves for productive work under any circumstances, into housing programs is one of the reasons why these programs are slow to move forward. For example, increasing demands are made to the effect that no public housing authority should exclude any prospective tenant by reason of deviant personal behavior. This would mean that no public authority would have the right to screen its tenants in order to try to maintain a relatively problem-free environment in which people will be proud to live. The net effect of such a demand, already manifested in many of our cities, is that the projects tend to develop a bad reputation among low-income families of normal stable habits, and the difficulty of gaining public acceptance for public housing construction is increased.

Although speakers frequently refer to the American promise of a "decent home in a sound living environment for every American," this motto makes more sense if one reads the promise as being made to every American family who can take advantage of a decent home and not spoil the sound neighborhood that envelops it. The most successful housing authorities in the United States—I think of the New York City Housing Authority and the Washington Housing Authority as outstanding examples—have been able up to the present time to resist the pressure to take in all households of low-income. The pressure is mounting, however, and if these authorities are to be denied the right to establish their own standards of acceptability, I suggest that their developments will be entirely unacceptable, both to desirable prospective tenants and to the public at large.

A second strain of emphasis in current housing thinking, again made manifest especially by the spokesmen of poverty, is the demand for something I will call "economic integration." The theory of economic integration is not simply that low-income families will be encouraged to remain in subsidized developments, receiving less subsidy and paying higher rents as their income rises. Although I believe that in most cases families will naturally move out into the private market as their incomes rise, flexible income limitations for continued occupancy seem to me to be beneficial to the social atmosphere in the projects. But economic integration is taken to mean much more today. It is taken to mean that individual low-income families should be individually subsidized so that they can afford to live in apartment buildings generally available only to people with incomes higher than theirs.

This type of economic integration discourages the development of new housing. In the first place, it discourages families of moderate income from remaining in the city so that they may have the dubious privilege of paying higher rents in the same apartment house in which low-income neighbors will henceforth pay low rents. A second danger is that in order to meet the possible objections of moderate-income families to sharing the same building with low-income families, the officials in charge of such a program will select only the most stable of low-income families as eligible for entrance into moderate-income developments. The results will be to strip future low-rent projects of the very leadership families whose presence is most stimulating to the development of a healthy neighborhood atmosphere.

Behind these specific criticisms of the effect of the poverty program on the expansion of job opportunities in the construction business lies

my sense of the failure of the poverty program to find a way to impose normative patterns on the families afflicted by poverty.

I suggest that the imposition of new patterns of conduct on urban arrivals from the farm is the essential function of the American city. It seems to me that none of us is willing to face the fact that the normative process in a harder society than our present one may have been more reliable. I recognize that in saying this I come perilously close to a nostalgic look at the "good old days." Nevertheless, what I am trying to say is that the old days were bad days; they were hard, and unforgiving. Children raised in households that lacked true family configuration, and therefore grew up disorganized and unable to take care of themselves, did not have the opportunity to reproduce the only family pattern they had ever seen. They were wiped out by the dread contagious diseases of filth, poverty and disorganization, like tuberculosis, diphtheria, yellow fever and cholera. They were killed in the industrial accidents that were far more common in the society which did its heavy work by human muscle. They died of hunger. The rewards for self-reliance were clearer; the punishments for incapacity were unequivocal.

I am not for a moment suggesting that society has not made great social and moral advances in its conquest of these dreaded killers. I am not suggesting that the hard ways were better. I am saying that the hard ways were normative, though at tremendous cost. No one can be sure that modern America has developed normative methods for dealing with deviant urban behavior that will be equally effective. I am suggesting that neglecting the need to find a way to impose social normality on the deviant poor will impose limits on the extent and size of any new Government housing and slum clearance program.

It seems to me clear also from much that has gone before, that housing and other building construction programs will not provide work opportunities for all the low-skilled people who must be absorbed into the general national equality. I suggest that a national look at the gross national needs of the country may well develop several vitally valuable national programs which can provide much economic opportunity for the low-skilled worker. One example of such a need is the need to conserve and refresh the urban water supply, and to guard it against pollution. While the construction of sewage treatment plants in the cities is like residential construction, a highly sophisticated operation requiring highly skilled labor, quite the opposite is true of the installation of sewer lines in the streets.

One of the tragic limits imposed on water depollution progress in the United States is the limit imposed by the combined sanitary and storm sewers which are a standard pattern in our cities. When most American cities installed their sewage systems, the municipal mind concentrated its skill on getting the filth out. Water provided a readily available vehicle for the removal of filth, while the municipal engineers neglected the consequences of the waterborne pollution on the body of water into which they led the flow. This heedlessness led them naturally to combine the waste water from rainfall with the waste household water in one set of massive conduits leading, generally, to the nearest body of water. The construction of plants to remove a significant fraction of the pollution-causing wastes from this water now operate at reasonably satisfactory levels in many American cities

on sunny days. When the rains come, the torrents of water mingle together with the household wastes, and present a stream of water to the sewage treatment plant which drowns its facilities. The result is that on rainy days hundreds of millions of gallons of polluted water, no different from the water that was thrown into the rivers before the construction of the treatment plants, charges into American rivers and lakes, limiting their recreational use, creating esthetical and perhaps a health hazard, and postponing the reclamation of waters that have already been polluted beyond normal standards of decency.

I suggest that the Nation might well begin a massive investment in the reconstruction of its sewage collection system so that the rain runoff collections will be separated from the sanitary waste collection and treatment system. Such a program undertaken even in limited areas of cities would provide employment opportunities for large numbers of relatively low-skilled men; it would be work of vital national importance; it would stimulate commercial and industrial activity in the neighborhoods in which the laborers would live; it would do more to make real the educational promises of the present poverty program than any of the so-called advocacy of poverty or the development of heightened group selfconsciousness among the poor.

Poverty must be attacked indirectly, through the encouragement of economic activity, and by breaking the cycle of family disorganization, if it is to be made to disappear. The direct attack too often obscures the causes, and establishes local patterns that obstruct major change instead of facilitating it.

THE QUALITY OF URBAN LIFE: AN ANALYSIS FROM THE PERSPECTIVE OF MENTAL HEALTH

BY LEO LEVY and HAROLD M. VISOTSKY*

The quality of urban life and the presence of massive unsolved problems in our large urban areas are issues which directly concern the mental health professional. In common with other citizens, we are concerned about ugliness, filth, slums, poverty, rats, traffic congestion, air and water pollution, noise, and a host of other problems which affect our daily lives as members of an urban community. However, when we address these issues on an aesthetic level, we do so as laymen. Issues like zoning and physical design of areas undergoing redevelopment affect us as interested citizens, but except in subtle and derivative ways are not of direct professional concern to us. Highway engineering, traffic flow rates, and other problems which arise in the design of transportation systems are again primary professional concerns of groups other than mental health practitioners.

The problems created by the megalopolis are thus seen as professional concerns of many groups. These groups include architects, engineers, city planners, public health personnel, transportation and highway planners, mental health practitioners and behavioral scientists. We would like in this paper to indicate how mental health professionals and behavioral scientists relate to problems of urban life. We will limit ourselves to a discussion of the issue of the psychological effects of urban environments on individuals particularly as regards what we may refer to as their mental health and the failure to achieve and maintain mental health—that is, mental illness.

To illustrate how we conceive of our role let us cite a couple of examples. An area of a large metropolitan city is slated for urban redevelopment. Sites selected for such a project are generally selected on the basis of the fact that the condition of the buildings in the area are substandard and that the neighborhood is blighted and needs attention. As mental health professionals, we would not be prepared to designate which areas of a city should be so developed but we are prepared to aid in the process of determining the psychological costs and benefits which might accrue from such a project. The zoning of the redeveloped area and the kinds of buildings which will be placed there and the varieties of functions associated with that area are problems better solved by architects, engineers, and city planners. However, there are people living in this area and the effects of the demolition of their homes and the relocation of these individuals coupled with the general impact of such a project on an existing neighborhood or community are mental health concerns. An example of such concern

is Fried's interesting and carefully executed research on the reactions of people dislocated by urban renewal from the west side of Boston.[1] This study furnished exhaustive data demonstrating that a substantial number of these people suffered severe reactive depressions as a result of their dislocation and that, in fact, a viable community had been destroyed. Urban renewal efforts have frequently ignored cultural and ethnic variations in changing neighborhoods and proceeded, applying a bland middle-class American standard. This has had two immediate effects. The first is to create neighborhoods into which the persons dislocated cannot or will not return. The second is to take one of the vital and interesting qualities of our large cities and destroy it—i.e., cultural and ethnic variation.

Another example would have to do with problems raised by migration. We are a highly mobile society in which about one-fifth of the population change their residence each year. Migration poses many problems—rehousing, reemployment, change of school for children, and a host of other problems which bear on the mental health of the individuals concerned. A rather extensive literature of a provocative research has developed in this area indicating that geographical (as well as social) mobility produces a unique high-risk group for mental disorder.[2] For some, migration offers an opportunity, but for many others it poses a crisis and may interfere with effective social role performance.

The general framework in which mental health professionals operate when they approach the complex problems associated with life in communities and cities calls for an analysis of the various stress-inducing circumstances which exist in the community and counteractive supportive forces. This dyad stress-support poses two factors which constitute a system and must be examined as related and not separate. In other words one can never state in absolute terms that stress has a specific debilitating effect on an individual. What effects stress will have on an individual depends on the supportive mechanisms on which he can depend during any given stressful period. A man with a viable intact marriage with a satisfying home life, with stable employment can withstand higher levels of environmental stress than an individual who is isolated. In this regard, it is interesting to reflect on some well-documented findings pertaining to the incidence of severe mental illness. It turns out that any given patient in a mental hospital is more likely to be single rather than married and unemployed or marginally employed prior to hospitalization. Widowed and divorced persons are at higher risk of becoming severely mentally ill than married persons although the risk for these two groups is proportionately less than for the never-married individual. Any given life stress means one thing to a person living alone, without support of a family and quite another thing to a person who is supported by a spouse and possibly parents and children. It has been demonstrated in a variety of experiments that humans and other animals respond entirely differently to stress and frustration when they are alone than when they are in the presence of other friendly persons. This may be parents, or siblings, or friends. Insurance companies and credit bureaus know on the basis of

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[1] Marc Fried, "Grieving for a Lost Home" in Duhl, L. (ed.), *The Urban Condition*, Basic Books, Inc., New York, 1963, ch. 12.
[2] A bibliography of selected references on this subject is appended.

actuarial studies that married persons are better risks. We know that married persons are also lower risks with regard to developing a debilitating mental illness. Marriage and family is a primary supportive institution which counteracts stress.

Our concern with family life does not end here. We observe with interest the various possible surrogate familial arrangements possible when a primary family does not exist. Foster family placement is not only beneficial to luckless children but also to persons suffering from chronic schizophrenia who can exist outside of a State mental hospital within such a contrived familial context. Experiments with group living arrangements such as halfway houses for ex-hospital patients and group experiences for others such as narcotics addicts have proved successful. Social clubs, taverns, and even street gangs have been useful in providing surrogate familial experience for persons otherwise unattached.

The decline of the three-generation family is a related concern. We ask ourselves what are the gains and losses to all parties concerned of children leaving their parental home relatively early in life, marrying, setting up a separate domicile often quite distant from the parents. They then have children, who in the space of a generation, repeat the same cycle. We are interested in the effects of this cultural pattern on the young mother and father, on their small offspring and in the aging grandparents. The grandparent-child relationship has always been a special one and, in our view, a constructive one for both parties. We look with some concern at the mounting numbers of psychiatric casualties among the aged who increasingly collect in our State mental hospitals and nursing homes—many of whom are there only because no familial context is available to them in which they could be maintained.

Stepping from this level of concern, we may ask similar questions with regard to the breakup of the small city. The quality of urban life in the megalopolis differs in distinctive ways from the small American city. In the small city, the individual has always been under greater social pressure to conform to community standards because he is more visible in his behavior. The large city, on the other hand, is often described as a place in which one loses his identity. He becomes an anonymous face in a vast throng. He is less an integrated participant in the social and political fabric of community life. For deviates, this is an ideal, perhaps absolutely necessary condition for survival. The freedom to deviate from social standards is important and is encouraged in every enlightened society as an essential aspect of creativity, as long as the form of deviance is not destructive and inhibiting of the freedom of others. One should not, in a democratic society attempt to regulate human behavior too stringently. It has been observed that laws attempting to regulate human conduct in our society are so many that it is difficult for a normal person to avoid breaking the law several times each day. That our criminal courts and jails are not bursting is testimony to the fact that many laws regulating behavior are unnecessary and unenforceable. One of the reported advantages of living in a large city is that one is free to experiment with new social roles [3] and to indulge oneself in behavior which might

[3] This point is effectively made by Donald Cook in "Cultural Innovation and Disaster in the American City" in Duhl, L. (ed.), *The Urban Condition*, Basic Books, New York, 1963, ch. 8.

bring immediate reproval and punitive social sanctions from the community at large, in a small city.

We are confronted with the fact that the small city is in decline. In 1790, 95 percent of our then 4 million citizens resided in rural areas. In 1960, 70 percent live in urban areas, 25,000 or over and 63 percent live in urban areas 50,000 or over. By 1990, we will have effectively reversed the urban-rural differential which existed in 1790. i.e., about 95 percent of our citizens will reside in urban areas. The trend is also unmistakably toward the megalopolis—the vast multimillion person congregation in limited geographical space. As mental health workers, we see it as one of our tasks to introduce into the large urban areas some of the positive elements of small communal life, helping to protect the individual against damaging effects of isolation and anomie, and yet retaining the advantages offered by large urban areas.

We know that human beings do not tolerate loneliness. Freud once defined anxiety as "the feeling of being alone in a strange place." A remark attributed to Harry Stack Sullivan held that loneliness was worse than anxiety. Perhaps one of the most cruel punishments ever devised by man is the concept of solitary confinement. In our penal institutions, this treatment has generally been reserved for the most recalcitrant, belligerent, and dangerous prisoners. There is a long series of well-executed studies in the area of sensory deprivation.[4] Sensory deprivation is our scientific analog of solitary confinement. In experiments of this nature, the individual is placed out of contact, not only with other persons, but out of contact with all visual stimulation; i.e. blindfolded, all auditory stimulation and even prevented in many instances from experiencing much tactile stimulation by isolating his limbs in such a way that they do not touch. Under these circumstances, individuals characteristically not only suffer a good deal of personal discomfort, but also frequently exhibit behavior quite similar to schizophrenic patients in that they begin to hallucinate. There is a need for sensory stimulation in humans which is so pervasive, that if they are totally deprived of such stimulation, mechanisms are at work within the organism to compensate and sensory stimulation is "bootlegged" so to speak in the central nervous system.

These experiments, among other things, demonstrate that people cannot bear to be alone and that they cannot in any sense achieve mental health in isolation from other individuals. Literature, clinical observation by psychiatrists and our own experience illustrates repeatedly that even peculiar and perverse relationships are often basically supportive experiences. A recent excellent contribution to this literature was Edward Albee's play "Who's Afraid of Virginia Woolf?" Despite the friction, antagonism, and sadism which is inherent in the relationship there described, the author leads one to the conclusion that the relationship is basically supportive and necessary to the maintenance of social functioning for both parties.

A consideration of the issue of isolation prompts one to next move to a consideration of the opposite; enforced and excessive close contact with others. It is by now common knowledge that a serious overpopulation problem exists in parts of the world today and threatens to become a problem of cataclysmic proportions in the years ahead. In 1825, the world contained 1 billion persons. A second billion was added by

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[4] A bibliography of selected references on this subject is appended.

1930, 105 years later. In 1960, 30 years later, 3 billion. It is projected that by 1977, we will have added our fourth billion and by 1995, our sixth billion. Living in large urban areas is a relatively recent phenomenon. Cities over 1 million persons were unknown prior to the 19th century. With the move into large urban areas, population density is increasing. In Chicago, for example, average densities run 16,000 to 17,000 persons per square mile. In some crowded areas of our cities, densities run as high as 1,000 persons per square block.

The problems which accrue from high population densities in our inner cities have been discussed in a large body of literature emanating mainly from the disciplines of sociology and social psychology.[5] Tentative findings tend to associate a number of social ills with overcrowding; delinquency and racial rioting being two examples. Some interesting findings from the field of animal ecology have as yet been unrelated to human affairs. There are studies which indicate that there are self-limiting mechanisms which determine maximum herd size in certain animal species. When this size is surpassed, animals mysteriously and to outward appearances, inexplicably die off, thus balancing the group at a certain number. This, in spite of an adequate food supply. Other studies indicate the emergence of pathological behavior traits and social restructuring under the impact of unusually high density and confinement in certain animals. In the Norway rat, for example, overcrowding leads to aberrant maternal behavior which results in a high infant mortality and thus herd size is stabilized even in the presence of adequate food and water supplies.[6]

We do not believe that anyone today can claim that there is such a thing as an optimal size human group nor can we state with confidence that there is any particular space requirement for an individual. Living arrangements tend to be high culturally relative and what may be considered a high degree of privacy in one culture may in another be viewed as untolerable exposure. While living arrangements are quite varied crossculturally and even within a culture, we believe certain principles obtain in all such arrangements. Some arrangement for solitude and voluntary isolation is always provided as is opportunity for interaction. In America, the tendency is to provide each family member a room generally designated as a bedroom and to create other rooms specifically designed for interaction (living rooms, dining rooms, kitchens, etc.). Although this may be cited as middle-class value, lower class persons protest strongly the sharing of private rooms and the use of public rooms for bedrooms. It would appear that even beyond culturally relative (learned) values in this regard, there is a biologically determined distancing mechanism in people. Where physical distancing becomes impossible as in prisons, concentration camps. army barracks, slum apartments, etc., it would appear that people make use of psychological distancing mechanisms. Enforced physical contact often leads to the maintenance of "emotional distance." If people cannot escape into their private rooms, they will escape into their private thoughts. It is possible that such emotional distancing in crowded city areas may contribute to indifference to the suffering of

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[5] A bibliography of selected readings on this subject is appended.
[6] These findings are reported in John B. Calhoun, "Population Density and Social Pathology," in Duhl, L. (ed.), *The Urban Condition*, Basic Books, New York, 1963.

others and unwillingness to "get involved" with neighbors or people who may be attacked on the street by hoodlums.

It pays to mention in passing that a stable and significant correlation has been observed between the incidence of poverty and severe mental disorder. That this correlation exists has been conclusively demonstrated. Why it exists is still a matter of debate. Part of this explanation may lie in the fact that poor people live in densely populated areas and are subject on that account to many stresses which may exacerbate symptoms of severe mental disorder. The fact that Negroes show higher rates of severe mental disorder may point to a similar mechanism (i.e., Negroes are generally poor; poor live in high density areas).

Let us now turn to a different area of human endeavor; namely, recreation and work. We classify these categories together because we believe differences between them to be quite superficial. One generally gets paid for work but not for leisure and further these two classes of activities tend to be dissimilar. We expect that in leisure time people will pursue radically different activities than at work. But beyond this, differences are superficial. For example, popular conceptions of recreation and leisure have it that these activities entail little physical exertion. A moment's reflection enables us to dismiss this myth. For some persons, recreation consists of intense physical exercise which far exceed the exertion that they normally put forth on their jobs. On the converse, recreational activities may call for the highest level of mental exertion whereas a job may call for little mental effort.

People generally require some 8 hours a day for sleep or total inactivity. They perhaps require 4 additional hours for performing such biological functions as eating and eliminating. This leaves conservatively about 12 hours a day during which individuals require varying forms of activity. Lacking this activity, they will become bored, restless, and disturbed. Up to very recently this matter was dispatched quite readily via the 12-hour workday, 6 days per week. Today for the bulk of our population, the workday turns out to be 6 to 8 hours, 4 to 5 days per week. Thus, for our employed population, this leaves considerable amounts of time to be occupied in other than work activities. The problem is more substantial for the unemployed—large numbers of women, older persons, unskilled, Negroes, etc.

The use of leisure time can be a problem and one of the ready-made societal solutions for this problem which we consider to be ill advised is the institution of passive-receptive activities such as watching television, going to the movies, and spectator sports. The problem with such passive recreational activities is a subtle and interesting one. It has mainly to do with the concept of personal identity. There is a strong need in man to assert his individuality, to leave his distinctive mark on things, to participate actively in the life process. This central striving or need may be accentuated or suppressed by any given culture, but we believe it is a fundamental biologic characteristic which is encountered universally. People who compulsively watch television and who indulge generally in passive-receptive leisure time activities frequently express disgust with themselves afterward. They justify their activities by saying they have nothing else to do or perhaps they cannot verbalize beyond the feeling of dissatisfaction itself. The feel-

ing of dissatisfaction appears to arise principally from the sense of nonparticipation. There is a drive toward creative expression in all men. This drive is inhibited by both work and leisure activities which forbid self-expression. With the passing of the era of the craft, and the beginning of the era of mass production, a period began in which work activity became progressively more depersonalized, automated, and dehumanized. Most persons gainfully employed cannot point with pride to a product which is uniquely theirs. It is rather difficult to point to a wire fixed in place on a television set on an assembly line or a series of adjustments made on the chassis of a car as it goes past and think that this is in some way distinctively my contribution to society. A painting, a woven tapestry, a piece of pottery, a hand-forged iron gate, a patient cured of a disease, are the kinds of marks that men point to with pride and which contribute to their positive sense of identity. We are faced with a particular problem in the mid-20th century: a majority of Americans today experience no sense of identity in work and little or none in leisure. We must attend to these properties of work and leisure and attempt to achieve better solutions in these areas for people if we intend to maintain and improve their mental health. The problems are accentuated today by so-called automation and forced early retirement in the face of a lengthened lifespan. Constructive, participatory, identity-confirming activity for all persons is of utmost importance. Advanced study and self-expressive modes of work and leisure activity are vehicles to this end.

Mental health is not an easy term to define. If we were required to select the cardinal aspect of mental health, we would select the concept of identity. A mentally healthy individual has a sense of participation in the life process. He has a sense of his individual worth. He has a sense of dignity, of knowing who he is and does not have to contend continually with the problem of justifying his existence to himself. The hallmarks of identity tend to be rooted in the performance of a limited number of social roles. Work, familial identification as a parent, child, spouse, and constructive participant in communal life. With regard to the latter, it might be well to comment on the fact that many individuals in our society lacking a significant role, lacking a significant power to make decisions for their own community, suffer from role ambiguity as a citizen of a community. In spite of the many exhortations to be motivated as a participating citizen, this role is not clearly defined nor are opportunities provided for many individuals to actively participate in communal life.

To achieve adequate social role competence and participation, one must exist in a viable community. This means to us, in concrete operational terms that somehow the concept of the small city must *somehow* be recreated within the large city and thus must emerge a newer concept of living more related to the last half of the 20th century. The evolutionary form for this emergent product seems to have been the neighborhood within the large city. Unfortunately, neighborhood structure and social organization has too often been little understood and disregarded by physical planners. In their genuine enthusiasm to rebuild the slum, the city planner has often interfered with neighborhood and communal life by imposing solutions on a community to which it was hostile and in which it did not participate in formulat-

ing. Not all planners are insensitive to this dimension. In particular, C. A. Doxiadis has developed a conception of large urban areas for which he coined the term "dynopolis." [7] This concept of urban growth and evolution allows for the small city within the large city. It calls for the building and enhancement of neighborhoods which in certain respects resemble small towns. It belts the small communities with large traffic arteries which promote automobile transportation to other sections of the city. At the same time it makes difficult entry for the automobile into the center of small communities. The communities are self-sustaining in certain respects. They have their primary and secondary schools, small library and basic amenities such as small shops and recreational areas. On the other hand each community is linked with other communities and with a downtown area which contains the major cultural assets of the city, such as the opera house, the symphony hall, the art museum, the university, etc. Also, it is linked with the industrial complex which furnishes jobs and revenue for the city as a whole.

The city, in the final analysis, must reflect the biological and social needs of its inhabitants. It must provide contrasting experiences, smallness and bigness, work and play, solitude and company, activity and repose, intellectual and emotional stimulation, noise and quiet, tension and relaxation. The course of a man's life follows these dimensions. With the immense technology available to us, the vast resources at our disposal and the accumulation of centuries of knowledge, we should be able to make our cities into places which are a joy to behold and a pleasure to experience. Much so-called mental illness and antisocial behavior will abate when these solutions are forthcoming. Mental health practitioners have a role to play in this and perhaps this paper can, if successful, serve as a general guideline for our participation.

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[7] C. A. Doxiadis, *Architecture in Transition,* Hutchison of London.

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ON URBAN GOALS AND PROBLEMS

BY WILBUR R. THOMPSON*

Within the limits of this short paper no attempt will be made to discuss all the urban goals that one might reasonably defend. Further, because other papers are being prepared on this same subject, the decision was made to try to make this effort more complementary to the others and avoid unnecesary duplication between papers, even at the sacrifice of balance in this piece.

Assuming that the other papers will discuss goals more as positions to be gained, states to be attained, product ends, we turn here to consider the rational pursuit of these goals. In sketching a program for the intelligent and systematic efforts to build great cities, the emphasis is shifted from seeing goals as *products* to having as our goal a rational *process* of planning, managing, and reviewing the continuous evolution of the city.

Specifically, the central thesis below is that we must have a much deeper understanding of the nature of cities and the urban growth process than we now possess, if we propose to guide the development of our "nation of cities." Only by a much deeper appreciation of urban phenomena than that on, which current policy rests can we rationally set policy priorities, considering both the cost and benefit sides. The full "costs" of bending some natural urban growth path into a more desired form can be estimated only from a position of considerable sophistication across many and diverse fields of knowledge. Witness our urban renewal and transportation failures. A danger even greater, perhaps, than the risk that we will forget to add in some of the more subtle costs of a proposed policy or program (goal) is that a superficial understanding will cause us to miss picking up or counting in even greater values on the even more subtle benefit side, leading to even greater social losses through timid inaction.

The many rich, interdisciplinary insights to be gained will act, in effect, to write the job specifications for a whole new breed of local public managers. A new professionalism in urban government must arise, one fully commensurate with the rapidly growing size and complexity of our cities. Our largest cities have become not only bigger than our largest business corporations but also more complex and subtle. Our manpower policies do not reflect this development.

Many of our urban "problems" originate in a managerial and entrepreneurial gap between the public and private economies in a time of both intense competition and intimate complementarity between public and private goods (e.g., buses and cars). Not only do our cities need managers capable of articulating the public with the private economy, but ones who in this age of rapid change are alert and flexible enough to keep up with changing tastes and technology. The local public

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sector, like the private sector, can progress rapidly, moreover, only by going beyond quick and easy adaption to change into the very business of generating change itself. Social invention and innovation is at issue; the need is for public entrepreneurship of a high order.

The "goals" discussion below is posed in a framework of learning in depth, confronting critical issues, managing with skill, and daring to be innovative in our cities, and especially in government.

THE KNOWLEDGE TO FORMULATE REALISTIC GOALS

We simply do not understand in depth the nature of the city or the process of urbanization. Until recently scholarly study of the city was almost wholly a sometime pursuit of sociologists and the planning of better cities was a near monopoly of landscape architects and civil engineers ("physical planning"). A decade of rapidly widening interest in cities has now reached out to involve political scientists, economists, psychologists, geographers and the representatives of many other disciplines. Still, our growing efforts barely offset the rapidly increasing size and complexity of cities. We have, however, come far enough to appreciate what we do not know and very few students of urban affairs would subscribe to the implicit assumption of a decade ago that if only we had the power and money to act (e.g. metropolitan-area-wide government and Federal grants) we would know what to do and how to do it. The current state of our urban transportation and urban renewal programs should force some degree of intellectual humility.

Because urban transportation problems will be considered below in a different context and urban renewal programs will probably be covered in other papers, the critical role of knowledge will be illustrated by reference to urban land-use planning and urban design. Recently some civic-minded citizens of Dayton gathered to hear a succession of very able and articulate urban planner-designers unfold attractive plans for injecting exciting urbanity into downtown Dayton, Ohio, much in the fashion of the celebrated plazas of Europe. But many of the models held up for view were those drawn from national capitals or regional metropolises and were creations of an earlier day characterized by very great income inequality—and *noblesse oblige*. None of these advocates of urbanity was prepared or inclined to discuss the appropriateness of these plans to a midwestern manufacturing city.

None of these planners seemed mindful that Dayton, as a center of durable goods production, generates a relatively high, equally distributed income. Large nationwide manufacturing firms dominate the local economy and, combined with powerful unions, create the economic power to turn high prices into high profits and high wages. Further, this local economy exhibits a relatively narrow range of medium-high, blue-collar skills, and local earnings compressed by the egalitarianism of unions. All in all, local oligopolies and unions have produced a community populated predominately by upper middle-income class persons, and one relatively lacking in both the very rich and the very poor. The industry-mix of Dayton tends, then, to generate a distribution of income which creates the clear image of single-family dwellings with big back yards and two cars in the driveway, not at all consistent with or supportive of the "vital, exciting, urbane downtown" that these urban planner-designers had in mind for Dayton.

Early returns from the statistical analyses of our 200-odd metropolitan areas strongly associate durable goods industries with not only a relatively high, equal distribution of income, but also with a relatively low level of formal education (e.g., "median years of school completed by persons 25 years old and over"). Whether the high wage rate in durable goods industries reflects the parlay of strong union-big business price power or a greater trade school and/or on-the-job training found in this work is less at issue here than the high probability that it is primarily the formal education of a person which inclines him toward theaters, art museums, and similar centers of urbanity. Dayton's above-average level of income coupled to a below-average level of formal education evokes stronger images of outdoor recreation and hence an outward rather than an inward pull.

Further, all of this is strongly reinforced by the evolving locational pattern of manufacturing. The urbane observer who is waiting for these skilled workers to tire of the ever longer, expensive, and more burdensome journey to work and to move back near their jobs may have a long wait because their jobs are moving out near them. Thus the journey to work for the worker in the suburban manufacturing plant is not only tolerable but often (usually?) shorter in time if not distance than it would be if he lived in the core area.

Conversely, one can be much more sanguine about the conventional downtown redevelopment plans in commercial, financial, or governmental centers. Nonmanufacturing areas, with greater ranges of skill and with lesser unionization exhibit much greater inequality in the distribution of income. The high-income (highly educated) households are financially able to live well in the core and are attracted by easy access to theaters, museums, and gourmet restaurants, and attain the critical mass necessary to make these attractions profitable. The low-income service workers are kept massed near in by their dependence on the better mass transit and the large supply of very old (cheap) housing characteristic of central cities and especially their core areas. Further, the work places are office buildings which need and can afford downtown sites, so that the location of the work place again reinforces the income pattern.

The point to be made is a simple one. Urban plans and, by implication, goals are often drawn up in splendid isolation of the context in which they are to be implemented. Urban design literature is rightly critical of our contemporary cities but the new forms proposed seem to be all of one mold or, at best, modest variations on a few themes, seemingly unaware of or insensitive to the very different character of the economic and social bases on which the proposed new form must be built. The old adage of architecture, "form follows function," applies to whole cities as well as single buildings. But as of this writing few, if any, urban planner-designers have established rapport with urban economists (not that the latter exist in significant measure).

None of this argues that the "Daytons" of America are destined ("doomed?") to retain their current form forever. All urban areas—the whole U.S economy—are gradually shifting from manufacturing toward the high services, now that the structural shift from agriculture to manufacturing has about run its course. Whether almost all urban areas will in, say, the year 2000 be dominated by the high services—education, health, government, especially—and be highly nucle-

ated and mass-transit-oriented is beyond the context and perspective of this paper. In any event, Birmingham will arrive at this stage behind Atlanta and Detroit will trail Chicago.

None of this argues that the spread city is "good" or even "alright" or that some urban planner-elitist does not have a much better design to offer than the current economic base would naturally produce. Surely, we must leave room for new forms to compete, threaten, and sometimes kill off the old ones. But given the fact that the free private sector still dominates our economy and the public sector is subject, ultimately, to democratic checks, the critic of current practice must sell his proposed change. This he cannot do without a deeper appreciation of the subtleties of his product—the city—and patience. The current growth in attendance at our art museums and concert halls is not a random harvest; it was patiently cultivated by countless art and music teachers over the years. When and where have we taught architectural appreciation and civic minded (not just "civics") to the next generation to pave the way to great cities?

Moreover, as we come to know better the relationship between the local economic base and the land-use pattern it precipitates, we will be able to move much more surely in our transportation planning. If specialization in commercial, financial, and/or governmental activities does, then, lead to more core-oriented urban areas, we should expect to support more elaborate mass transit operations in those places. Conversely, the "spread cities" spawned by the much more dispersed manufacturing plants and their auto-owning, outdoor-recreation-oriented workers would seem to offer formidable if not insurmountable obstacles to achieving the heavy trunkline operations necessary to justify mass transit. In light of this hypothesis, one notes with more than passing interest that the most highly developed systems of mass transit are found in New York, London, and Paris and the most recent adoptions have been in Toronto, Montreal, and San Francisco, all notable commercial, financial, and governmental centers.

Finally, if different mixes of industry do indeed create different kinds of cities, we should welcome and exploit the advantages of variety and choice. The Federal Government should tailor its programs so as to accentuate these differences by giving Los Angeles more than its share of the Federal highway money and less than its share of the mass transit aid, and reverse this practice in San Francisco. Let Los Angeles be more the spread city and San Francisco more the tight, core-oriented form. Not only will the mobile householder be offered greater choice and the opportunity to satisfy his distinctive tastes, but from a longer range viewpoint, this variation serves as an invaluable experiment, testing the long-run viability of alternative urban forms.

Much that we do not now know about cities will not come easily if at all through deductive analysis or statistical inference drawn from existing data. The social science of the city will surely need to incorporate experimental methods to a much greater degree than economists, sociologists, and political scientists now practice. Because the benefits from experimentation accrue to all cities we should not expect individual cities to pay the full costs of these experiments. Not only would this practice be inequitable but also highly inefficient, that is, we would get—are getting—far too little of this much needed social invention and innovation.

The Federal Government's role here is very clear and pressing. We may differ on the degree of obligation of the Federal Government to rebuild, all across the country, central business districts in conventional forms, but the case for Federal financial support of bold (expensive) experiments in new urban forms (e.g., new towns, "new towns-in-town") is very persuasive. It is hard to think of any urban goal superior to that of gaining deeper insights into the most complex creation of man—the great city. Surely, all other urban goals must derive from this central one. And Federal Government could be most instrumental in this pursuit.

THE MATURITY TO CONFRONT CONFLICTING GOALS

Even when we do come to see clearly the form and growth processes of cities, we seem to lack the courage and maturity to face up to the hard trade-offs required. On the great issue of political fragmentation it is not so much new knowledge as it is moral and intellectual integrity which is at issue. Casual observation is enough to establish the preferences of the typical citizen-voter of our large metropolitan areas, and casual reflection is enough to establish their incompatibility.

One, we endorse an efficient and dynamic but harsh economic system which generates a substantial degree of income inequality, but one appreciably softened by the redistribution of income and opportunity through the public sector, Federal, State and local. A very significant part of that redistribution is effected through minimum public service standards at the local level.

Two, we prefer residential segregation by socioeconomic class, with income (house values) serving as a simple device for arranging culturally homogeneous neighborhoods.

Three, we prefer small local government ("political fragmentation"), partly as a device for protecting and extending the desired residential homogeneity but more to ensure personal political participation, highly responsive local government and economy in government.

One needs to reflect on these three goals only a few moments to realize that they are not fully compatible. The citizen-voter can have only two of the three in full measure, and must trade off significant amounts of one he holds to gain some minimal quantity of the third. We can choose to live clustered with others of like income but if we then proceed to draw and defend political boundaries between these clusters, we divorce tax base and public service needs and undermine the minimum public service standards critical to income redistribution and to equality of opportunity. Again, we could hold tightly to current residential patterns that segregate households by income but still avoid default on our social responsibilities if we were willing to consolidate local financing and at least some public services at the metropolitan area level. Such action would, of course, sacrifice the objective of small government with local fiscal autonomy. Or we could accept, at the local level, the responsibility to arrange transfers between households of different incomes and retain a vital and viable small local government by rearranging land-use patterns so that each political fragment of the metropolitan area encompassed a nearly full cross section of the population. But mixing populations across

income levels, and perforce across ethnic and racial lines is also stoutly resisted.

To decide which of these various paths is the right one is not the purpose of this discussion. The point to be made is simply that no one is willing or forced to assume the responsibility for clarifying the issues, sharpening the public debate and forcing a public decision. Politicians, newsmen and community leaders have not seemed able to pose this great trade-off clearly and incisively and/or to hold the attention of a public that does not want to stand up and be counted. Which would you sacrifice: poverty programs? small local government? or segregated communities? Decisions cannot be evaded for long; we move inexorably toward implicit decisions and unplanned goals.

For example, our current practice is to try to hold fast to "nice neighborhoods" and "grassroots democracy" and fiscal autonomy and then to find minimum public service levels slipping away in the poorer municipalities. Reluctantly we transfer financial responsibility for the poor to higher levels of government, first to the State as in the shared State income or sales tax for education and then to the Federal Government, as in the poverty program. As more and more strings become attached to these grants-in-aid of local programs designed to equalize opportunity, local government becomes more nominal in respect to the more significant functions and political participation more illusory. All that is truly left untouched is the "nice neighborhood," the latest version of "Fortress America." [1]

Just as we cannot expect to formulate realistic goals from a base of misinformation or shallow understanding, so too we cannot expect to make intelligent public decisions on hard trade-offs without rigorous frameworks and good data.

How large would local governments have to be in our politically fragmented large metropolitan areas to mix income classes, given our current housing practices? Some preliminary study of the Detroit metropolitan area indicates that little averaging out of the rich and poor occurs short of the county level, but most of the interarea variation in income is removed at the county level. But this conclusion does not apply to many other large metropolitan areas, where substantial inequality transcends the county level.

How fast is political participation lost with the enlarged scale of local government? How does one, moreover, balance the loss of close control over a relatively impotent, small local government whose jurisdiction is inadequate to deal effectively with the problem (e.g., air or water pollution) against less control over a larger and more competent consolidated government?

On what scale does one translate differentials in educational services into corresponding degrees of equality (inequality) of opportunity? Is the concept of minimum public service standards consistent with the concept of equality of opportunity when even outright equal services would leave the slum child still disad-

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[1] Wilbur R. Thompson, "Toward an Urban Economics," *Urban Research and Policy Planning*, Leo F. Schnore and Henry Fagin, editors (Beverly Hills, Calif.: Sage Publications, Inc., 1967), pp. 152–153.

vantaged? How do we make rational evaluation and implementation of "reverse discrimination"? [2]

Clearly, we just do not know enough about the functional and spatial organization of urban life to make good urban policy or set up viable urban programs.

THE SKILL TO PURSUE PLURALISTIC GOALS

Great variety and choice—"pluralism"—is a prime goal of nearly every commentator on urban affairs. The search for variety prompted, in important measure, the rural to urban migration and wide choice is seen as the saving grace of bigness by the sharpest critics of the metropolis. Still, a very strong case can be made that we tolerate a remarkably narrow range of choice in our big cities; we accept far less variety than we could have. We have lapsed into a state of tyranny by the majority, only partly due to our ignorance of urban processes, and at least equally due to inertia.

Urban access and traffic "problems" are, for example, misunderstood manifestations of managerial ineptitude and provide a good example of how a lack of knowledge and skill can lead to unnecessarily restricted choice and frustration. A generally rising per capita income has led to mass automobile ownership and the decline of mass transit. Underpricing the use of the automobile in the city, especially on the main arterials at peak hours, has lead, quite predictably, to an extraordinarily large demand for this most critical street space and a "shortage" of such space, at the customary zero price. If the conventional private market mechanism had applied here, the shortage of street space at peak hours ("congestion") would have been temporarily relieved (rationalized) by a short-run rationing price which would have diverted some motorists to other hours of movement, some to other modes of transportation, and some to other activities.

The shortage of street space at peak hours would have been permanently "corrected" as the gap between the rationing price and the cost of new facilities served to signal both the need for and, roughly, the amount of new capacity that would be demanded at self-liquidating prices—as well as provide the funds to finance it. In the long run, motorists would have been free to choose, in rough measure, the amount of street space they wanted and were willing to pay for. In the private sector of our economy, free choice carries with it full (financial) responsibility for that choice.

The issue here is not whether users of core area street space at peak hours should or should not be required to pay their own way in full. The point is, rather, that by not forcing a direct *quid pro quo* in money, we implicitly substitute another "currency"—time. The peak-hour motorist does pay in full, through congestion and time delay—does pay in money and/or time. But this is another case of the seemingly unending cases of implicit choice that plague our urban areas and masquerade as "problems." Certainly, we would feel more confident that there is no real problem here if we could be sure that urban motorists do indeed prefer the present combination of "underinvest-

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[2] *Ibid.*, p. 153.

ment" in highway, bridge and parking facilities, with a compensatory investment of time in slow movement over these crowded facilities.

Perhaps if we were to carefully price out the urban movement system, apprise the motorist of our findings, and estimate the additional investment required to speed movement by a given percent—that is, how many more dollars would have to be paid in to free a given number of hours spent commuting—the motorist-voter would still choose the current allocation, implying thereby that there is no critical problem here. (Assuming, of course, that few would argue that nonmotorists should subsidize motorists.) And then again, better information might significantly alter our transportation goals.

Even under the unlikely event that the *majority* of motorists are satisfied with the present state of "congestion," all costs considered, money and time, a *substantial minority* of motorists do prefer a very different combination of money and time cost. The more affluent, long-distance commuter could well see the current level of traffic congestion as a real problem and much prefer to pay more for faster movement—spend money to save time. If economies of scale are so substantial that only one motorway to town can be supported or if some naturally scarce factor (e.g. bridge sites) prevents parallel transportation facilities, then the interests (preferences) of the minority must be sacrificed to the majority interest (preference)—and we have a "problem."

But in almost every large urban area we see a number of near-parallel routes to town, and often there is a minority large enough to justify significant differentiation of one or more of these streets from the others. The simple act of imposing a toll, at peak hours, on one of these routes would reduce its use, assuming that nearby routes are still available without user charges, thereby speeding movement of the motorists who remain and pay. The toll could be raised only to the point where some combination of moderately rapid movement and high physical output were both accomplished, to meet thereby the objections that might be raised if the public transportation authority were to crassly gratify the desire of a few very wealthy motorists for very rapid movement, overloading the "free" routes. It is highly probable that a newly converted, rapid-flow, toll route could handle as many vehicles as it did previously as a congested street, and not therefore spin off any extra load on the free routes. This would be equivalent to rationing the flow of vehicles onto an expressway with "do not enter" signals to achieve smoother flow and larger output, with price now serving as the rationing mechanism, rather than chance appearance at the entrance or time rationing as occurs when motorists queue up behind the sign.

Our cities cater, at best, to the incomes and taste patterns of the middle income class, as well they should, but not so exclusively. This group has chosen, implicitly through clumsy and insensitive tax-and-expenditure decisions—ambiguous political processes—to move about town flexibly and cheaply, but slowly, in private vehicles. Many times, and almost invariably in the larger urban areas, we would not have to encroach much on this choice to accommodate also those who would prefer to spend money, rather than time, in urban movement. In general, we should permit urban residents to pay in their most available "currency".

We need not be confined to the dramatic urban traffic case to illustrate the contribution that a more sophisticated price policy might make to expanding choice. There is a very considerable difference of opinion as to the gravity of the water pollution problem near large urban areas. From a technical vantage point this is quite understandable. The minimum level of dissolved oxygen in the water that is needed to meet the standards of different users differs greatly, as does the cost that must be incurred to bring the dissolved oxygen levels up to higher standards. A boater can accept a relatively low level of "cleanliness" acquired at relatively little cost; swimmers have higher standards attained only at much higher cost; fish and fishermen thrive on very high levels of dissolved oxygen acquired only at very high costs. Finally, one can imagine an elderly convalescent or an impoverished slum dweller or a congenital landlubber not at all interested in the nearby river. What constitutes "clean"?

A majority rule decision financed out of general taxation is sure to create a "problem." If the pollution program is a compromise—a halfway measure—the fisherman will be disappointed because the river is still not clean enough for his purposes and the landlubbers will be disgruntled because the program is for "special interests" and these funds could be better used elsewhere. Surely, we can assemble the managerial skills in the local public sector needed to devise and administer a structure of user charges that would extend choice, consistent with financial responsibility, with lower charges for boat licenses and higher charges for fishing licenses.

One of the most fundamental errors we have made in the development of our large cities is that we have too often imposed on the more affluent residents burdens which are highly irritating and serve no great social objective, then turned right around and permitted this same group to avoid responsibilities which have the most critical and pervasive social ramifications. It is a travesty and a social tragedy that we have prevented the rich from buying their way out of annoying traffic congestion—or at least not helped those who value time more than money arrange such an accommodation. But we have permitted them, through political fragmentation and flight to tax havens, to evade their financial and leadership responsibilities for the poor of the central cities. That easily struck goal, "pluralism and choice," will require much more managerial sophistication in the local public sector than we have shown to date.

The Even Greater Skill Needed To Manage Without Clear Signals

Obviously all problems arising out of differences in tastes and values cannot be resolved simply by introducing user charges and simulating the rationality of the private marketplace, as was suggested by the traffic congestion and water pollution cases above.

None of this denies that pricing urban public services would be very difficult and in many cases impossible. Economists have, in fact, erected a very elegant rationalization of the public economy almost wholly on the base of the nonmarket ability of public goods and services. The public economy is, for example, assigned the provision of those goods which are so indivisible that they

must be collectively consumed (e.g., justice, public safety) and since individual benefits cannot be determined, nor can voluntary payment be relied on when exclusion from consumption is impracticable, compulsory payment (taxation) becomes mandatory and government responsibility is indicated. Again, because some goods are considered to be especially meritorious, we may elect to subsidize them to increase consumption of them (e.g., education, museums), and subsidies are often handled most easily through direct government provision of the service.

Where in the case of "merit goods" the majority induce ("coerce" through price) the minority to change their *personal* spending habits to a more *socially* beneficial (acceptable?) one, we can distinguish a separate rationale for public enterprise in the provision of those public services designed expressly for the poor. *Market prices* are clearly inappropriate for any public service that is designed to redistribute income in kind (e.g., social casework, unemployment counseling). In sum, the private market may not be able to process certain goods and services (pure "public goods"), or it may give the "wrong" prices ("merit goods"), or we simply do not want the consumer to pay (income-redistributive services).[3]

How then do we proceed to specify, operationally, goals which depend heavily on the provision of justice, public safety, education and welfare—crime control, for example? To say that we place the goal of personal safety and the reduction of crime in our cities high in our list of priorities is only a modest step at best. More specifically, what reallocation of funds among and within the relevant departments and agencies of local government is proposed? Great difference of opinion exists as to the relative effectiveness of judges, police, teachers, and social caseworkers in dealing with crime and juvenile delinquency. Is the "problem" one of too many policemen and too few caseworkers, or the reverse?

With, however, some extra effort and ingenuity, we should be able to get some reasonably accurate sense of the relevant local government "production functions." By how much does another policeman on the beat reduce crime? Another social caseworker? Another study or demonstration grant that alters current practice? With more certain knowledge of the payoffs from various strategies of crime control, we would expect some convergence of opinion on the most appropriate local public policies and programs that are most dependent on the nonmarketable public goods and services. Consensus becomes easier to attain and more meaningful.

To give real substance to those urban goals which relate primarily to the more classic functions of the public economy will require the highest order of public management. While considerable managerial sophistication is called for in the application of user charges, even more sophistication is required to be rational in those activities for which these invaluable signals are lacking. (The lack of price signals is, perhaps, the key obstacle to efficient government.)

None of the above should, however, seriously undermine the case argued above for the application of user charges where practicable, nor

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[3] Wilbur R. Thompson, "Toward a Framework for Urban Public Management," *Planning for a Nation of Cities,* Sam B. Warner, Jr., editor (Cambridge, Mass.: The MIT Press, 1966), p. 232.

should one infer that the likely extent of its applicability is probably trivial. The trend in government is clearly toward more and more semi-proprietary functions. With great city size has come governmental responsibilities well outside of the classic functions, such as justice, education, and welfare. Local government not only has a growing role in transportation and pollution control but is increasingly in the "business" of running golf courses, campgrounds, marinas, and other activities for which a *quid pro quo* would be quite appropriate.

To conclude on a moderately optimistic note, we might reflect on the likelihood that not only will deeper professional insights into urban life tend to narrow differences in opinion as to the most effective strategies and programs, but rising levels of mass education should bring some appreciable convergence in personal values. Better graduate programs in public administration coupled to near-universal college education could, in time, reduce the "problems" which arise in the process of selecting those local public services most likely to achieve our urban goals.

THE IMAGINATION TO PROGRESS BEYOND HARD CHOICES

The contribution that a more sophisticated and skillful local public management would make to building better cities is not confined to rationalizing choice within conventional technical, social, or governmental frameworks. Optimizing in a static framework is not enough. In the short run, we aspire to choose rationally between A and B; in the long run, we expect to have more of both A and B. If the quality of our local public management is to measure up to the high standards set by our private entrepreneurs, we expect, in time, to turn goals which are now substitutes and pose hard choices into complements which reinforce each other.

Reasonable effort and imagination could, for example, show us the way to rearrange residential patterns in our larger metropolitan areas so that the various socioeconomic groups will not feel threatened by proximity. If we could but mix income (and occupational) groups at moderately fine grain (for example, within high school districts, at the least, and preferably even within grade-school districts), we would soften, if not solve, at one blow a number of our most vexing problems. With virtually all kinds and classes of housing everywhere available, no one would need to commute great distances no matter where his workplace might be, reducing traffic congestion; with a balanced mix of income groups throughout the whole area, political fragmentation would be much less inimical to minimum public service standards; schools everywhere would benefit from more equal fiscal resources; neighborhood environments—informal education—would be diversified and stimulating within but equal between communities, further contributing to that most basic national goal: equality of opportunity.

We will come to expect, even demand, more than good management; we will expect imaginative entrepreneurship in the public sector no less than that we have become accustomed to in the private sector. What is our political strategy and proposed reorganization of government so that we may realistically pose vigorous social invention and innovation as a key goal? How, that is, do we propose to promote public entrepreneurship in a political context—a context which tends

to reward the cautious and circumspect man and to penalize the courageous and innovative one?

A Personal Note

This writer has had the occasion to serve as a lecturer and resource person in a number of urban policy conferences organized by the Brookings Institution. Some of these assembled diverse elements in the "community power structure," and others were pitched to relatively homogeneous groups, as in our 3-day regional conferences for the International City Managers Association. I have been struck by how little I have to offer these groups in the way of viable public policy, not to mention operational programs. Students of the city are not really able to tell public officials their business, or even make significant contributions in many cases. To reiterate, we have a lot to learn.

Still, the value of these meetings, the exchange of viewpoint between scholar and practitioner, is extremely valuable to both, even if the big payoffs are a few years away. It is, moreover, my considered opinion that there are few if any schools of local public administration in the country that do not need drastic curriculum revision. Very little of the burden of this paper finds any substantial expression in our current graduate programs in local public administration.

Finally, implicit if not sufficiently explicit throughout this paper is the belief that our media of mass communication have not risen to the challenge of articulating the urban issues of the day. Rambling narratives on urban problems, cursory surveys of the extent of welfare cheating, and photographs in full color of architectural triumphs do not suffice to sharpen the critical issues for incisive public debate and explicit democratic decisionmaking. One bright note here is a current program, financed by the Ford Foundation, under which "urban journalists" are gathered at the Medill School of Journalism of Northwestern University, to study urban affairs for periods of up to 3 months. But by and large newspapers and television have not stimulated really meaningful public consideration of urban problems or urban goals. There will be a lot of bond issue referendums defeated on the way to "Great Cities."

Part III

RULES OF THE GAME: PUBLIC SECTOR

Are the rules of the game, developed in an earlier and less urban age, adequate to the organization of public services—whether supplied by government or private agencies—in the present urban environment? Is much of what are called urban problems simply the result of urban growth, or do they result from the fact that the governmental organization of our metropolitan areas has been frozen into a legal and institutional mold, ill-adapted to current requirements? Is the optimum size of the governing area for purposes of taxation, for example, identical with that which is optimum for providing first-class educational services, or transportation services, or recreational services, etc.? Is the problem of local organization and policy execution in our urban areas one of inadequate innovation in governmental institutions and practices, or one of inadequate technical innovation?

THE INSTITUTIONAL SETTING OF URBAN AFFAIRS

BY FREDERICK GUTHEIM*

THE FRESH START

The Joint Economic Committee, in establishing a Subcommittee on Urban Affairs, has opened a new line of action toward the solution of urban problems. In the eyes of Congress, not only has the economic aspect of urbanization heretofore been largely ignored, but the unifying and synthesizing contribution of economics toward this complex and many-sided modern problem has been lacking. The new urgency of urban problems has now also caused a fresh appreciation of the degree to which if not fundamentally economic in character these are at least most susceptible to attack with economic weapons. The provision of jobs, the location of jobs, transportation to jobs, incentives for manpower development—these are some aspects of the basic question of employment in the general setting of urban affairs. The conservation and proper use of the existing stocks of housing, the production at much lower costs of new housing, and the development of whole new communities, towns and cities are basic urban needs. The fiscal problems of the cities, while certainly affected by constitutional and political factors, is another basically economic question that must be solved before cities can reasonably be expected to move ahead.[1] We must find ways in which cities can grow and expand in healthy fashion, not destroy themselves.[2]

Disorganized and exhausted local government bureaucracies are today in no position to tackle such fundamental questions. Their response to recent attempts at innovative programs has been weak. The challenge of urban transportation, the model cities program, even the beautification program, has been disappointing. Most important, cities are prisoners of their own competitive and class situation. They cannot be expected to answer larger questions of national urban policy. The United States ought to debate seriously the mindless present course of urbanization; to ask whether future growth should be concentrated in dinosaur cities in large metropolitan centers; to weigh carefully the advantages of new towns and even whole new cities; and to relate its decisions to the traditional and today largely irrelevant apparatus of piecemeal urban programs and the perhaps still more powerful array of taxes, regulatory powers, and other indirect influences on urbanization.

Fortunately at this juncture economics is in a strong position to respond to such relatively new questions. New analytical techniques have been created and tested in such fields as economic development

planning which appear suitable for use in attacking the problems of cities. Regional science, social accounts, operations research, systems analysis—such modern tools, allied with electronic data processing, offer the prospect that the fog of uncertainty that has surrounded urban problems may soon be lifted, and the merits of alternative solutions to such problems receive more objective evaluation before they are submitted to the process of political decision.

Perhaps the greatest benefit that will result from a fresh approach to urban affairs is to raise the national interest in them. Nearly the whole of past urban programs has managed to avoid this question by assuming that cities know what they want, and it is just a matter of providing the resources. Today it should be abundantly clear cities do not know what they want, and if they did know it would not necessarily be the right thing. That is not to say Washington knows either or should ever decide. But it can reasonably be claimed that Washington is in a better position than anyone else to start help finding the answers.

The other handicap from the past is the fragmented nature of both urban problems and public consideration of them. This has obstructed both understanding and action. It has particularly obscured the whole question of what to do first and how to concentrate effort. These tendencies toward fragmentation have been reinforced by a politics which rewards limited objectives and the concentrated efforts of small groups with particular objectives. This particularism has been inhibiting both to Congress and to the administration of urban programs. But now that a Department of Housing and Urban Development has been created, and problems of urbanism are receiving close attention in such Departments as Transportation, Interior, and even Agriculture, and Congress is moving toward a more unified consideration of urban affairs—as evidenced by the organization of the subcommittee—there is reason to hope the necessary conditions have at last been provided for a fresh start.

METROPOLITAN REGIONS

The concentration of national population in a small number of very large metropolitan areas seems the most important fact about modern urbanization. Today's urban population of 70 percent of the national total (1960 census population in 224 SMSA's) is expected to increase to 83 percent by the end of this century. By 2000 at least 281 million of a total national population of 338 million are expected to be living in urban areas. Given the definition employed, urban influence will actually envelop a far larger number of people, including most farmers, only some 2 million of whom are needed to work the land.[3] But in addition to the urban concentration, population will be further structured in some 22 metropolitan regions of interurban character. Ten of these will have populations in excess of 5 million each—a total of 107 million, or one-third of the Nation.[4]

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[3] Nelson Rockefeller Task Force Report on Agriculture, 1960.
[4] The Hudson Institute predicts that by the year 2000, half the American population will live in three huge supercities: "Boswash" (Boston to Washington), "Chipitts" (Chicago to Pittsburgh), and "Sansan" (San Diego to San Francisco).

STRUCTURING METROPOLITAN GOVERNMENT

To provide government services on a metropolitan areawide basis, a number of innovations have been attempted. Where cities can expand into open country, it may be possible to annex territory or enlarge boundaries. Cities which adjoin, or cities and counties, may consolidate to form a unit of government which more nearly embraces the entire metropolis. Such consolidation may be complete, or it may embrace only certain governmental functions, leaving the participating units of government joined in some federated relationship. Adjoining or neighboring cities may agree to exchange or share governmental services. More comprehensive associations of several or all units of government in a metropolitan area may be created. Such associations or councils of government may also assume responsibility for planning, research, development or the promotion of intergovernmental relations within the metropolis. To conduct special services such as mass transportation, airport management, water supply or sewage disposal, metropolitan districts or authorities may be created by the locality. Such functions may also be performed for the metropolis by a State agency. In addition to such changes, local government can be strengthened in its capability to deal with metropolitan problems by State grants of charters with home-rule powers, by the organization of urban counties, or by such structural changes as will increase governmental efficiency, although these are often as likely to work against metropolitan integration unless accompanied by strong efforts toward metropolitan government in which local units can participate.

This recital of possible courses of action must also recognize that the record of response in thus restructuring government in metropolitan areas has been exceedingly dim. The case for such action has frequently been put in abstract terms. The spur of necessity has been too often lacking. But now it would appear that metropolitan growth and its problems have arrived on our doorstep and organizing to attend to them cannot much longer be deferred. The problems themselves will also help shape the nature of governmental changes, and the most important problems, of course, have to do with people.

AN OUTLINE APPROACH TO METROPOLITAN GOVERNMENT

1. *The contemporary problems of all great cities are metropolitan in scale and scope.*—They comprise one demographic field, one labor market, one economy. These problems cannot be dealt with effectively by single fragments of the metropolitan city or by weak coordinating mechanisms.

2. *The forms of government required by the metropolis must be related to the distinctive work city governments must undertake.*—For the most part these are new functions. (Cities must also recognize in whatever forms of organization are attempted other large continuing problems, of which the most important is municipal manpower.)

3. *The modern metropolis must comprise.*—

    A. A single educational system from preschool through a 4-year college.

B. Metropolitan health services, mental health.

C. A single housing market.

D. A single job market, with related manpower training facilities.

E. A single transportation system, including all modes of travel.

F. The resources with which to develop new urban technologies to deal with solid-waste disposal and similar problems.

G. Competence in dealing with the large resource framework problems of the surrounding natural environment, including recreation and amenity, but also problems of water supply and environmental pollution (air and water).

H. A sufficient scale of operations to support modern research activities, manpower training and development, introduction of modern management techniques including data processing.

I. Significant ability to coordinate its programs with those of related units of government to utilize fully State and Federal assistance, and to negotiate effectively.

4. *The metropolitan area must clearly express and work toward modern goals.*—

A. Equal opportunity for jobs and housing and an end to discrimination and segregation. This would include authority to build new towns.

B. Equal opportunity for education in an integrated situation, together with remedial and supplementary education as required to overcome family and environmental handicaps.

C. A high standard of urban social and physical environment to realize the benefits in physical and mental health, well-being, and amenity.

D. Programing and planning for clearly stated purposes, including the employment of qualified professionals and the use of critical path, systems analysis, and other contemporary techniques.

5. *Principles to be recognized in organizing for metropolitan development.*—

A. Concentration of responsibility on a small number of elected officials.

B. Development of professionalism in municipal management and delegation of many functions now handled by elected officials to civil servants—including zoning, zoning appeals, etc.

C. Development of small units of face-to-face government activity in units of approximately 200,000 population or less, giving citizens opportunities for decisionmaking in many matters affecting their local communities, access to information and appeals without recourse to city hall, better relations with code enforcement and service agencies of the city. More participation.

D. Major effort to secure unified, coordinated treatment of government problems as opposed to single-shot specialized fragmentary treatment; and to enlist research, training, and other techniques in local government development.

Motivations Toward Metropolitan Government

Metropolitan regions are poorly organized either to understand or cope with their problems. Such attention as this has received has been focussed rather abstractly on the need for governmental organization.[5] Efforts to advance along these lines have been almost universally frustrated, however, and it may be suggested that metropolitan government itself will depend upon some larger understanding of metropolitan needs, as well as noting that the needs themselves go considerably beyond what government can or is likely to do. Few metropolitan regions, for example, contain a great university that has accepted any significant measure of commitment to the solution of its urban problems. Few metropolitan regions enjoy—much less give support to—a sustained research program in metropolitan problems.[6]

Little in the way of enthusiastic response having greeted efforts to create governmental institutions in metropolitan areas, lesser objectives might be explored. One of the most promising of these was the proposal for "urban observatories" offered by Prof. Robert C. Wood. This has more recently been endorsed and elaborated by Prof. Harold D. Lasswell, who has coupled with it a powerful educational concept, the social planetarium. A third step would be the development on this base of the feedback of popular expression and attitudes on urban issues that has been projected by Serge Boutourline and David Bird, and applied in limited efforts in Boston and San Francisco. In his recent testimony before the Senate Government Operations Committee's Subcommittee on Government Research, Laswell has linked his proposal to the fundamental need of democracies to achieve effective concensus on their goals and strategies to which citizens can then commit themselves. In the absence of such activity Laswell discerns the cause of both the apathy and noninvolvement in public issues which he believes to be characteristic of our times, and important aspects of mental health and human behavior.[7]

Neither metropolitan government nor metropolitan planning can claim either success or enthusiastic supporters because they do not seem related to the pressing problems of the metropolis today, much less to the tasks of building the future regional city. During ceremonies to mark the 50th anniversary of the American Institute of Planners these deficiencies were summed up: "The good old hard techniques of zoning, building regulation, subdivision control and capital budgeting are insufficient to cope with pressing urban problems. They have little bearing on economic growth, civil rights, education, poverty, ugliness, air and water pollution and traffic congestion. They do not relate sufficiently to the great potentials of our cities as dynamic centers of art, culture, science and education."[8] In addition to planning for

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[5] The Advisory Commission on Intergovernmental Relations has exhaustively investigated this dismal record of efforts to reform metropolitan governmental arrangements, and speculated inconclusively on its causes. Martin, *op. cit.*

[6] Mayor d'Alessandro of Baltimore has projected creation of such a center. Mayor Lindsay has enlisted six universities to provide advice on urban problems. *New York Times,* cf. James M. Hester. "University Research and the City," New York University, 1967 Ms.

[7] This also forms an important concern of Scott Greer, *The Emerging City,* the Free Press, New York, 1962.

[8] Bertram M. Gross, professor of economics, Syracuse University, as reported in the *New York Times,* August 17, 1967.

people, planners have increasingly been told they must plan with people. Most recently those who see the possibility of "inventing the future metropolis" have called for the city to take its form from the joint efforts of designers and the people who use the city.[9] There is very little disagreement about these propositions. The question is just how to translate them into practice. One detailed account of an effort to do that in a major American city has recently been given by Edmund N. Bacon of Philadelphia but this account of design and popular feedback is some distance from wide acceptance.[10]

TRENDS IN FEDERAL AID TO CITIES

The Federal Government has been picking up the bill for the growing costs of large city government. Many of these costs are contradictory. Others duplicate each other. Some even relate to competition among cities. Often they are costs associated with propping up some obsolete structure of government. Like many subsidies, they have perpetuated obsolescence postponed reform. Most important, Federal aid has not gone toward furthering some constructive plan for the future metropolis in which new urban potentialities and ideas will be fulfilled. Most of it is spent marking time in the same place.

A decade of Federal aid for metropolitan planning shows increasing insistence that the cities respond to their opportunities. Federal aid for metropolitan regional planning has steadily increased. The more they plan, the more cities are obliged to look more carefully at their future needs and at the choices they must make in order to back one course of action as opposed to another. Such choices are translated into priorities, not only for Federal aid but for local decisions as well.

As such machinery has evolved, there has been greater instance that such comprehensive framework control and direct specialized planning for highways, transportation, housing, educational and health facilities, regional economic development, recreation and open space, and other types of programs.

Planning itself has become increasingly the responsibility of elected rather than appointed officials. The principal beneficiary of this movement has been the new associations of local governments that have been formed in metropolitan areas. First commenced in 1954 by 1965 there were 12 such "councils of government." By 1967 there were 50, with another 30 in various stages of formation. Observers think there will be 200 by 1972.

The big impetus came from recognition of the movement by Congress in 1965, and enactment the following year of the Demonstration Cities and Metropolitan Development Act.[11] Here Congress required review of local grant applications by metropolitan areawide units composed of or responsible to local elected officials.

Stronger incentives for development await enactment should it be necessary to move the councils more rapidly in the direction of deciding regional goals, setting priorities and developing comprehensive and functional plans for their regions as a whole. Thus far, it appears

[9] Lowden Wingo, ed., *Cities and Space* (Baltimore: Johns Hopkins Press), 1963, p. 107.
[10] Edmund N. Bacon, *Design of Cities*. Viking Press, New York, 1967, pp. 243–271.
[11] The movement toward requiring conformity to metropolitan plans began with the Housing Act of 1961 which geared mass transportation and open space loans and grants to such planning.

the councils generally are moving initially towards planning functions, but this is simply the first step.

In San Francisco the metropolitan agency, ABAG (Association of Bay Area Governments) is asking the State legislature for powers to do land use planning; to secure and operate a regionwide park and open space system; a regionwide solid waste disposal system; and a regionwide airport system. Were there not in the San Francisco metropolitan area a mass transportation agency already in operation, that might also have been regarded as a regional function. Minnesota has recently given major impetus to metropolitan organization in the Twin Cities.[12] Thus far there is a noticeable effort to stay away from health, education, and welfare functions, although these are indisputable metropolitan functions in many of their aspects.[13]

The councils of government have not yet really decided, many of them, whether they are to remain regional forums, or to become bodies politic or corporate with operations programs. It is possible they will evolve into a new "layer" of government, but it seems more probable they will develop into something altogether new. Accepting the character of the councils as representative and political, it seems likely that they will create, supervise, and coordinate through the planning mechanism specialized metropolitan authorities to administer operating programs in such fields as highways, traffic, and transportation; water supply and sewage disposal; solid waste disposal; air pollution control; land reclamation and drainage, dredging, and dumping; airports.

The councils have a significant potential for developing metropolitan leadership, an indispensable and hitherto largely missing ingredient in urban reform, and possibly the most pressing need.

Ultimately, such metropolitan functions of a systematic character as education; health facilities and services; housing; fire and police protection, might be moved to the metropolitan level.

Somewhere before this point, however, councils of government would become something different than they are now. And so would cities. These long-range developments need not take up much time so long as an impressive array of intermediate tasks must be faced.

What metropolitan areas need far more than areawide administrative and operating agencies, is what they are about to get: comprehensive, long-range planning and land use control. Pell-mell urbanization requires us to save the future before we salvage the past.

CHANGING PROBLEMS FACING METROPOLITAN GOVERNMENT AND PLANNING

Earlier in this discussion it has been recognized that planning has been undergoing considerable change, and further development may be expected. The new substance of planning the nature of the problems with which planning deals is the most important reason for this change. What are some metropolitan problems with which planning and government will have to deal? Within each metropolitan area issues of centralization and decentralization of residence, jobs, tax

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[12] While a citation to the legislation is not available, the text of the metropolitan council bill was published in the *Minneapolis Star*, May 22, 1967.

[13] A notable exception was the city of San Francisco which is pressing for recognition of regional housing programs in the bay area, thus far without success.

values, and other characteristics will be found. The form of metropolitan cities may continue the present characteristic spread, or it may assume such new forms as radial corridor cities, or planetary models composed largely of new towns. The relative segregation of population by income or race in certain parts of such large cities will surely be an important factor, as will be the adequacy, economy and convenience of the regional transportation systems which provide access from one part of the metropolitan area to another.

The many alternatives faced by metropolitan areas are embarrassing in number. That there is no political agency responsible for making decisions about the future character of the metropolis does not mean the issue is not relevant. It simply points to a political vacuum which increasingly demands to be filled.

The obsolescence of most central cities, as appraised by many objective and expert students of them, is far more extensive than would be suggested by national efforts in urban renewal, urban transportation, antipoverty or other programs. Impressive dollar totals have been offered as estimates of the cost of "rebuilding urban America." Most are in the general order of magnitude of $300 to $500 billions. While most such estimates are geared to physical reconstruction, and most typically to the replacement of entire urban environment, some include costs of social services. Few of them say much about the kind of future city that would be created, but almost no one expects it to resemble the cities we now know.

Given the popularity of suburban life, most authorities have tended to agree that central cities must compete successfully with the livability of new suburban communities if they are to survive at all. This does not necessarily mean low densities, but it does mean a place to park the car. The new central cities of metropolitan regions may continue to perform their traditional functions as administrative and managerial headquarters, cultural and educational centers, commercial and shopping centers. Still, even here centrality is challenged.

A considerable and growing body of opinion is strongly on the side of urban decentralization, some because it is clearly a strong trend, and others because of qualitative objectives. By contrast, few anticipate much future for central cities that is not strongly supported by public powers and large funds.

Even then, the "recentralized" city would have to offer far more spacious living accommodations, freer circulation and mobility, strongly upgraded public services, higher quality public facilities, and much greater amenity and convenience.[14] The high costs and subsidy implied by such a program might be a useful objective for the block grants that have been proposed, and over the long run might not be so much greater than the aggregate of piecemeal subsidies that are now or will probably be offered cities. But by any standard, these are heroic tasks, beyond not only the financial and technical capability of cities but so far beyond what is politically realistic they would necessarily have to be undertaken by others than local government.

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[14] One reasonable prescription of this sort is offered by Anthony Downs, "The Future Structure of American Cities," National Academy of Sciences, Pub. 841 (1961), pp. 148–157.

Planning Metropolitan Population

The rapid growth and concentration of urban population has perhaps been too uncritically accepted. Population data need further examination. It might be recalled that in the mid-1940's postwar planning was based on expectations not only of a postwar economic recession which in fact never occurred, but of a postwar population decline which never materialized. More recently, anticipations of great and accelerated population growth are being heavily discounted by a falling birth rate. Still more errors in metropolitan population forecasting have turned up in the significant details of age structure, fertility rates, racial distribution, migration, and similar elements.

These comments are not intended to minimize the importance of population studies. Indeed, they should emphasize the importance of still more accurate research in this fundamental area, beginning perhaps with census data more frequently than every 10 years. This is needed not simply for population forecasting but for the necessary future efforts by both local and national government in population policy planning. The problem of juvenile delinquency becomes illuminated when it is known the population in that age bracket has grown hugely. The problem of the slums is better understood when one learns over half the slum population is composed of children under 18 years of age who sorely strain education, recreation, and other public services.

Much increasing attention is now being given to birth control information, and its beneficial consequences are becoming evident.

Population growth is not the inexorable and inevitable element in shaping the future which it is too often accepted as being. But its greatest significance for cities lies in going beyond the aggregate figures and entering upon such demographic characteristics of metropolitan areas as the concentration of young families with children of school age in suburban communities; concentration of the aged, the handicapped, single persons and racial minorities in central cities; migration from farm to city, from east to west, and from south to north.[15]

Should cities and the Nation unresistingly accept these population trends and their implications? Almost no metropolitan area planning is today based on these sociological assumptions, and many such plans should be revised to make their population implications more consistent with other public policy. This blind spot is the greatest source of unreality in such plans. Nor is any deliberate population policy being formulated to guide the many public programs which have such decisive effect upon the population characteristics briefly mentioned, as well as upon many problems of human behavior. Yet it is the effect upon population that is perhaps the most significant aspect of current decisions about school facilities and education, housing, and urban renewal, transportation, employment and economic de-

velopment. That such decisions are taken in the private as well as the public sector must be evident to anyone familiar with housing and such related aspects as urban renewal, and it is becoming a major policy issue as public powers and resources are committed to new towns development.

Lack of knowledge about both the importance and the dynamics of metropolitan population in the necessary critical detail is the gap that must be filled before the risks can be taken out of political action in this field by all levels of government. Demography is ready to deliver the necessary studies to emancipate decision-makers from their previous indifference to such issues. Congress has historically shown the ability to deal with such questions of population policy as immigration, migration and birth control (and even in metropolitan areas.)[16] There is no reason to suppose that it is not the principal agency to generate further progress directed at the population problems of metropolitan areas.

THE SUPERCITIES

The problems of the emerging great interurban belt cities may be illustrated by the largest and most advanced of them, the Boston-to-Washington complex, but may be expected to characterize ultimately as many as 22 similar metropolitan areas. Unless these emerging regional cities, interurban and interstate for the most part, are to surrender local responsibility altogether by turning their problems over to the Federal Government, they must evolve some governmental apparatus that will deal with the most pressing local problems. Such new institutions of government as may be created to meet the needs of regional cities must also consider and reflect the reciprocal need for smaller units of government in which face-to-face political life at a more human scale can flourish.

In the Atlantic Urban Seaboard, as the Regional Plan Association has termed it, five major regionwide problems have been identified. *Transportation* is a major issue in a region which is attempting to develop a new type of high-speed rail service, but which is also facing

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[16] "Population growth is neither automatic nor is it automatically good. The rate of population growth, the optimum population for the metropolitan area, the distribution of population within the area—all are affected by public action and are thus matters for conscious deliberation. This is particularly true in the Washington area where population is increasing more because of immigration than because of the natural growth of the population due to the excess of births over deaths. It is also worth pointing out that the exceptional strength of the suburban trend here deserves further examination. Racial composition of the population should also be considered, including the proportion of nonwhite population and the problems raised by its concentration in the central area. Age structure, sex ratios, and reproduction rates are less directly related to the planning program but equally important elements in an urban population policy." *Meeting the Problems of Metropolitan Growth in the National Capital Region*, Final Report of the Joint Committee on Washington Metropolitan Problems, 86th Cong., 1st sess., Senate Report No. 38, Jan. 31, 1959, pp. 31–32. *The Growth of U.S. Population*, NAS–NRC Publication 1279. Washington, D.C., 1965. Perkins, Gordon and D. Radel, *Current Status of Family Planning Programs in the United States*. Ford Foundation, October, 1966. *Population Crisis*. Hearings before the Subcommittee on Foreign Aid Expenditures of the Committee on Government Operations, U.S. Senate, 89th Congress, second session, S. 1676. Five parts, 1966. *Family Planning and Population Programs: A Review of World Developments*. Edited by Bernard Berelson et al., 1966. University of Chicago Press.

major problems of congested air space, and a shortage of airports, and the continuing difficulties of expressway planning and construction in a congested area. *Open space* at the scale of the regional city must deal with ocean beaches and mountain parks of a scale and type beyond the interest or the capability of any smaller unit of government. These are illustrated by the recent acquisition of Cape Cod, Fire Island, Assateague, and other beaches and the projected need for another 160 miles of public ocean front; and for an Appalachian Park system totaling some 10,000 square miles. Even in this humid region there is interurban competition for sources of *water supply*, and studies of the Hudson, the Delaware and other water supply sheds increasingly assume a regionwide rather than a city or State approach to this fundamental urban problem. Recent *power* failures have illustrated the regional character of this essential public service, and measures to improve its supply and reliability must be conceived in regional terms. The fifth major question is *air and water pollution*, the natural conditions of which preclude successful abatement on any other than regional terms. New York, New Jersey, and Pennsylvania appear to be moving steadily toward a mid-Atlantic States air pollution compact.

Such problems are being approached in the spirit of intergovernmental relations. While this may be sufficient for them to be studied, and even for planning, it will be difficult to go much further without a more general governmental framework.

FACE-TO-FACE GOVERNMENT

The desirability of a small-scale unit of society and government need not be ascribed wholly to the traditional requirements of a democratic form of government. Social scientists give it a much broader value, relative to the needs of the human personality, the family, and the community, indeed, relative to the values found in human life itself.[17] This has been frequently discerned as a powerful motive toward suburban life.[18] It has even been suggested as an objective of national policy, although apparently not one deserving the emphasis placed upon central cities with their manifold problems.[19] While this interest has received attention for its own sake, it acquires special relevance in the context of large metropolitan growth which appears to crush by its very scale a valued social expression.[20] Perhaps it is not irrelevant to claim that only by achieving some measure of success in developing political institutions on such a small scale is the resistance, the indifference and hostility to the large-scale government required by metropolitan communities likely to be overcome.

One of the most promising developments of recent years is that cities and city agencies are not only telling the public—but they are listening. Communications will play a large part in metropolitan government.

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[17] As reflected in "The Study of Social Change," an address by T. Frederick Barth of the University of Bergen, Norway, to the Annual Meeting of the American Anthropological Association, Pittsburgh, Nov. 18, 1966.

[18] Robert C. Wood, *Suburbia, Its People and Their Politics*, Houghton, Mifflin, Boston, 1958.

[19] President Lyndon B. Johnson, address in Dallastown, Pa., Sept. 2, 1966, asked "does it make sense to have 70 percent of our people crammed onto one percent of the land." This appears the first as well as the highest challenge to the assumptions of continued pellmell urban development.

[20] Constantinos Doxiadis recommends a "neighborhood unit" of 30,000 to 50,000 population in an area 2,000 yards square into which large cities should be divided. (*U.S. News & World Report*, June 26, 1967.)

The search for community goals, rooted in popular understanding and demand, has prompted much of this new activity. But the intelligent choice of goals demands information about problems, and the political process of goal determination must be conducted in a spirit of well-informed and intelligent discussion. In San Francisco, the community planning organization SPUR has established an information center where exhibits, films, and public meetings have attracted a large and diversified audience. At the end of the information program visitors are confronted with a "voting machine" in which they can express their views on up to 20 subjects of municipal importance. The New York Regional Plan Association conducted a yearlong television program, linked to small, local discussion groups, the result of which was an extensive and detailed response by large numbers of people to questions on the community's planning agenda. The Los Angeles Planning Commission has embarked upon a most promising effort to define its goals on the basis of wide popular participation.

More and more planning commissions are turning to "policies plans" to which public reaction is solicited; or to deliberately stated alternatives and choices in planning.

How can those concerned with environmental quality participate in such activities, raising questions of design and livability as well as the more limited questions of governmental cost and efficiency? Philadelphia schools have experimented successfully with this question, and youth is clearly the place to start developing such a thoughtful approach to urban surroundings. But there are likely to be many answers to this question, not just one.

Reaching for audiences are an increasingly varied set of techniques. The Virginia Museum of Fine Arts has developed an "artmobile," a specially designed trailer which contains a complete exhibition of original paintings, as secure and well guarded as in the museum itself, that can be taken to schools or other audience points. New York City is using trailers as mobile information centers on municipal programs ranging from public safety and health to such mundane issues as dog licensing and ratproofing dwellings. One of its most successful undertakings is the Mayor's mobile team, which operates from a trailer painted orange and blue, the city's official colors. Manned by communications specialists, including a Spanish language speaking team, the group listens to complaints and prods city departments into action. New York has also worked hard to get city planning from the top of city hall into the neighborhoods of the city. Community planning boards are the device for doing this. After more than a year's experience, efforts are being made to improve the flexibility of this instrument, and to increase the capabilities of the board (which are appointed by borough presidents) by providing them with a technical staff. Baltimore is proposing "neighborhood city halls" or "citizens complaint and advice bureaus" to make local government more "visible and accessible" and thus "more closely attuned to the wishes of the citizens." [21]

Newspapers, radio and TV stations are enlarging this dialog between citizens and city officials. The *Washington Star* has an outstandingly successful feature, "Action Line," which not only provides informa-

[21] Edward Logue, Boston Redevelopment Authority director, wants to decentralize city government so that neighborhoods could make many local decisions. (*Time*, July 28, 1967.)

tion to the citizen but secures prompt and effective response to specific problems. In such activities may be developing a popular equivalent to the Scandinavian institution, the "ombudsman" or public defender as he is being called in Nassau County, N.Y. Certainly, more and more, the participation of citizens in government at all levels is being sought out, from problem solving in small and specific instances to the largest contemplation of community goals.

New Goals for Urban Government

The transition from a rural to a highly urbanized society has revealed the ineffectiveness and obsolescence of much of the traditional apparatus of local government. Cities of unprecedented size are struggling with governments conceived in the horse-and-buggy era. Central cities have overflowed their boundaries, into vast suburban areas now filled by hundreds of ill-coordinated local governments. Even the best cities are generally lacking strong mayors or city managers, small and responsible city councils, reasonable allocation of government responsibilities between political and professional elements of government, the ability to recruit well-qualified municipal and urban county officers, to coordinate, program, and plan major local government programs, and to utilize research, training, and other modern management development techniques. Confronted by the problems they face, our modern city governments are clearly inadequate for their tasks we have given them. Nor do they appear able to develop of their own initiative any reasonable programs of reform, other than to blame the present state of affairs on their lack of financial resources. The Federal Government has in recent years responded to such appeals by increasing amounts of Federal aid, but the time has come to ask whether in addition to such assistance some stronger attempts should be made to organize and empower metropolitan local governments with greater ability to deal with their problems and to command the respect and confidence of their States and the Federal Government in their competence.

Recognized by scholars, by Federal agencies and by many States for nearly half a century, the problems of local government in big cities have not significantly advanced toward solution. Commendable as are the goals of efficiency and economy in metropolitan government, they have not motivated masses of voters nor is it clear that, while popular with some few larger taxpayers, they are sufficient to communicate to the overwhelming majority of the urban electorates the sense of a modern government that is able to respond to their desires and demands.

Cities and the Future

With so many possible alternatives, for most people city life today is more a matter of choice than necessity. Cities therefore are obliged to compete. Their principal competitor is the suburb, but before long there will be new towns and other formidable alternatives to the old urban life. Indeed, so long as that is what the old cities offer, they will be in great difficulties as they try to hold their own. All those who can do so will desert them. Nor is it enough to meet the present competition. The older cities, the central cities must move ahead. They will have to do this on a metropolitan area basis. As they move, it should be

toward the future, and not simply in response to some limited desire to solve problems of the past and the present.

Orientation toward the future also offers the key to understanding what kind of government cities need: they need whatever it will take to invent and to build the future.

Cities must offer a greater choice of life style; life in communities that are both homogeneous and more diversified, communities that contain places to work, to live, to do business in; life in communities that avoid stratification of income levels but still achieve an individuality that is related to other factors. Cities must have both the confidence and the power to build entire new towns, perhaps enclaves at some distance from the central city, where such new styles of living can be offered, and opportunities provided that are impossible in today's obsolete and congested central cities.[22] They must not only build new towns, but what is harder, decide what to build. Cities must achieve higher standards of comfort and convenience, appearance and amenity, quiet and cleanliness, safety, health, and personal security. They must not simply be places in which to live and work, but in which to enjoy life and leisure and find personal fulfillment. These are high standards, and to most cities impossible ones, but they are inevitable in a world that offers so much from the world of consumer goods, travel, entertainment, education, and other sources of our contemporary expectation of life. If cities cannot serve such needs, then, as the saying goes, who needs them?

One can glimpse in the future a possible governmental structure in which large metropolitan regional cities, whose probable boundaries would have some geographical rationale (as has been achieved in the Delaware River Basin), would be mainly concerned with natural resources and the landscape, rather as can be seen emerging in the Atlantic seaboard and the San Francisco Bay region. One can further perceive, as strongly rooted in human desires and behavior, a small-scale unit of government in which the traditional face-to-face political transactions of local democracy will take place and the requirements of democratic participation and leadership sustained. Allocated between the two, or perhaps assigned to still a third level of government, would be the remaining functions of local governments, predominantly comprising services, many of them essentially economic in their nature. But as one peers into this rather murky future, it is probably best to remember some wise words recently spoken, "The simple fact is that we know very little about designing institutions. Political science and economics face some of their greatest challenges in this area."[23]

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[22] This was attempted by Oakland, Calif., in the projected Oakland East.
[23] Orris C. Herfindahl and Allen V. Kneese, *Quality of the Environment, An Economic Approach to Some Problems in Using Land, Water and Air,* Resources for the Future, Inc., Washington, D.C.

POVERTY AND PUBLIC FINANCE IN THE OLDER CENTRAL CITIES

BY JAMES HEILBRUN*

Hearing the insistent rhetoric about urban crisis, environmental chaos, political paralysis, and fiscal doom, one might easily conclude that life in our cities is fast becoming intolerable. In fact, I do not believe that is the case. Our dissatisfaction stems not so much from demonstrable deterioration, which has occurred in only a few departments of urban life, as from a combination of two other factors. First, our expectations are rising at least as fast as our performance, so that despite measurable progress we do not seem to draw nearer our goals. Second, and related to our rising expectations, we have begun seriously to tackle a problem which has always existed, but which, until a few years ago, we rather elaborately ignored: the problem of poverty, and though poverty is not uniquely or even principally an urban problem, the degree to which it is concentrated at the core of our older central cities is certainly one of the key elements among those "problems of the urban environment" to which the Joint Economic Committee is now addressing itself.

I have been asked to consider the problem of organizing the urban public sector to provide government services and to collect taxes. Within that large area I wish to concentrate on the connections between urban poverty and the fiscal problems of central cities. It can easily be shown that the older central cities now have lower average family incomes and a higher incidence of poverty than the metropolitan rings that surround them, and I think it can be shown that their income position relative to the suburbs has been declining rapidly. I will argue that this decline is one of the fundamental tendencies now shaping the urban environment, that, furthermore, there are powerful built-in forces which act continually to reinforce this decline which we are almost certainly unable to reverse, but that we can, nevertheless, do much by means of appropriate tax and expenditure policies to offset its serious consequences for the provision of public services in the urban core and for the war against poverty.

CITY-SUBURBAN INCOME DIFFERENTIALS

Using 1960 data for 200 "urbanized areas" delineated by the Census Bureau, Leo F. Schnore compared median family incomes in the central cities with incomes in the surrounding urban fringe (which I will call the "suburbs"). He classified the areas by size and found that without exception the median incomes were higher in the suburbs than in the central cities for the 48 urbanized areas with a population of over 500,000 in 1960. Below that size the proportion of areas in which

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suburban income is higher diminishes steadily, but even in the smallest class—urbanized areas with population between 50,000 and 100,000—suburban incomes were higher in 57 percent of the cases.

Schnore also examined the influence of age of central city on income differentials. He measured age by the census year in which the central city first reached a population of 50,000. As one would expect, the "older" the central cities, the more often suburban income levels were found to be higher; they were higher without exception in the 31 "oldest" areas. The proportion decreased steadily as central city age diminished, but even in the newest areas (in which central cities reached 50,000 population only in 1950 or 1960) suburban median family incomes were higher in 51 percent of the cases.[1]

Age of central city and population of urbanized area are, of course, themselves correlated. Schnore's further analysis reveals that age is more significant than size as a predictor of city-suburban income differentials. This suggests an obvious explanation of observed differences (though it does not "prove" it). The older central cities were built up to high densities during the railroad age of the 19th century. When, after 1920, the automobile and the truck, coupled with rising living standards, made possible a more dispersed pattern of metropolitan residential and business settlement, it was uneconomical to redevelop the older cities on the new pattern. Instead, the middle and upper income classes, in their search for low-density neighborhoods, tended to move out into new suburbs beyond the city limits. Their places in the central city were (and continue to be) taken by families of lower income, immigrating from less affluent rural areas, for whom the old central city housing could be redivided or adapted to provide low quality shelter at low prices. On the other hand, the newer central cities, products of the auto- and truck-oriented 20th century, were either themselves laid out in the much sought-after low density pattern or else still contained extensive rural fringe areas that could accommodate such development. In either case the middle and upper classes did not have to move out of the central city in search of space, leaving behind them housing easily adapted for lower income groups. Consequently, income levels in the newer cities have often remained higher than in their suburbs.

In this study, I am concerned mostly with the problems of the older central cities. For these—mainly the cities of our northeast and north central regions—we have convincing evidence that the ratio of per capita central city to suburban income is falling steadily over time. (This is just what one would expect if the explanation offered above for the correlation between age of city and suburban-city income differentials is correct.) For example, the New York Metropolitan Region Study estimated that per capita personal income in the "core" counties fell from 108 percent of the regional average in 1939 to 105

[1] Leo F. Schnore, *The Urban Scene* (New York, The Free Press, 1965), pp. 206–209.
A more extensive study of social and economic differentials between central cities and suburbs may be found in *Metropolitan Social and Economic Disparities: Implications for Intergovernmental Relations in Central Cities and Suburbs* (Washington, D.C., Advisory Commission on Intergovernmental Relations, January 1965). Using data for 190 standard metropolitan statistical areas in 1960, the ACIR concluded that "few meaningful generalizations. . . . disparities can be applied to all metropolitan areas." However, they also found that the classical dichotomy of poorer central city and more affluent suburb was the general pattern in "the largest metropolitan areas and those located in the Northeast" (p. 11). Since these are the metropolitan areas with which I am principally concerned, the ACIR data are consistent with mine.

percent in 1947 and 98 percent in 1956, while per capita income in the "inner ring" of suburban counties rose from 88 percent of the regional average in 1939 to 97 percent in 1947 and 111 percent in 1956.[2] Thus the mean income in the suburbs rose from 19 percent below the core county average in 1939 to 13 percent above it in 1956.

The rate of change was even faster in Detroit in the 1950's. The Detroit Area Study found that between 1951 and 1959 median family income in the central city (Detroit, Highland Park, and Hamtramck) rose from $4,400 to $4,800, while median suburban income soared from $4,900 to $7,200. Thus the differential in favor of the suburbs rose from 11 to 50 percent in 8 years.[3]

The experience of Detroit and New York City is typical of the older central cities. In table 1, I show the ratio of median family income in the central city to median family income in the whole metropolitan region in 1950 and 1960 for every metropolitan area with a population above 1 million in the northeast and north central regions (and for Baltimore and Washington, which the Census Bureau classifies as southern). In every case the ratio of central city to regional median income fell during the decade. The changes would be far more dramatic if the central city medians could be compared with medians for the suburbs alone, rather than with medians for each metropolitan region including the central city. Such data are available for 1960, but not for 1950, so they do not afford a basis for comparisons over time.

TABLE 1.—INCOME DIFFERENTIALS BETWEEN CENTRAL CITIES AND REGIONS

Name of central city	Ratio of median family income in central city to median family income in standard metropolitan statistical area [1]		Name of central city	Ratio of median family income in central city to median family income in standard metropolitan statistical area [1]	
	1950	1960		1950	1960
Baltimore	0.98	0.91	Milwaukee	.97	.95
Boston	.92	.86	Minneapolis [3]	1.00	.94
Buffalo	.97	.89	St. Paul [3]	1.00	.96
Chicago	.97	.92	Newark [4][5]	.89	.82
Cincinnati	.96	.90	New York City [4][5]	.95	.91
Cleveland	.91	.85	Philadelphia	.93	.90
Detroit	.99	.89	Pittsburgh	.99	.94
Kansas City, Kans. [3]	.96	.88	St. Louis	.95	.85
Kansas City, Mo. [3]	1.00	.94	Washington, D.C.	.89	.79

[1] No adjustment has been made for boundary changes between the 2 dates.
[2] In same SMSA.
[3] In same SMSA.
[4] In same SMSA.
[5] For the New York City region, 1950 data are for the New York-Northeastern New Jersey Standard Metropolitan Area, 1960 data for the New York-Northeastern New Jersey Standard Consolidated Area.

Sources: U.S. Census of Population: 1950, vol. II, pt. I, U.S. Summary, table 92; U.S. Census of Population: 1960, U.S. Summary, Final Report PC (1)-1C, tables 148 and 154.

As one would expect, central cities in the larger (and therefore generally older) metropolitan regions display a far higher incidence of poverty than do their surrounding suburbs. Taking the current definition of poverty as a family income below $3,000 a year, the 1960 census reported the following: in standard metropolitan statistical areas with a population of over 3 million, 15.4 percent of central city families, but only 8.9 percent of families in the suburban "ring area"

[2] Edgar M. Hoover and Raymond Vernon, *Anatomy of a Metropolis* (Cambridge, Mass., Harvard University Press, 1959), p. 226.
[3] Cited in Harvey E. Brazer, "Some Fiscal Implications of Metropolitanism," reprinted in B. Chinitz, ed., *City and Suburb* (Englewood Cliffs, N.J., Prentice-Hall, 1964), p. 134.

were living in poverty. In metropolitan areas with a population between 1 and 3 million, the poverty proportions were 17.1 percent and 10 percent. Only when you reach down to the 100,000 to 250,000 metropolitan area size class do you find approximately equal central city and suburban incidence of poverty. If we take all areas with population above 1 million in the northeast and north-central regions, plus Washington and Baltimore, the poverty proportions are 16.1 percent in central cities, 8.7 percent in suburbs. In these—the metropolitan areas with which this paper is particularly concerned—the incidence of poverty is almost twice as high in the central cities as it is in the suburbs.[4]

Thus our older cities find themselves called to join the war against poverty at a moment in history when they are rapidly losing the relatively high income status that would enable them to finance their part in the campaign without serious fear of self-inflicted harm. The fight against poverty requires that governments engage in the redistribution of income from rich to poor. Such redistribution has always posed special problems when attempted at the local level. For the older central cities today those difficulties are compounded by the relative decline in central city income and wealth.

MOBILIZING LOCAL RESOURCES FOR THE FIGHT AGAINST POVERTY

Quite possibly local government budgets have long tended to redistribute income from rich to poor. Certainly, in our own time, municipalities are not simply in the business of producing ordinary public services like police and fire protection, water supply, sewage disposal, and recreation facilities, where the object, broadly speaking, is to satisfy citizen's individual demands for public services. They also frequently have special welfare objectives. One might here mention policies intended to eliminate substandard housing, or to subsidize wider distribution of certain services such as education, that a majority regard as particularly meritorious, as well as policies intended directly to redistribute local income in favor of the poor. These welfare objectives are so closely interconnected that one cannot discuss one without touching upon the others.

Theoretically, the most efficient way to redistribute income is to make cash transfers from the rich to the poor. But the redistribution of income that takes place at the local level is mostly accomplished by providing the poor with more service benefits than they pay for in taxes, rather than by making direct income transfers to them. This makes it difficult in practice to separate out policies intended to increase the consumption of services which the majority considers to be particularly meritorious, such as the policy of providing education at no cost, from policies that are simply using below-cost provision of a particular service as a convenient way of redistributing income, for example, the subsidized operation of a subway system. In fact, Richard A. Musgrave, who fathered some of these distinctions, recognized that a given policy, such as operating free medical clinics or low-cost housing for the poor might be precisely intended to accomplish simultane-

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[4] Poverty data are from U.S. Bureau of the Census, *1960 Census Of Population,* Supplementary Report PC (S1)—44, Feb, 28, 1964.

ously both the redistribution of income and the satisfaction of "merit wants".[5]

Economists have often pointed out that the capacity of local governments to redistribute income among their citizens is severely limited by the mobility of both taxpayers and expenditure beneficiaries. As George J. Stigler put it:

> Suppose community A wishes to have splendid and expensive schools, streets, housing, poor relief, and what not. If it levies sufficient taxes to finance this elaborate program, a large portion of the tax base (industries and well-to-do individuals) will leave the community while simultaneously a large number of beneficiaries of the generous program may immigrate. The tax rates on the narrower tax base will have to be prohibitive (from the viewpoint of the remaining taxpayers) to finance the sumptuous program.[6]

Nevertheless, local communities *do* engage in a degree of income distribution. Partly, they can get away with it because not all resources are highly mobile. Partly they do not get away with it because mobile resources *do* sometimes move when local fiscal pressure becomes sufficiently heavy.

Following the argument of James M. Buchanan, I shall define fiscal pressure on the taxpayer as the difference between the sum he pays in taxes and the value of the benefits he receives.[7] Buchanan labels this difference the "fiscal residuum" of the individual. It is defined as positive if his tax payments exceed his benefits, negative if benefits exceed taxes, and zero if they are equal.

Barring complications introduced by the use of debt, fiscal residua represent transfers of real income between the individuals involved. If my taxes exceed my benefits by $1,000 and your benefits exceed your taxes by the same sum, then the local government has, in effect, transferred $1,000 of my income to you in the form of services.

It is important to note that if all tax-supported local services were without exception financed by various forms of benefit taxation then each local taxpayer would have zero fiscal residuum, and no income redistribution would take place via the local fisc, no matter how high or low the absolute level of taxes and expenditures. In practice, however, localities do not rely heavily on benefit taxation. The local budget almost certainly has redistributive effects. We can measure these, as they affect various income classes, only by estimating the incidence of local taxes and the incidence of local expenditures on the incomes classes, and then comparing the two.

Empirical studies of the incidence of taxes and expenditures on various income classes must be used with considerable care, since the quantitative findings depend importantly on the sometimes arguable theoretical assumptions about incidence that are built into the analysis. In addition, such studies generally combine State and local

[5] Richard A. Musgrave, *The Theory of Public Finance* (New York, McGraw-Hill, 1959), p. 21.
[6] George J. Stigler, "The Tenable Range of Functions of Local Government," in *Federal Expenditure Policy for Economic Growth and Stability* (Washington, U.S. Government Printing Office. 1957), pp. 215–16.
[7] James M. Buchanan, "Federalism and Fiscal Equity", reprinted in American Economic Association, *Readings in the Economics of Taxation*, edited by R. A. Musgrave and C. S. Shoup, (Homewood, Ill., Richard D. Irwin Inc., 1959), p. 99.

budgets into one category. However, a useful analysis of budget in-
cidence that deals only with local magnitudes can be found in Dick
Netzer's recent study of the property tax.[8] He compared the estimated
incidence of the property tax with the estimated incidence of the ex-
penditures it finances. Netzer's way of handling expenditure incidence
is useful in that it eliminates from the account all local outlays
financed by user charges or Federal or State grants. The remainder is
that portion of local outlays actually financed by local taxes, and
Netzer allocates a pro rata share of this to the property tax.

Netzer's findings are summarized in table 2. He calculated incidence
on a number of alternative assumptions. Two of his cases are re-
produced here. In both cases IA and IC "a large proportion of ex-
penditures is assumed to provide specific rather than general benefits."
But in case IA the remaining general benefits are distributed among
recipients on the basis of family income, while in case IC they are
assigned equally per family. In either case the distribution of benefits
is markedly regressive to income. Property tax payments are also re-
gressive to income, but much less so than expenditure benefits. The net
result of this give-and-take combination (varying somewhat with one's
assumptions) is to take from families above the $7,000–$10,000 class
and to give to those below that level.

TABLE 2.—INCIDENCE OF THE PROPERTY TAX COMPARED WITH INCIDENCE OF LOCAL EXPENDITURES IT FINANCES

Income class	Estimated property taxes and expenditure benefits as percentages of money income, 1957			
	Property taxes		Expenditure benefits	
	Before U.S. tax offset	After U.S. tax offset	Case IA	Case IC
Less than $2,000	7.1	7.0	9.6	12.4
$2,000 to $3,000	4.9	4.6	6.1	7.2
$3,000 to $4,000	4.4	4.2	5.5	6.1
$4,000 to $5,000	4.4	4.1	6.3	6.9
$5,000 to $7,000	3.8	3.5	4.5	4.3
$7,000 to $10,000	3.7	3.3	3.3	2.8
$10,000 to $15,000	4.5	3.8	2.5	1.8
Over $15,000	5.2	3.4	1.8	.8
All classes	4.4	3.9	4.4	4.4

Source: Dick Netzer, "Economics of the Property Tax" (Washington, D.C., the Brookings Institution, 1966), tables 3–13 and 3–14.

Inclusion of the remaining local taxes (and associated expenditures)
would not change the picture substantially. In the aggregate these
taxes, too, are regressive to income, but less so than the benefits they
finance.

The tendency of local governments to redistribute income among
their residents interacts with differences between communities in the
average level of income to create two kinds of problems, which I
now wish to consider in greater detail: (1) problems of "horizontal
equity"; that is, possible violations of the ethical rule requiring equal
treatment of equals; (2) problems of tax base erosion; that is, the
possibility that a redistributive local tax-expenditure system will drive
mobile taxable resources out of the jurisdiction. It is interesting to

[8] Dick Netzer, *Economics of the Property Tax* (Washington, D.C., the Brookings Institu-
tion, 1966), ch. III.

note that differences between communities in the average level of income would create no problems either of equity or of tax base erosion if none of them attempted to redistribute income locally by means of the government budget. As I have already pointed out, benefits and taxes would, in that case, be equal for each family in each community. Thus fiscal residua would be zero for everyone and nobody could gain better treatment from the local fisc by moving.[9] In an ideal multilevel fiscal system, as Musgrave has argued, local governments would employ benefit taxation and user charges, income redistribution would be left to the Federal Government to determine, and a host of perplexities would be avoided. In the real world we inhabit, however, the combination of local budgets that redistribute income with intercommunity differences in the average level of income creates problems that cannot be ignored.

First, consider the case where two communities that are engaged in income redistribution from rich to poor differ in the average level of income, but employ tax systems with identical rate structures (not based on a benefit principle). In that case any family would pay the same amount of tax whether it lived in the richer or the poorer town. But the richer community would take in more revenue and therefore have more benefits to dispense than the poor one. If it dispensed to them on the same pattern as the poor town, all families would be better off in the rich community since they would all receive more benefits than their counterparts in the poorer town, while paying equal taxes.

The situation is essentially similar if we hold the income-public expenditure pattern constant as between the two towns and allow tax rates instead of benefit rates to vary (again barring taxation on a benefit principle). Suppose that the ratio of benefits to income is the same at equal income levels in the two towns. Then each family would receive the same benefit in the rich town as its income counterpart in the poor town. But these benefits could be financed at lower tax rates in the richer town. If tax rates were uniformly lower, all families would again be better off in the rich than in the poor town.

Thus, as Buchanan was the first to argue, differences in the fiscal resources of local communities, when coupled with redistributive tax-expenditure systems, create inequities: people of like income or financial status are treated differently by the local government depending upon whether they happen to live in a rich or a poor community. This is the equity problem.

These differences in treatment in turn lead to the problem of tax base erosion. Both rich and poor could improve their situation by moving from poorer to richer communities. The rich are able to do so at their own option. The poor can do so also, if the move involves migrating from the relatively low income areas of Appalachia, Puerto Rico, and the rural South to the relatively more affluent northern central cities.

But within a given metropolitan area the situation is different. The rich are able to improve their fiscal lot by moving from the central city to the suburbs where the average income level is still higher. But the

poor are effectively prevented from following them, not just by racial discrimination and large-lot zoning but also by the absence in the suburbs of a plentiful supply of the old, low-rent housing on which they typically rely and by the high transportation costs required for suburban living. Selective migration consequently speeds the erosion of the central city tax base.

I do not mean to imply that the outward migration of the middle and upper classes is explained solely or even principally by calculations of tax-expenditure gain. The most fundamental factors at work are probably the transportation revolution that has made low density metropolitan settlement economically feasible, the rise in living standards that has enabled families to indulge their taste for residential space, and the postwar change in what might be called the ideal American life style. Nor can one overlook the pervasive influence of our income tax law in treating homeownership more favorably than home rental.

It can be argued that if there are net fiscal advantages to be gained by moving to wealthier communities, the expected value of the advantages may tend to be capitalized in higher land values in those towns so as to be "approximately offsetting in effect".[10] This is undoubtedly a theoretical possibility. How far it actually offsets the attraction of potential gains it would be hard to say. The situation is not one of static equilibrium. One would expect the capitalization of potential fiscal advantages to be most nearly complete in the established and thoroughly developed wealthy community. In the newer, developing suburban areas the case is much less clear.

Thus far I have discussed the effects of differences in community income level rather than differences in the rate at which communities try to redistribute income. I have already cited some of the data on income level differences. There are, as far as I am aware, no studies of intercommunity differences in the "redistributiveness" of budgets. Nevertheless, it is worth looking into the matter briefly.

Differences in the rate at which communities redistribute income affect their relative attractiveness to rich and poor quite apart from differences in average community income level. Obviously as between two localities where average income is the same, the poor will be better off in the one in which the budget is more redistributive and the rich in the one where it is less so. Differences in "redistributiveness" between any two towns, however, can offset the effects of differences in average income level in generating fiscal gains for either the rich or the poor family, but not for both, and in so doing will necessarily have the opposite effect on the choice presented to the other income class. Thus the low-income family will prefer the rich community unless the poor town offsets its disadvantage in wealth level by redistributing income more strenuously than does the rich; but in that case the poor town becomes even more repellent to the well-to-do. The latter will prefer the poor town if it is sufficiently less redistributive than the rich one; but in that event the poor town becomes even more repellent to families of low income.

Within our large metropolitan areas, the first case seems currently more relevant than the second. Despite its 90-percent grant formula,

[10] Brazer, *op. cit.*, p. 139.

the war on poverty, coupled with the nationwide effort to overcome the accumulated harm of centuries of discrimination, puts the older central cities, with their concentrations of the impoverished and of ethnic minorities, under great pressure to direct more and more public resources to the benefit of the lowest income classes. They are thus neatly impaled on the horns of a dilemma: if they spend more on the poor, they increase the fiscal pressure that encourages the rich to move out, thus eroding the tax base and undermining future prospects for those who remain; if they attempt to defend the tax base by choosing policies that are less redistributive, they fail in their obligation to join in the war on poverty, and incidentally increase the likelihood of riot and bloodshed.

The relative mobility of many businesses within metropolitan areas is another source of trouble for the central cities. If they raise tax rates above those prevailing in the surrounding suburbs, they simply hasten the dispersion of industry that is already underway for other reasons, thus further encouraging tax base erosion.

Nor should we ignore considerations of equity. Though lack of data prevent proof of this point, it seems likely that the relatively affluent who remain in the central city are, through the medium of redistributive local budgets, made to bear burdens in the struggle against poverty which their equals in the income scale, living in the relatively poverty-free suburbs, have contrived to avoid. It is insufficient to answer that they, too, are free to escape such burdens by moving out. We could indeed create equity as between the well-to-do by encouraging those who still remain in the central city to join their equals in the income-segregated suburbs. But the fiscal advantage of such suburbs is itself based on the inequitable exclusion of the poor. We should find ourselves increasing equity as between rich and rich while decreasing equity as between rich and poor—hardly an attractive prospect. The problem of equity, as well as the practical problem of financing adequate services for the poor, will yield only if we choose other and better solutions.

POVERTY AND THE "EXPLOITATION" ARGUMENT

In discussing the relationship between the central city and the surrounding suburban "ring" both economists and politicians have become embroiled in arguments about "exploitation." As Julius Morgolis explains it:

> The central cities argue that the suburbanite crowds their streets, demands police and fire protection while he shops and works, and then retreats outside the municipal boundaries into his valuable residential property, which the central cities believe should be taxed to pay for these public services. The suburban governments argue that they must educate the boom baby crop of the commuter; they must protect his family and his property, but the lucrative tax base which should support these services—the factories and office buildings—are located in the central city.[11]

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[11] Julius Margolis, "Metropolitan Finance Problems: Territories, Functions, and Growth" in universities—National Bureau Committee for Economic Research, *op. cit.*, p. 256.

There is, in fact, considerable statistical evidence that suburbs do impose costs on central cities. Not only are central city expenditures per capita generally higher than expenditures per capita in local governments in the metropolitan "ring," but also several analysts have found a direct statistical correlation between the proportion of ring population to central city population in metropolitan areas and the associated level of central city expenditures per capita.[12] These findings are consistent with the hypothesis that the daily "contact population" that enters from the suburbs is the cause of the higher per capita cost of running the central city.

Actually, the argument that central cities are "exploited" by their suburbs rests on more than just the alleged burden of "servicing" the contact population. Perhaps more important is the assertion that the suburbs effectively exclude the poor from settling outside the central city. Such exclusion is brought about by deliberate zoning policy as well as by racial discrimination and by the "natural" tendency of the poor to settle in older, cheaper housing near the center. Its consequence is felt on both sides of the central city budget. The tax base is held down by the enforced concentration in the core of people with relatively low incomes, low retail purchasing power and low rentpaying ability. At the same time, the need for expenditures is increased because these low-income groups often impose higher service costs on the community.

Higher expenditures, however, do not of themselves support a finding of exploitation of central city by suburb. Perhaps the contact population also creates enough taxable central city property, sales and business income to equal or even outweigh the effects of both the higher costs borne by the central city and the low taxpaying ability of the urban poor. Such, at least, would be the claim of the suburban politician. It finds some support in data compiled by Margolis for the 36 largest standard metropolitan statistical areas in the 1950's. These figures show that central city retail sales per capita and central city employment in manufacturing and trade per capita exceed per capita values for the whole metropolitan area by about the same ratio as do central city public payrolls per capita.[13] If the whole central city tax base per capita could be shown to be higher by the same ratio as are sales and employment one could agree that there is probably no exploitation in the sense discussed.

I have already shown that metropolitan family incomes are higher outside rather than inside the older central cities. The most important category to investigate, however, is the value of taxable property, which provides about 81 percent of local tax revenue within metropolitan areas. Here, at least in the older central cities of the Northeast and Midwest, the record is quite clear. Netzer has compared taxable real plus personal property values in ring areas with those in central

[12] See Amos H. Hawley, "Metropolitan Government and Municipal Government Expenditures in Central Cities," reprinted in Paul K. Hatt and Albert J. Reiss, Jr., eds., *Cities and Society*, rev. ed. (New York, the Free Press, 1957), pp. 773–782; Harvey E. Brazer, *City Expenditures in the United States* (New York, National Bureau of Economic Research, 1959), pp. 54–59; Margolis, pp. 256–259. Seymour Sacks, however, raises the general objection that these studies do not take into account variations in the extent to which State governments undertake the direct provision of services within local areas. See his "Metropolitan Area Finances," reprint No. 84 (Washington, D.C., the Brookings Institution, 1964).
[13] *Ibid.*, pp. 256–259.

cities for 32 large metropolitan areas. According to his estimates, per capita taxable property values were higher in the ring areas in 18 out of 32 cases, were equal in two cases and lower in only 12 cases. In the Northeast and North-Central regions, where the older and larger central cities are concentrated, ring area values were higher in 12 out of 15 cases, equal in one, and lower in only two. (See table 3.) In his view the more favorable position of the central cities in the newer metropolitan areas of the South and West is sometimes due to the fact that "much of the area beyond the frequently extensive central city boundaries is still largely rural." [14]

TABLE 3.—TAXABLE PROPERTY VALUES: CENTRAL CITIES VERSUS SUBURBS

[Selected large metropolitan areas, selected years between 1957 and 1961]

Region, city, and metropolitan area	Estimated ratio of suburban to central city per capita taxable property value
Northeast:	
New York and rest of SMSA	1.31
Philadelphia and rest of SMSA	1.46
Buffalo and rest of Erie County	1.12
Newark and rest of Essex County	1.58
Rochester and rest of Monroe County	1.00
North Central:	
Chicago and rest of Cook County	1.23
Detroit and rest of Wayne County	1.02
Cleveland and rest of Cuyahoga County	1.06
St. Louis and rest of SMSA	.96
Milwaukee and rest of Milwaukee County	1.38
Cincinnati and rest of Hamilton County	1.22
Kansas City and rest of Jackson County	.52
Columbus and rest of Franklin County	1.17
Toledo and rest of Lucas County	1.22
Omaha and rest of Douglas County	1.48

Source: Netzer, op. cit., table 5–7.

Moreover, given the marked dispersion of manufacturing, trade and high-income residence from center to ring that has taken place continuously in recent decades, one would expect to find the relative tax base position of the central cities steadily declining. What little historical data we have confirm this expectation. Netzer records the following results from some recent local studies:

> In the Baltimore area * * * suburban property values per capita were only 81 percent of those in the central city in 1950, but had risen to 110 percent by 1960. In the nine counties of northeastern New Jersey, 22 of the 279 municipalities have central city characteristics; in 1951, real property values per capita in the 257 outlying places averaged 169 percent of those in the 22 core communities; and by 1960, the figure had risen to 186 percent. In suburban Cook County, real property values per capita were 119 percent of those in Chicago in the 1928 reassessment completed in 1930; but in 1961, they were 136 percent. And in Milwaukee County, suburban property values per capita were 105 percent of those in the central city in 1935, 120 percent by 1940, and 138

[14] Netzer, *op. cit.*, p. 119.

percent by 1960. The Milwaukee data suggest what probably has been generally true: from the earliest years in this period, residential property values per capita were higher in the suburbs than in the central city, but this differential was partly offset by the substantially higher nonresidential property values in the city. In the postwar period, however, while the spread in residential values widened somewhat, there was a reversal in the business property relationship; in 1960, per capita business property values were significantly higher in the suburbs.[15]

Nor can it be argued that a relatively high level of State and Federal aid to central cities makes up for their relatively low property tax base. According to Netzer "In general, State and Federal aids are at least as important for suburban area local governments as for central cities".[16] To cite one example, in the New York metropolitan area in 1962 New York City received $82 of State aid and $3 of Federal aid per capita, while comparable figures for the ring area were $90 and $1.[17]

Clearly the older central cities, the cities in which a densely settled, aging core contrasts so markedly with a ring of relatively new suburbs, are experiencing a fiscal squeeze which it is not misleading to label "exploitation." Moreover, unless public policy brings some sort of relief the situation is likely to grow worse before it grows better. The continued influx of the poor nonwhite population into these cities and the continued dispersion of businesses and of higher income families to the suburbs virtually guarantees that the central city tax base will continue to fall relative to that of the suburb. The same influx of the poor coupled with the national commitment to a war on poverty makes it certain that the demand for local public expenditures, and especially for those that favor low-income groups, will mount rapidly. Somehow we must find a way out of the resulting squeeze if national policy is not to be frustrated at the local level.

One necessary step is to give racial minorities and low income families the opportunity to exercise wider choice of residential location within metropolitan areas. There are sufficient arguments in favor of this as a matter of right, but the resulting dispersion of the poor (if one may speak in such crude terms) would also make it possible to bring a larger part of the metropolitan tax base to bear on the problems of poverty. The Advisory Commission on Intergovernmental Relations has made a number of recommendations designed to facilitate such wider choice of residence.[18] In addition, evolutionary forces, such as the dispersion of jobs and the aging of housing in the older suburbs, are already bringing about some dispersion of low-income groups into the suburbs and will continue to do so. But these forces, even if we support them by active policy, cannot work fast enough to count as solutions to present difficulties. Moreover, the "dispersion of poverty" may well create in the suburbs the same sort of problem it relieves in the

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[15] *Ibid.*, pp. 119–120.
[16] *Ibid.*, p. 121.
[17] *Financing Government in New York City*, final Research Report of the Graduate School of Public Administration, New York University, to the Temporary Commission on City Finances, City of New York (New York, 1966), p. 15.
[18] See *Metropolitan Social and Economic Disparities*, pp. 90–112. (Full citation in note 1, above.)

central city. For the dispersion, in the foreseeable future, is likely to consist not of an even distribution of low-income families throughout the metropolitan area, but rather their concentration in a relatively small number of older suburbs, which will then experience the same sort of fiscal squeeze now endured by the central city. We must look elsewhere for near-term solutions.

Two possibilities remain:

(1) Enlarge the jurisdictions of local governments to take in both central city and suburban ring either by creating regional federations of local governments to handle specific functions or by creating a unified metropolitan government with broader responsibilities. Thus the entire metropolitan tax and expenditure base could be consolidated to whatever degree is desirable.

(2) Employ the superior taxing powers of the State and Federal Governments to gather funds. These could be used in either or both of two ways: to finance grants to lower levels of government so that they can meet their obligations to the poor without raising local tax rates to self-defeating levels; to finance direct State or Federal action in areas of local concern, thus relieving pressure on local governments to raise their own taxes.

Either solution would make it possible to finance a redistribution of income toward the poor without creating inequities based on place of local residence within the metropolitan area and without fear of driving mobile taxable resources out of areas in which poverty is concentrated.

Before examining these solutions, however, let me digress long enough to list and very briefly analyze the other economic objectives of local government in a democratic society. Thus far I have spoken only of income redistribution and associated special welfare policies. Yet to be mentioned are: (1) satisfying demand for ordinary public services; (2) supplying public services economically; (3) rational, democratic planning and coordination.

These other objectives raise other problems and may call for solutions at odds with those that would be most desirable when the goal is income redistribution and the struggle against poverty. I think it will become clear that there are, in fact, inescapable conflicts between policy objectives in urban society, so that any overall solution must be compromise involving only the partial achievement of many desirable goals.

1. *Satisfying demand for ordinary public services.*—Local citizens want and are willing to pay for public goods and services such as parks, sanitation services, and police protection. One of the principal objectives of the local public sector is to provide such services, in accordance with citizen preferences, just as the private sector provides bread and shoes and washing machines in accordance with consumer preferences.

Since the early 1950's economists have devoted much thought to the probem of satisfying the demand for publicly provided goods and services and have found that many difficulties stand in the way of an optimal solution. The private sector makes use of prices to achieve an allocation of output that accords with consumer preferences. The public sector could certainly make use of prices in the form of user charges more often than it has done to produce services in the quantities that

its citizens want. But in most cases, public service pricing is either technically impossible or else inefficient because it is too costly. For the most part one must hope that a democratic voting procedure somehow succeeds in registering citizen preferences for public services in the same way as the market does for private ones.

Preference satisfaction is, of course, always constrained by the availability of income. The poor man buys less clothing and less medical care than the rich. In the same fashion, a community of poor men buys fewer public services than a community of rich men, whether these services are paid for by user charges or by taxes voluntarily levied by the citizens on themselves.[19] There may be communities that are so poor that, be they as democratic and efficient as you like, they will not provide themselves with what the Nation as a whole regards as an adequate level of public services if left to their own devices and their own resources.

It is tempting to argue that the satisfaction of citizen preferences for public services proceeds best when political jurisdictions are small and their populations are homogeneous in taste. As jurisdictions grow smaller, sensitivity of government to individual preferences is likely to increase because government and citizen are "closer." The possibility of homogeneity of tastes also increases as area size decreases, and the more homogeneous the desires of the population the more likely it is that the citizen who fits the local norm will find all his wants nicely fulfilled. In fact, as Charles M. Tiebout has argued, if there are enough minor jurisdictions within a metropolitan area and if individuals are not denied the choice of locality through discrimination, zoning, or lack of income, one might expect people with similar preferences to flock together in order to create communities congenial to their particular set of tastes.[20] Clearly the "Tiebout solution" to the problem of preference satisfaction could only work if governmental units within metropolitan areas remained small and very numerous.

Economists have by now offered a variety of criticisms of the Tiebout solution.[21] One of these goes directly to the question of preference satisfaction. From the high degree of daily mobility in the metropolitan way of life—the fact that many people work, live, and shop in three or more different jurisdictions—it follows that metropolitan residents regularly consume public services in several places, while expressing their preferences through voting only in one. In these circumstances it is not clear that small homogeneous communities maximize the possibility of preference satisfaction for their resident citizens.

One might go further, however, and question just how much importance we should concede to the objective of satisfying local differences in the "taste" for public services. If we are moving toward acceptance of the idea that there is a minimum standard of public service to which every citizen is entitled, then we have already begun to chip away at defferential preference satisfaction as a criterion. A community containing many retired couples may prefer to spend very little on schools,

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[19] I here omit the possibility that the community can successfully "export" taxes, i.e., levy taxes that are ultimately paid by outsiders.
[20] Charles M. Tiebout, "A Pure Theory of Local Expenditures," *The Journal of Political Economy*, October 1956 pp. 350–56.
[21] See for example Brazer, "Some Fiscal Implications of Metropolitanism," passim.

but if the State sets a minimum standard, then the community cannot be allowed to express its preferences by violating the standard.

The wide variation in both the aggregate level and functional pattern of local expenditure is explained by a number of factors besides differences in local "tastes," for example by differences in per capita income, and State and Federal aid, and geographic and demographic characteristics. An upper middle class family may move from the central city to the suburbs because it finds public services there more suited to its "wants." But one suspects that a good deal of the improvement consists in being able to receive back as service benefit most of what it pays out to the local tax collector, instead of seeing a substantial part of its taxpayments go to provide services for the poorer families that do not "pay their way" in the tax-expenditure calculus, and who are found mostly in the central city. This is not an improvement that we can properly label as "better preference satisfaction," except to the extent that many people have a preference for not paying other men's bills.

Other things being equal, a maximum opportunity for satisfying individually different preferences for public services is, of course, desirable. But other things are not unaffected if we maintain small jurisdictions for that purpose. For small jurisdictions within metropolitan areas certainly hamper effective areawide planning, create demonstrable fiscal inequities and may possibly prevent the realization of economies of scale in local government.

In providing for the satisfaction of local demand for public goods and services serious difficulties also result from what have been called benefit and cost "spillovers." When town A provides itself with a service such as smog abatement, a significant part of the benefit is likely to accrue to citizens of neighboring towns B, C, and D. Presumably the citizens of A expand the program up to the point where the marginal cost to them of further smog abatement just equals the marginal benefit they expect to receive. Since they do not take into account the marginal benefits accruing to neighboring towns they are likely to stop short of providing the socially optimum amount of smog control.

Benefit and/or cost spillovers probably exist for a good many urban public services, including education, pollution control, parks and recreation, and perhaps many more. The problem has been analyzed at length elsewhere, and need not be pursued here. Suffice it to say that there are two solutions either of which would overcome distortion due to spillovers and bring about optimum provision of a given public service: (1) enlarge the jurisdiction providing the service until it takes in the whole area over which significant cost and benefit spillovers occur; (2) arrange for a higher level of government to subsidize the local agency providing the service by means of open end, matching, functional grants.[22] The first solution may be politically unobtainable or may conflict with other criteria that point to the desirability of jurisdictions of a different size. The second solution avoids those difficulties but raises others in connection with intergovernmental fiscal relations.

2. *Supplying public services economically.*—Whatever services are to be supplied to satisfy voter "demand" ought to be supplied at the

least possible cost. The principal problem here is to discover whether or not there are economies of scale in the production of individual services. Again, economists have recently been at work on the problem and have published some useful results, despite the difficulty of measuring the "output" of a service producing agency.[23] Whenever economies of scale exist they provide an argument for enlarging the jurisdiction of the agency providing the service up to the optimum size.

Of course, the economies of scale criterion may require a jurisdiction of a different size than the equity criterion, the benefit-spillover criterion or some of the others to be considered below. In addition, it is likely that the optimum scale of jurisdiction is different for different services. If neither the city, nor the county nor the State is the optimum size for a given function, it might be possible to achieve the right scale by creating a special district, for example, to handle metropolitan mass transit. But again, criteria may conflict; while the special district makes it possible to obtain optimum scale, it is likely to interfere with the achievement of unified planning within the jurisdictions it overlies.

3. *Rational, democratic planning and coordination.*—One need no longer apologize for listing planning among the major objectives to be served by local government. But on what scale should planning within metropolitan areas proceed? The problem is similar to those already discussed. The metropolitan area is in its very nature an interconnected, organic whole. Consequently, it is a commonplace observation that many of its functions must be planned on an areawide scale. The present pattern of multiple jurisdictions within our metropolitan areas makes such areawide planning very difficult. Numerous proposals for improvement have been advanced, running from voluntary, interjurisdictional, metropolitan planning councils, through urban federations with areawide planning powers, to the formation of unitary metropolitanwide local governments.[24] Not much progress can be cited, however, in moving, by any of these routes, toward area wide planning, largely because residents of suburbs and satellite towns fear that they have much to lose by merging their fortunes more than is absolutely necessary with those of the central city. I have already described the fiscal advantages they have achieved by isolating themselves from the poorer urban core. In varying degrees, proposals for federation or merger would, of course, reduce these gains.

Suburbanites also stand to lose local political independence. It is in the American tradition to defend the virtues of small local governments on the ground that they encourage voter participation, are accessible to the citizen in the conduct of his daily business and are sensitive to local needs. The political scientist is better able than I to judge the merit of these contentions, as well as the seriousness of the related charge that big-city governments have generally been inaccessible to their citizens and insensitive to the needs of individuals or neighborhoods. Whatever the merits of the case, however, there is no question about the fact of suburban opposition to any thoroughgoing proposal for federation or merger.

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[22] The role of such "optimizing grants" has been lucidly set forth in George F. Break, *Intergovernmental Fiscal Relations in the United States* (Washington, D.C., The Brookings Institution, 1967), ch. III. Following Break (p. 76), I here assume that possible cost spillovers do not significantly influence local budget decisions on specific programs. Hence benefit spillovers are the crucial factor to be dealt with, and wherever there exist net benefit spillovers, optimizing grants are called for.

[23] See the discussion and references in Break, pp. 175–177.

[24] For a brief survey of such proposals, see Break, pp. 174–191.

WEIGHING CONFLICTING OBJECTIVES

How can we best organize or reorganize metropolitan local government to fulfill its several economic objectives? (1) The best course of action is to maximize the satisfaction of citizen preferences for ordinary public services is unclear; there are impressive arguments favoring both the retention of small jurisdictions and the creation of much larger ones. (2) To supply services at minimum cost requires that local government be able to take advantage of economies of scale. At least for some services, this points to the need for larger jurisdictions. (3) Improved planning and coordination undoubtedly requires much more areawide action along one or several of the lines mentioned above. (4) Mobilizing local resources for the fight against poverty requires either the creation of metropolitanwide governments or federations to draw the whole metropolitan tax base uniformly and equitably into the task, or else the use of funds collected at higher levels of government to finance the necessary local redistribution of services toward the poor.

Weighing all these criteria together one can certainly make out a good case for attempting to introduce either metropolitanwide federation or a unitary metropolitan government. As a practical matter, however, resistance to such solutions is so great that we cannot rely on achieving them at this time. Nor does the widening distance between average incomes in central city and suburb suggest that their opposing interests will soon be reduced by natural evolutionary forces.

SHIFTING FINANCIAL RESPONSIBILITY TO HIGHER LEVELS OF GOVERNMENT

In this context the increased use of the taxing powers of higher level governments to help finance local services that produce important benefits for the poor has great appeal. It would help to achieve one objective without seriously interfering with the achievement of any of the others. To what extent such a policy should involve direct provision of services by the government that collects the taxes and to what extent it should involve grants-in-aid to enable lower levels of government to administer the funds is a question I will not go into. Nor can I attempt to cover the whole range of complex issues that arise in connection with intergovernmental fiscal relations, as one would have to do in order to formulate a grant program that would be ideally efficient and equitable.

Municipal officials are, of course, anxious to obtain expanded State and Federal aid to help them meet local service needs, and State officials are equally eager to obtain more Federal aid for the States. Not surprisingly, however, these two groups disagree on the question of what form increased Federal aid should take. The Governors enthusiastically support some version of the Heller-Pechman proposal for unconditional Federal grants to the States (or as it is sometimes

called, Federal revenue sharing).[25] The mayors are generally suspicious of unconditional grants to the States on the grounds that States might not pass through a "fair share" of the money to local governments. They would usually prefer to see any available Federal revenues used to expand functional, conditional grants-in-aid made directly from Washington to city hall, on the pattern of the urban renewal and antipoverty programs.

The "pass-through problem" has been discussed frequently, but mostly in political terms. Heller, for example, writes:

> I count rather heavily on reapportionment to achieve equity in the allocation of funds within the States. Yet I do not wish to say that reapportionment, for all its good works, is a guarantee of the balanced distribution of Federal funds. Central cities will be represented in proportion to their population but not to their problems. For their crushing problems of poverty, racial disability, obsolete social capital, and undernourished social services cannot be solved within their own bounds. They require recognition—and financial help—on a metropolitan area, a State, and a national basis. The danger that growing suburban representation under reapportionment will still leave State legislatures unsympathetic to the problems of the core cities argues for some adjustment in the allocation formula to give special recognition to their needs.[26]

It has apparently escaped attention that some of the most common plans for distributing grants contain what might be called an "implicit pass-through problem." Specifically, with some formulas it makes a difference in terms of aid that reaches particular units at the bottom level of a heirarchy, whether the aid is distributed by formula directly from the top level to the bottom or is distributed by the same formula to an intermediate level and then from that level again by the same formula to the bottom. These differences depend upon differences in the distribution of income within the intermediate jurisdictions.

Consider the example presented in table 4. We have two localities, the central city and the suburb. Each contains four individuals whose incomes are shown in column (1). Average income is the same in the suburb and the central city, but the distribution of income is more uneven in the latter since the richest man is richer and the poorest man poorer than his suburban counterpart. Now suppose that the State, which consists of these two communities, decides to distribute a total of $800 in grants to its citizens. The purpose is to equalize incomes. Therefore the State chooses the common equalizing formula which makes the amount of the grant to each recipient vary *inversely* with

[25] See Walter W. Heller, *New Dimensions of Political Economy* (New York, W. W. Norton, 1967), ch. III, and Joseph A. Pechman, "Financing State and Local Government," reprint No. 103 (Washington, D.C., The Brookings Institution, 1965).
[26] *Ibid.*, p. 160.

the recipient's income. Thus the grant going to each individual varies *directly* with the ratio of the average income in the jurisdiction to the income of the individual. These ratios are given in column (2).

TABLE 4.—ALTERNATIVE METHODS OF ALLOCATING GRANTS

Place	Individual incomes	Ratio of average income to individual income	An $800 grant fund is to be allocated inversely to income	
			Directly by State to individual	By State to locality, by locality to individual
	(1)	(2)	(3)	(4)
Central city	$8,000	0.625	$54.30	$48.78
	5,000	1.000	86.88	78.05
	5,000	1.000	86.88	78.05
	2,000	2.500	217.20	195.12
Total central city	20,000		445.26	400.00
Average, central city	5,000			
Surburb	$6,000	.833	72.40	81.63
	5,000	1.000	86.88	97.96
	5,000	1.000	86.88	97.96
	4,000	1.250	108.60	122.45
Total suburb	20,000		354.76	400.00
Average	5,000			

Details may not add to totals due to rounding.

If the State now grants funds directly to the individuals without using the locality as a "formula intermediary," each citizen receives the sum shown in column (3). One can see at once that the grants are inversely proportional to income as between all individuals. For example, the $2,000 man receives twice the grant of the $4,000 man, who gets twice the sum alloted to the $8,000 citizen.

If, however, the State allots funds to the localities inversely to income and the localities in turn allot to individuals on the same basis, the outcome is quite different. Population and average income in the two localities are equal, so each would be granted $400. If each locality now makes grants to its residents in inverse proportion to income, individuals receive the sums in column (4). In this case the allotments are inversely proportional to income *within* each jurisdiction, but not between jurisdictions. For example, the $2,000 man still receives four times as much as the $8,000 man in the central city, but he no longer receives twice as much as the $4,000 man in the suburb. Nor do the $5,000 men in the two localities receive equal treatment. Finally, the aggregate grant received by each community also differs in the two cases.

We reach the paradoxical conclusion that equal treatment of equals at one level of the hierarchy leads to unequal treatment of equals at another: if the central city and the suburb are treated equally because their average income levels are equal (col. 4), then their individuals of equal income receive unequal treatment. On the other hand, if individuals of equal income receive equal grants no matter where they live (col. 3), then localities of equal average income receive unlike aggregate sums.

By changing the labels in my example one can see that it is relevant in a number of real cases. If we substitute "Federal Government" for

"State," "State X," for the central city and "State Y" for the suburb, and imagine that the individuals have become school districts within the States, the example refers to Federal aid to education. Or if each individual becomes a locality within a State, we have depicted the flow of grant-aid from Federal-to-State-to-municipal governments.

I cannot say how much difference it would make in practice (and to what groups) whether we calculated equalizing grants so as to equalize at the intermediate level or, instead, as the lowest level of the governmental hierarchy. A numerical example, such as the one I have given, is insufficient ground for reaching systematic conclusions. It does appear, however, that where pockets of extreme poverty occur in otherwise affluent jurisdictions (the $2,000 man in the central city of my example), distribution via the intermediate level (col. 4) results in less aid to the impoverished than does direct distribution (col. 3). It might be argued that in such cases the well-to-do members of the central city, who must by assumption be fairly numerous, should be willing to contribute toward meeting the needs of the poor. But that proposal brings us back to the fundamental difficulty of redistributing income within local areas. When the $400 grant received by the central city is divided among its residents inversely to income (col. 4), the middle classes in the central city come off worse than their counterparts in the suburbs ($78.05 rather than $97.96). If the central city government were to give its poor as much out of the $400 local fund as they would have received had the State distributed its grants directly to individuals ($217.20), it would have to reduce the portion of the well to do even further below that of their suburban counterparts. The problems implied by that policy have already been sufficiently emphasized.

Some grant formulas, to be sure, do not involve an "implicit pass-through problem." When the share going to the intermediate level is determined by simple enumeration of some characteristic attaching to the units of the lowest level in that jurisdiction, no problem arises from allotting funds via the intermediate unit. That is the case for example, if funds are allotted to the intermediate unit either per capita or in proportion to income tax receipts from that jurisdiction. In either case the intermediate government can pass the grants on to the bottom level of the hierarchy with precisely the same outcome as would occur if the grants went directly from top to lowest level. If, however, the distribution to the intermediate level is determined by averaging the characteristics of individuals within that community, as for example by averaging family income, then the implicit pass-through problem arises.

I do not wish to suggest what is the "socially correct" solution to this problem. Buchanan, in his original article on "Federalism and Fiscal Equity," took the position that the notion of equalizing grants to governments carried little ethical force and that the best case could be made for reaching all the way down to individual status as the thing to be equalized.[27] The logic of this position requires that equalizing grants be distributed so as to avoid the implicit pass-through problem. Musgrave, on the other hand, makes a case for accepting the proposition that "all States of the federation should be placed in a more or

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[27] Pp. 96–97. See note 7 for full citation.

less fiscal position".[28] If one accepts that proposition he will be less concerned about how grant benefits are finally distributed among individuals. Musgrave correctly concludes that the choice "remains one of political philosophy and social preference".[29] I do suggest, however, that the implicit pass-through problem merits further study, if only to call our attention to the practical and philosophical implications of alternative policies.

The City as Zone of Passage for the Poor

I have argued that the most serious problem facing our older central cities today is the concentration of poverty within their borders. To be sure, we have always had urban poverty, but until recently our cities were also the undisputed centers of national wealth. Today the situation is changing: wealth is dispersing from our cities while poverty remains behind. The gap between suburban and central city incomes widens steadily, and the end is not in sight.

There is another way of looking at this: Our great cities have always served as "zones of passage" for the immigrant poor, accepting them by the millions, crowding them into ghettos, but finally providing the ground for their integration into the mainstream of American life.[30] It is a role for which tradition has fitted the cities, and we should be content if they continue to discharge it honorably in our time. But the evolving pattern of metropolitan settlement increasingly deprives them of the necessary means. They cannot do the job without help.

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[28] Richard A. Musgrave, "Approaches to a Fiscal Theory of Political Federalism," in Universities—National Bureau Committee for Economic Research, *op. cit.*, p. 116.

[29] *Ibid.*, p. 29.

[30] Bernard J. Frieden used the phrase "zones of passage for low-income groups" to describe the function of old neighborhoods in central cities in his study, *The Future of Old Neighborhoods* (Cambridge, Mass., The M.I.T. Press, 1964), p. 120. I have simply broadened its reference.

THE INNER CITY AND A NEW URBAN POLITICS

BY HARVEY S. PERLOFF AND ROYCE HANSON*

Urban politics and the urban environment are closely related, whether at the neighborhood level or at the large scale of transportation and renewal strategy. The environmental context of civil disorder dramatically illustrates this relationship. A critical problem in urban development is to relate political and social development to physical change in order to achieve the much discussed objective of "human renewal."

THE SOCIAL AND POLITICAL CONSEQUENCES OF TECHNOLOGICAL CHANGE

American cities are not only suffering physical obsolescence but social and political obsolescence as well. There is substantial evidence that the inner city, including its politics, is not only increasingly segregated, but increasingly insular and too-often violent. The city—after notable successes in the process of "socialization" in the past—today functions poorly in bringing the inner city population into the mainstream of the economic, social, and political orders. This is due largely to the special "mix" of a highly advanced technology and mature society joined with a rapid clustering into the cities of particularly disadvantaged groups.

As a result of the great technological and organizational advances, the economic, social, and political structures of the United States have become increasingly integrated in national terms. Big business, big labor, and big government also means national business, national labor and national government. Executives, professionals, technicians and others increasingly function within a nationwide (and at times, international) context. They are in communication with colleagues in every part of the country, they move from city to city as part of their jobs and they move to get better jobs. They look to the Federal Government to meet their major needs (e.g. faster planes and intercity highways) and to achieve special advantages for their particular groups. State and local governments become of secondary importance and are often used to offset the Federal Government or to bring pressure to bear on it. They usually live and work in different communities, so that their approach to local politics is fragmented. They may bring pressure for better highways in the central city and more parking, while looking to a "protectionist" type of politics in their home suburban communities—to keep out the poor and high service costs. It is worth noting also the recent voting record in the House of many of the representatives from the suburban communities: the votes are anything but pro central city.[1]

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[1] *City: Bimonthly Review of Urban America*, vol. 1, July 1967, pp. 2–3.

The technological and other processes that have produced an un-usually affluent, nationally oriented higher income group have also cir-cumscribed the income and job opportunities in the countryside and in the mines and have brought poor Negroes, Puerto Ricans, Mexican Americans and Indians into the cities.

The move to the city of the less advantaged in search of job and income opportunities has been going on in the United States for a very long period of time. The city, in fact, has been an income upgrading, socialization "factory"—integrating group after group into the main-stream of American life. But previous groups did not have the severe disadvantages of racial prejudice and, even more, a technology that made the gap between the unskilled unurbanized worker and the skilled urban workers so great. The "greenhorn" of the 19th century and the early part of the 20th could make his way with a strong back and a shovel; he did not have quite as much of a "Chinese wall" to climb to get out of the ghetto into the mainstream.

The newer urban ghettoite, therefore, urgently needs some "equal-izers," to be given a fair chance to "make it." A major part of the "equalizers" must come through income maintenance measures and through major assistance with jobs and education. But it must also come through a restructuring of the urban scene to reestablish the city as a "socialization and integration factory."

LACK OF CITIZEN INVOLVEMENT IN THE INNER CITY

It is important to appreciate the relationships between the disinte-gration of urban politics and the radical changes that have been occurring in technology, mass communications and group structure and the consequences of the fact that *place* has become increasingly less important in public life as people can travel farther to work in dis-persed locations, and as the economics of mass communications virtu-ally black out neighborhood news in favor of national and international news. And, as the service, or welfare state has supplanted the patron-age system, the politics of functionalism has tended to supplant the ward system as the basis of civic activity. The gossip structure, a prin-cipal means of community information, was once reinforced by work place contacts, the local press, the party system and a place-oriented group structure. The links are now substantially weaker.

Very few services provided by cities for their residents are placed or administered in the neighborhood, limiting interplay between citi-zens and their acceptance. Participation is also vital as the channel for maintaining stability and producing democratic change. It is the most important aspect of civic education in a democracy, basing learn-ing on experience. When that experience is frustrating, unproductive and peripheral to decisions, as is now so often the case in our American cities, what the citizen learns is that participation is not an efficacious expenditure of time, or that his views "do not matter." Consequently, tendencies toward civic apathy and political alienation are enhanced by the existing processes of citizen participation. Those who do con-tinue to participate tend to internalize their participation, segregating it from other processes, maintaining cohesion through intensity, or even terror, and adopting isolationist rather than integrationist tactics.

The general upshot of this kind of politics is to maintain the social integrity, the physical condition and the political and economic isolation of the slums. The normal strategy of politics is to pyramid resources. The constraints on inner city politics produce, at best, a truncated pyramid, in which resources are dispersed rather than built up.

There are, to be sure, some countervailing forces. The community action phase of the Federal antipoverty program has had some effect on inner city and citywide politics. It has aroused controversy and the interest of residents. However, the failure to find a general political strategy suitable to these programs has tended to blunt their promise. In conjunction with neighborhood development or service centers, however, some local focus has returned. One problem with antipoverty citizen participation programs has been the limits on tangible control by the participants over programs. Nonetheless, one of the most acceptable facets of the antipoverty program, especially among young people, has been the introduction to participatory democracy.

The problem of inner city politics today is to develop means by which citizen participation is meaningful to the participants and to the larger political system. The political problems for the less affluent and less skilled residents of the inner city are quite different than are those of the residents of the richer suburbs. *Place* is extremely important for the inner city residents; their social and political spheres are very much more limited. The challenge is to give substance to democracy in the city and to use the processes of participatory democracy to transform slums into habitable environments and to permit their residents to aspire to, and reach, full citizenhood. This is easier said than done. Powerful forces mitigate against it. A strategy that fits the special needs of the present situation is called for.

The challenge can probably best be met by a developmental strategy which considers physical and civic development as inseparable components.

Physical development is—or at least can be—an important political and social lever. It is tangible. Thus, participants can see the real fruit of their efforts. Reorganization of the physical environment of an area can also help people see and understand their interests in their surroundings—and enhance their ability to form voluntary associations focused on physical features.

USING THE "NEW TOWNS INTOWN" IDEA AS A POLITICAL TOOL

Unfortunately, most urban physical development in the past has been essentially of the "bulldozer" variety and has had a negative political impact, if at all. Families and neighbors have been moved out to make room for giant highways, for office buildings, and for urban renewal projects. The physical improvement has normally not been in the interests of the residents, but has tended to help suburban commuters and higher-income groups seeking convenient locations close to work.

By contrast, the creation of New Towns Intown, as proposed by Harvey Perloff,[2] could provide the framework within which physical

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[2] The proposal is outlined in his article, "New Towns Intown," *Journal of the American Institute of Planners*, vol. 32, May 1966.

improvement can become a potent lever for civic development. The basic notion is to incorporate the major advantages of "new towns" in the built-up sections of the inner city, including the poorer sections. The "new town" idea has been receiving a great deal of attention in recent decades because of the advantages that a newly constructed community on open land can offer. Its design can be geared to the new technologies, including the handling of automobiles, it can offer more modern public services and facilities, more and better recreation, and, most of all, a greater sense of community. Actually, the basic principles can be incorporated in the redevelopment and rehabilitation of existing communities in the inner city. Key features would be the creation of a "lighted center" that would combine shopping, recreation, and community activities in a brightly lit area; that would invite a wide variety of housing units—including the high rise "city-within-the-city" towers containing many services and facilities within the housing structure; multipurpose service centers, and arrangements for foot travel—all providing foci for activity, interest, and action which can relate to civic organization. The new communities can, of course, be of various sizes, but for reasons of service efficiency—and political viability—they should probably contain from 50,000 to 100,000 persons (with lower or higher figures under special conditions).

New town planning has normally been carried out in a political vacuum. The residents could be viewed as market units for housing. In the New Town Intown the bulk of the future residents will be known. They should participate in the planning and rehabilitation of the community. The planning and development process would provide an opportunity to build a sense of political efficacy through a participatory process. It is, in addition, an opportunity to provide civic education in the politics of accommodation and compromise among interests throughout the metropolis, since major interests will be involved in the character and activities of the "new" communities in the inner city.

Citizen participation in planning involves a dynamic relationship between citizens and professionals. The experience of some cities with advocate-planners working for neighborhood action programs provides a point of departure for development of this relationship between city government, developers of land and the citizens affected. The role of the professional as interpreter and teacher for citizen groups, and his role as interpreter of citizen needs and ideas into technological and administrative responses is crucial to the success of the developmental strategy. In this sense, the planners of the New Town Intown combine attributes of the adult educator and union organizer with more traditional skills. To educate through civic experience, it is no longer enough to be concerned with power, but with the substantive consequences of the use of power.

A large part of the educational experience of planning a New Town Intown is in helping citizens and their leaders increase their effectiveness in influencing policy through training in the language of politics and the methods of decisionmaking. It should be an objective of the programs to help develop skills in bargaining and negotiation, gathering and presentation of evidence, use of rules of the game, organization and the use of professional and nonprofessional help.

To educate through the planning process, that process must be, and be perceived as, relevant to the environmental needs in the broadest meaning of that term. The environment must serve the social and psychological objectives and aspirations of the people.

The creation of New Towns Intown, as a developmental strategy, also offers considerable advantages that extend far past the planning process. In fact, if citizen participation is restricted to the planning phase it will be of little value. The new town should house both educational and other service programs which are administered at the community and neighborhood level. These not only would provide physical foci designed to vitiate the anonymity of urban communities, but offer the opportunity for development of systems of governance involving both official and voluntary participation.

The voluntary association remains a keystone of the democratic way of life. The New Town Intown offers considerable opportunity for development of new associations and strengthening of others. Unions of consumers and tenants might be fostered with greater effect in a community where economic institutions have been reoriented toward the community through the process of building the "lighted center" and the services areas. Cooperatives could be promoted in the management of enterprises such as credit unions, savings and loan associations, low-income housing projects, child care centers, grocery, furniture and clothing stores, and many other economic activities. In all of these matters a sense of place, a pride of identity, is extremely useful. The voluntary association, the union and the co-op also permit participation to follow interest and produce a pluralistic system of leadership which is trained for work in a broader political arena, as spokesmen for interests or as leaders of broader publics.

The social and political utility of many interest groups can be enhanced in a new environment, a new physical structure, and a new administrative system. The PTA or the school-home association can have much greater significance in an identifiable community served by an educational park containing the full range of educational programs. If administered locally, the points on which pressure can be exerted are both physically and politically more reachable. Parents with children in three levels of education are not required to divide their time among as many PTA's. In turn, they are required to understand and deal with the whole educational process rather than some small segment of it. There is less danger of dividing interests and resources on inefficient and separated school facilities. And an integrative function can be served by the school itself while concentrating on the quality of education.

One of the considerable advantages of the New Town Intown as a stratagem in urban democracy and political development is its opportunity to increase the pluralism of inner city politics. The critical factor in democratic pluralism is not the number of institutions or associations in a society, but the number of values which are represented in these associations. Democracy tends to function best when there is an extensive pluralism of values, and none is so predominant that it can afford to suppress its competitors. In this kind of situation, rule is through combinations of minorities, and the tyranny of the majority, so feared by Madison and Tocqueville, is an unlikely pros-

pect, simply because permanent alliances covering a full spectrum of issues, is unlikely.

Both slums and suburbs, despite the existence of all manner of indigenous groups, tend increasingly toward monolithic rather than polylithic political systems. There is little value competition in either society. In such societies, intolerance is easily sustained because alliances with groups holding different values is not necessary, or in some cases, even possible. The result is a politics which moves toward the extremities of the value scale rather than toward points of accomodation or assimilation. These are good reasons to encourage pluralism. Pluralism stimulates competition, competition produces conflict, conflict generates interest, and interest enhances participation as the contestants appeal to other groups for help.

The New Town Intown, if created with some skill and scope, offers an opportunity to provide a more heterogeneous population than now exists in the inner city. This objective is as difficult as it is important. It is politically difficult to plan for in the context discussed above in light of the history of inner city opposition to traditional renewal approaches as "Negro removal." Class integration may be as important as racial or other ethnic integration. The New Town Intown, to function as a viable polity (or subpolity) needs social pluralism and the reflection of this pluralism in its schools, churches, neighborhoods, and economic activities.

There will be some institutions where integration of interests and values can occur naturally. Other groups are not integrationist by nature. Social groups tend to follow class, and even occupational interests. Landlords and tenants, lenders and borrowers, managers and workers, are not likely to form common interest groups to advance primary interests. Secondary and tertiary interest groups are important in community building, however. Here the church, the PTA, the co-op, the fraternal organizations and clubs, and groups formed around recreation centers or other environmental facilities can be important arenas for sharing and accommodation of values in a pluralistic system. By its continuing focus on environmental change, the New Town Intown offers a focus for intergroup contact and productive interaction.

Where much of our current development strategy now falls short of its civic promise is that, as important as voluntary associations are, they are not presently a key requirement in community development. Increasingly the local decisions which matter are made by public officials.

To operate adequately, either as a democratizing invention in the city, or even as an agent of environmental change, the New Town Intown should be officially organized. It should not be operated simply as other parts of the city have been. Reorganization of the physical environment should be accompanied by reorganization and reorientation of the urban government and political system.

In addition to the public school campus, the New Town Intown should have a related public service center to administer the public programs for the community. A meaningful participation of citizens in civic life involves election, by the community, of a town council to oversee the administration of certain of the governmental affairs and to care for the public areas—the lighted center, the schools, the parks, and neighborhood centers.

Such a town government would, of course, not possess all municipal powers, but it could participate in budgetary decisions affecting the community, making special assessments or allocating block-grant revenues for the community. Working with town administrators, city officials, and planners, it could also initiate proposals for improvement of services, and have certain powers respecting the administration of schools and other programs.

The purpose of having a government in the new town is twofold. First, it is important to relate participation to power. Second, officiality provides the integrative mechanism for interest group activity and assists in legitimatizing decisions.

Participation without power is a cynical ritual, especially for the inner city poor. Certainly participation in the antipoverty advisory board elections has been low. But one may reasonably ask why it should not be low when so little was at stake. If the participants can, through candidates, actually influence tangible actions of the government, participation should increase. Moreover, the educative effects of participation tend to be dissipated if no responsibility rests on participants as a consequence of their decisions. Giving advice is not an adequate substitute for official and legal responsibility and electoral accountability. The meaning of elections and participation is enhanced if they result in a distribution of rewards and penalties, whether these are programs or jobs. And if the new town can succeed in creating a pluralistic community, the competition for offices can assist in creating interest and stimulating participation. Competition for office can also help develop a new town counterpart of the party system, which can operate in itself as an integrative mechanism among classes and groups in the community.

As an experiment in civic rejuvenation, in both the environmental and the political sense, the New Town Intown also affords an opportunity for improvement of urban electoral processes. The voting system normally used is adapted from the rural or village context, and unsuited to urban life. While the physical structure of the new town can create better meetingplaces on blocks, in neighborhoods, and in the community at large for the discussion of public affairs, voting can also be facilitated by planning the polling situation. Each major housing project might place a voting machine in the lobby, or outdoor polling places could be established on every block to make the election visable and to make democratic processes a part of neighborhood life. Regular elections might also be supplemented with other forms of citizen participation, such as opinion surveys and organizational activities.

Elections provide a capstone for citizen participation through voluntary groups. They provide an element of legitimacy to community decisions and a test of power. They educate in the significance of winning and of accepting loss within the rules of the game. They also avoid the divisive and unsoluable problems associated with the use of co-opted groups to advise public officials. The community, not city hall, should choose its leaders.

Through the processes of engineering electoral support, of bargaining for advantages, of negotiating compromises on programs, and of developing electoral and governmental majorities democracy both educates and integrates. Political alliances are not only practical necessities but serve the social end of assimilation of minorities through the

system of trade offs. In this respect, one objective of the new town's civic program is to update, to the latter third of this century, the social values of ward politics of 100 years ago, without accepting its unsavory forms.

The New Town Intown can put physical change decisions in a context that is meaningful to today's slum dweller. It can provide a motive force for participation and a framework for effective civic development. It can supply exposure to differing values and a mechanism for productive resolution of conflict. It can provide the tangible outcome for participation, relevance for the participants, and an experimental, educational approach to urban democracy for mass society.

TWO ESSAYS ON THE NEIGHBORHOOD CORPORATION

BY MILTON KOTLER*

PART I: POLITICAL DISORDER OR LOCAL SELF-GOVERNMENT?

At the outset, let me say that this paper is not a study. It is an argument, addressing your questions and intending to persuade you toward a course of urban legislation which would meet the problems you raise. This argument has been formed over several years of observation and involvement with urban problems and has been put to the test in the project development of the East Central Citizens Organization in the city of Columbus, Ohio.

A. TWEEDLE-DUM AND TWEEDLE-DEE

You ask this question: Are the present urban problems due to the inadequate organization of urban government or to inadequate technical innovation? First of all, what urban problems are we referring to? Any man on the street can recite a list of urban conditions which adversely affect him: bad transportation, bad air, high taxes, a soaring cost of living; the terror of impending assault, rape, and other crimes; the endless crowds and the time it takes to get through the checkout line at the supermarket; the difficulty of getting a doctor to make a house call and so on. If the man on the street is poor and Negro to boot, his list will be considerably longer, including police indifference, constant investigation, unemployment, bad schools, discrimination in many social associations and exchanges, restricted housing, vermin, vicious landlords, and so forth. In the past few weeks, however, one urban problem which was rarely known in this country until the summer of 1964 has overshadowed the other problems. I am referring, of course, to the riots. The frequency and intensity of their occurrence makes them a fact of the urban condition, and it is to this urban fact that I wish to confine my discussion. To rephrase your question, then: Are the riots and their underlying causes due to inadequate governmental organization or to inadequate technical innovation?

Frankly, this distinction baffles me. How can we divorce technical innovation and public policy from the organization of governmental institutions? Is it not the responsibility of government to solve urban problems through technique? There can neither be good government without technical skill, nor technical innovation irrespective of the imagination of government.

It would seem that the distinction between technique and organization is actually based on an attempt to distinguish governmental organization from leadership, to blame the riots either on inadequate

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leadership and on inadequate government. This, too, is a false distinction. A government which does not foster a responsive leadership willing to employ technical innovations is not an effective government.

The genuine distinction which must be made is this: Are riots political, implying an inadequacy in governmental technique, organization or leadership, or are they natural? If the latter is true, then we can do nothing but await a natural solution. Technical innovation then amounts to nothing more than a medication for the temporary relief of urban aches and pains. If disorder and violence, and not merely the aggregation of individual crimes, are beyond the control of government, then government can at best be only a seasonal affair.

If we reject this notion of government, then we must realize that rioting is no more a natural result of urbanization than is unemployment. And when we come to this realization, then we must begin to determine the political nature and interest of the rioting.

B. THE POLITICAL RIOT

To determine the political nature of an urban problem, we must see if the problem involves the formation of new power and expresses through its activity the language of liberty and equality. If so, it has a political dimension.

Within the past 3 years, almost every major city has had its riot, some more than once. For that matter, there are a sufficient number of riots in minor cities, like Middleton, Ohio, and Prattsville, Ala., to warrant the conclusion that no city can consider itself immune from rioting.

Riots seem to be precipitated by one of two types of events:

(1) They are triggered when a youth in the community is killed by police, as in the case of the Harlem riots of 1964, or when the police publicly rough-up members of the community, as was the case in the riot last year in Chicago. This first type, then, is precipated by a confrontation with police in an apparently individual incident.

(2) Riots are triggered by political events, such as the breaking up of a demonstration of welfare mothers against the welfare department in Roxbury, Mass. This type is contingent upon a confrontation with police, but also has definite political overtones.

The physical consequences of the rioting are injury and property damage. The number of deaths and injuries is high, but whereas Watts involved the deaths of 35 Negroes and two policemen, the ratio of injuries suffered by each side seems to be evening out. In Roxbury, for example, 35 policemen were wounded.

Deliberate property damage, caused principally by fire and looting, is usually restricted to certain parasitic business establishments. Others, which are vital to the community, are spared. In Portland, Oreg., on July 30, for instance, only one store was firebombed—a store which for years had resisted community pressure to end discrimination in hiring.

The riots have a common and unmistakable characteristic: police in vast numbers are pitted against the community. By the end of the first evening of the Roxbury riot, there were 1,700 police sweeping the Roxbury-North Dorchester community. When the National Guard

and now regular troops are deployed, the size of the force confronting the community is ever greater.

Weaponry is well-defined for both sides. The police sport new and specific riot-control equipment; their helmets have a plastic riot shield; their clubs are long prods of devastating weight. In Detroit, a force of armed helicopters patrolled the roof tops. Tanks and fixed bayonets are the trademarks of the National Guard. Tear gas is a common weapon for flushing out and forcing back the community and police are now experimenting with new disabling gases. The communities, on the other hand, use guns, rocks and bottles, molotov cocktails and, as I was surprised to witness in Roxbury, German shepherd dogs aimed menacingly at police.

The relationship of community leadership to the riot situation is of increasing significance. On the first night of the Roxbury riots, the police assaulted and arrested a major segment of the moderate community leaders, including Byron Rushing, Bryant Rollins, Archie Williams, and Thomas Atkins. These men represented such established institutions as the NAACP, Exodus, and the Bay State Banner. It can either be said that the police did not know them as leaders, implying an inability to recognize established leadership in the community, or that the police knew them and deliberately went after them, in which case they assaulted the potential negotiators of a moderate peace settlement. The latter is more likely the case, since the leaders arrested remain under indictment in Boston—for kidnaping. A deliberate assault upon these leaders constituted a political assault, borne of an opposing political interest.

While rioting is not natural, neither is it foreign to government.

—The problem of government is to provide continuing constitution which can develop the necessary law to accommodate new political facts and peacefully order them in society. The theory of government does not hold that there are certain kinds of political facts before which legislation or leadership must step aside in favor of pure force or elimination. The argument that the existence of large numbers of the population in disorder is foreign to the constitution of government and must be rooted out of the society, is nothing less than an argument for genocide.

—The problem of government is to confront political facts, understand their nature and interest, and deal with them justly and in a manner consistent with the general interest of society. A government which cannot do this can be said to be inadequate in structure. It will necessarily abandon politics for force.

When government is confronted with new popular demand, its first task must be to determine the political character of the demand. In other words, what is the expression of its political power? In observing and having to deal with the riot, one sees a great deal of activity, only some of which is political. The burning of buildings, for example, is not political, for by itself it tells you nothing about political power; arsonists also burn buildings, but with little political relevance. The unmistakably political phenomena in rioting are (1) the mobilization of the police on the one hand and the community on the other, and (2) the presence of leadership, and their ability to govern the action. Simply stated, the political dimension of the situation is the political power involved. By seeking the political dimension,

government can decide whether the riot is merely a sudden orgy of violence without likely repetition, in which case control is sufficient for order; or, on the other hand, whether the riots are continuous, directed, decisive, and declarative of interests, in which case it must be confronted by politics and not mere force.

The second task of government when confronted with new power is to ascertain its political interest. I stress again that there are many other interests expressed by a riot—social, racial, vengeful interests—about which established government can do nothing. If a Negro throws a firebomb because he is angry that he is not white and cannot, for example, gain the same degree of police protection enjoyed by whites, then it is senseless for government to dwell on the racial conundrum. Government must realize that it cannot meet his racial demand, that is, it cannot make him white, but it can meet his political demand for equality with respect to police protection.

In meeting new demand, government is equipped with one peculiar instrument, authority, which is sufficient to deal with all political demands if wisely used. Wisdom, however, is rare, and government tends to substitute a more blunt instrument, force. In doing so, it is practicing militarism, not politics.

The subject matter of politics, that is, of power demanding liberty and equality, is the actions and not the condition of men. Thirty million impoverished people do not necessarily constitute in themselves a political problem. They become a political problem only when they move with power toward liberty and equality.

Although this is a simple point, we commonly commit a three-stage error. First, we tend to think that social conditions constitute a political problem. Second, we attempt to understand the political problem of the emergence of new power by deduction from statistical survey and analysis rather than from the actions themselves. Third, we attempt to remedy the political problem by dealing with the social conditions of the rioters. If a group seeks the liberty to rule its community life, government can no more settle the issue with manpower training programs than it can with riot guns. The issue can only be dealt with by identifying the political dimension of action and meeting it with the wise use of authority.

C. "LET THEM EAT CAKE"

A sober view of the riots reveals that they are political events. They reflect the formation of new local community power in combat with the established power. It is this new power that must be addressed in our effort to achieve good government.

Is it not ludicrous to hear a mayor approach the rioters on the third night of violence with the pledge of more swimming pools? This is the swan song of Marie Antoinette, who, upon hearing that the poor had no bread, said, "Let them eat cake." Yet, this is also government's response to new power: if there are no jobs, for example, let them have job training programs.

The litany of cause and cure is heard across the land—swimming pools, job programs, neighborhood centers and more ambitiously—guaranteed annual income, income maintenance, and universal housing. The proponents of each cure dedicate themselves to eradicating what they believe to be the root cause of the rioting, and in so doing,

feud with the advocates of other cures. As this debate of angels storms in the halls of heaven, the riots continue to rage in the cities of earth.

Admittedly there are causes to the riots. To deny this would be absurd. Yet, are we to suppose that if unemployment were a cause of the rioting, the new community power revealed by the riots will delightfully dissolve itself if jobs were provided, let alone if they were merely promised? To suppose that the riots can be halted by modifying some prior condition is to make both a logical and a political error. The logical error is *post hoc ergo propter hoc*—that since riots follow the condition of unemployment, they are caused by unemployment. The political error is the supposition that once slaves flex their strength on some narrow issue, their new discovery of power and political insight will not carry them forth to the greater purpose of freedom.

Riots can be political without their prior social conditions being the political cause. Whether they are political or not rests on the development of their new power and the nature of its interest and action. Having suggested that the riots are political in the sense that their new community power contends with old power, it remains for us to determine the political interest of this new power.

By the interest of new power in the Negro communities, we mean its political interest, for the interests we are seeking to understand is the interest of community power itself. That power, as we said earlier, is the power of all classes and groups within the Negro communities. It is common to all, and thus the power of community.

Since the interest which this community power seeks is of common value to all groups, it cannot be met by fulfilling the special interest of any one group in that community. We grant that there are special interests in the Negro community. Welfare mothers, for example, would prefer a greater liberality in the welfare program. While this plea has merit, we should not suppose that in approving it, we meet the political interest of community power. Nor do job training programs meet the common political interest of community power. While addressing the special interest of those unemployed, it cannot be said to meet the common interest of those unemployed and employed. That nexus is bound to another interest held in common.

Nor is the political interest held in common and expressed in a unity of power in the Negro communities the sum of the interests of particular groups and classes within the community. This additive notion of community does not hold. Were government to meet every special interest of each group in a community—liberal relief for welfare mothers, jobs for the unemployed, business loans for Negro merchants, et cetera—a common interest would still stand unmet: not patronage, but liberty.

There is no difficulty, at least in thought if not in practice, in facing the special needs of groups. Since groups are in a constant state of depression, always needing something, the amelioration of their condition is easily recognized. The method is simply increase. Thus, if statistics show that there are so many unemployed, the answer is to create more jobs; if welfare payments are low, the answer is to make them higher, and so forth. This is the litany of groups and increase, the standard method of our antipoverty campaign today, and is off base for two reasons: First, in the absence of a generous will, the statistical review of the impoverished conditions of special groups is at

best academic, at worst, sadistic. Do we revel and delight in the tortured condition of the poor? Second, it is off base because were we truly generous and increased each separate group, the common interest of new community power would not be met.

I am not suggesting that the well-being of each group within the Negro community should not be increased. It should be in the name of justice. It can be argued, however, that in the absence of a natural generosity, which is generally not characteristic of nations, such special increases cannot come before the political interest of new community power is met. With power as a predicate, mere prudence would commend generosity.

Because we intend to understand the political interest of Negro community power, rather than the special interests of special groups within the Negro community, I can spare the grateful reader any recitation of the "facts" of poverty. These are amply documented. We know the horrendous conditions in housing, education, income, employment, health, et cetera. I will not go into these because while their solution is simple in principle, namely, increase, in practice such increase depends on meeting the common interest of Negro community power.

What is it then that Negro community power seeks? What is the political interest of new power? Ordinarily, and befitting the intellectual style of the times, we would turn to public opinion analysts for the answer. They would interview, assay attitudes, calculate distribution on all kinds of scales, and report their conclusions. But *post hoc ergo proctor hoc* holds on this count too: Just as social conditions cannot account for riots, social opinions cannot either.

Just as political power exists in the formation and the events of action, so its interests exist in that same context. Within the context of events of power, including both riots and the quieter struggle of community formation, there are signs in talk and action available to indicate the nature of the interest.

Community power is always accompanied by leadership. To be precise, leadership is a structure of community, the nexus of people in motion. Since leadership combines the features of the common, the direction of the common, and the specific articulation and tactics which are clearest in the body, the political interests of Negro community power are best indicated in the talk and actions of Negro leaders. Of course, it is not always easy to know who is a leader and who is not, for rarely do leaders lead everything, as rarely as community itself is utterly singular in direction. Further, yesterday's leader may not be today's leader. Close observation and sympathetic objectivity, however, can identify present leaders of community power. The only major precaution which must be taken is to avoid the error of superiority and providence. Those in the Negro community, with whom we would prefer to deal, let alone those whose influence is established with legitimate power, may not be leaders at all. If they are leaders, then they may be leaders of interests other than that of community political power. A Negro leader is one who moves his community and his community, rather than established legal authority in the country, is the final arbiter of his leadership. Established authority can either ignore that fact, suppress it, or meet its expression. Only true dedication to politics affords the capacity of prudence and intellectual interest to face this fact.

The popular leadership of the Negro community is almost unknown to those in authority outside the community. Lacking the signs and emoluments of legitimate office, the Negro leaders are unnoticed by the media and by public opinion. When in danger, they are carefully guarded by the Negro community itself. The indisputable fact remains, however, that there are thousands of such leaders, each one moving the local community with a potent force.

<center>D. THE PRINCIPLE OF SELF-RULE</center>

What interest is this leadership expressing? The riots dramatize their daily message—the oldest message of political interest—self-rule. When the Negro community forcibly combats the police in an attempt to drive them out of the community, or indeed when leadership may urge and negotiate their removal; when the community burns out the stores it chooses and leaves those it prefers; when the community comes to its own aid by self-help under the violent and dangerous circumstance of a riot; what are we to conclude as to the expressed interest of that community? Leadership of late has announced the message. The message is: neighborhood control. What more does black power mean than this? Does it move great numbers to seize national industry and the machinery of national government? Absurd. Instead, the direction, most revolutionary indeed, is toward neighborhood self-government.

Since riots and the terror they evoke are not the best circumstances for clear thought and careful observation, the issue of self-rule as the foundation of liberty, equality and indeed, the self-sufficiency of the community, is better seen in the less passionate everyday struggle of politics in the Negro neighborhood. What else do the events of the past several years tell us? What do several years of day-by-day struggle on behalf of the Negro community to gain a voice in the antipoverty program mean? What does the struggle to gain a voice and decision on the local school boards mean? What does all this effort and struggle mean, in its quieter day-to-day tactics, demonstrations, and negotiations, other than the political interest of independent local authority, representing the community public and embodying its purposes? The Negro communities want their sovereignties as tenaciously as the States insist on holding their ancient rights. Can neighborhood rights be any less real than States rights?

The absolute rule of Negro communities by outside forces has reached the highest degree possible without precipitating rebellion. At the point when practically all decisions affecting public life are made on the outside, a politically confident and conscious people, aspiring to be free, must insist upon a share in local rule. This must be understood by established authority in the Nation and the cities. Negroes are not demanding to be greater than others, but only to be equal to others. Thus, others need not be jealous. Further, Negroes are not demanding total self-rule; that is, separation from the Nation, but a share in local rule. Thus the Nation need not fear dissolution. It can only expect a strengthened foundation based on the self-sufficiency that comes from community self-rule.

It has always been obvious to the poor and the ruled, both of which apply to Negroes, that the attainment of prosperity and liberty requires their own local sovereignty, lest the amount of prosperity and

liberty available should go to others. How can Negroes, living in the closed community of the ghetto, prosper if they as a community have no control over the resources required for their prosperity?

E. THE THREE COURSES OF GOVERNMENT ACTION

In the face of new power demanding self-rule and local authority, what is government to do? History shows that it has three alternatives, one stupid and most common, one brutal and quite common, and one wise and uncommon. These courses of action are trickery, suppression, or the transfer of authority.

It is easiest to meet the demand of new power with gimmicks, which endeavor at the same time to embrace and resist the interest of self-rule. Government has the capacity to mix all elements and conjure up pretended solutions. It has the logic to argue from false causes as well as true causes. Thus it is that governments often say that demand stems from other than its true sources, or that some contrived method will meet the true causes, when in fact it will not. So long as these gimmicks that refuse to meet the issue of self-rule and equality are promises of action, they may convince new power, for along with new power there is a lot of hope and innocence which can be played on. When promises are not fulfilled, we know from experience that the gimmick simply fails to work. This only aggrevates the struggle for power.

The second course, which is sadly becoming more evident in our cities each day, is to forcefully crush the new power. While this may also seem to work, its course is always more severe and brutal than anticipated, simply because established power always forgets the passion and strength of new power seeking equality of rule. What begins as a riot often ends as a civil war. What is first met with police must soon be met with federal troops. Even if the battle of force is won by established authority, the spirit of the Nation, its hopeful ethos, is lost, and its national strength begins to crumble.

The third course is best. Government is most wise to transfer a portion of its authority to new power for local self-rule.

F. THE WISE COURSE

In the face of new power seeking self-rule, government must transfer a portion of its authority to the legally organized locality, so that the locality can govern its local matters. By this method government brings the people into liberty and equality. It gives the right of rule to those who have only been ruled. With local authority transferred to new power, that power is harnessed to the constructive task of local decision rather than to the violent struggle against oppression. With the transfer of local authority, the community becomes responsible to itself. It can use the tool of authority, law, to advance its prosperity.

It is evident that this last course of action by government is a simple and obvious course. Why, then, is it so uncommon? That too is obvious: those who hold control hate to give it up. Few parents, for example, release their children from their control and give them sufficient authority for their own self-rule, unless they have great confidence in their children. No government is willing to transfer anything so richly rewarding as authority, unless it has great confidence in its people.

G. THE NATURE AND PROPER USE OF AUTHORITY

We said earlier that good government has only one instrument with which to meet the challenge of new power and self-rule—authority. And failing to use it wisely, government reverts to force. In so doing, it ceases to rule. It merely "occupies."

Authority is the power of law, the power to govern the actions of men within society, not by the power of force, but by the power of inherent rightness. This is the case when the laws are just, that is, when law is applied to the nature of man and his strivings in the manner of affirming his nature and fulfilling his aspirations, and with a constant regard for the common interest, But since the desires of man's nature and common interest are always changing, the law cannot remain static.

It sometimes occurs, however, that the changing of the law proceeds far more slowly than the dynamics of liberty and common interest demand. At such time, law fails to govern action. What laws exist seem old, and lose their relevance and legitimacy in the eyes of the citizens. People come to believe in new patterns of rule and common interest, in new patterns of social ordering which they deem more just. They wish to govern new things in new ways. These patterns of belief and social desire are real enough within the communities of man, but the communities are without the authority to enact these new visions into social truths and justice newly understood. Under these conditions, the localities move farther and farther away from the centers of authority, and the people begin to talk of "self-help," for they will not forsake their interest in liberty and the new common interest simply because authority is not responsive. Community falls out of the control of old authority, which languishes because it no longer rules. Eventually an appeal to stop or crush the new power and interest is made to government by those who remain intent on preserving the old privileges. Suddenly, government awakens to the threat to its structure. As we see today, it sends in the police. In doing so, it does not recover authority, but rather reverts to the prepolitics of conquest through the use of force.

Good government must act otherwise. When it becomes aware that its structure of authority is archaic, it must also become aware of the fact that while it cannot afford the divorce of social life and authority, it is incapable of ruling since it does not understand the new meanings of its own local communities. Therefore, it must transfer a portion of its authority to the local community, which understanding itself, can govern itself. Although this portion of authority must be roughly proportionate to both the values of community and the overall common interest of the society, the exact size and particularities of jurisdiction are merely matters of judgment and negotiation.

In short, what we discuss here is the very need of our times: Government must give local public authority to the legal organization of neighborhood communities within our cities, so that these communities can have a government that accords with the nature and common interest of the people in those communities. Such government can only be through local neighborhood self-government, for the new social meanings within those communities are too obscure and distant from established government. Unless existing, established Federal, State, and

municipal government transfer a proper portion of their authority to Negro communities, today's domestic warfare will grow. And it will grow exponentially, each act is reinforced by the preceding act.

II. NEIGHBORHOOD GOVERNMENT THROUGH NEIGHBORHOOD CORPORATION

I wish to turn now to a suggested method for the transfer of authority to local neighborhoods, and by implication, the establishment of creative federalism within our cities.

There are two cardinal rules that govern any method for the establishment of new local authority:

(1) Neighborhood government can only be established through local initiative. Established government merely grants its legality and transfers specific authorities to the forms of government that spring from the local community.

(2) The method should be the simplest possible, containing the fewest numbers of elements and having the least complex design. Thus it can accommodate the greatest variety of local circumstances and styles.

Based on these two guiding rules, the proper method must be implemented as follows:

(1) The Federal Government must first assist the organization of legal neighborhood corporations with some initial funding. The process of effective corporate organization requires means for bringing the people of the community together into an effective body to determine, plan, and implement the kinds of programs of self-development and local authority which the community requires and which it can manage. This is the initial period of organization during which time the greatest tasks are political education and the development of effective decisionmaking and management. It is the period in which the people of the neighborhood come together to examine their own resources, assess their capacities for self-rule, and determine the need for professional assistance. It is the time of constitution and the period in which the people decide how to govern themselves.

Funding from the government is more important for legitimizing the development of neighborhood self-government as a unit of local rule in the society than for the money itself. Therefore, funding should be both modest and sufficient. It should not be so large as to draw the government too deeply into corporate formation. Nor should the specific standards for such funding be so detailed as to force the locality to consider only a few models of constitution. Funding must go to the communities themselves and the neighborhood organizations of the community that come forth in application. Neither the government nor outside organizations beyond the neighborhood can start these neighborhood self-governing communities, though it is legitimate that certain general standards of democratic constitution and election be drawn to guide such funding. Further, it is for the incorporators within the territory of the neighborhoods to hire and bring in those whom they wish to assist them.

This proposal is already before the Senate in the form of Senate bill 1433, called the Neighborhood Development Corporation

Assistance Act. This excellent bill was presented by Senator Ribicoff and is now before the Senate Banking and Currency Committee. It deserves your consideration and support.

(2) Along with the initial funding of neighborhood corporations, the second rule of simplicity requires that the Government amend existing legislation that pertains to community development, in order to premit Federal funding for programs to the neighborhood corporations. There are currently some 300 programs of Federal aid in community development. Bringing the neighborhood corporation under the umbrella of these laws will give to much of that legislation the life it never had. The neighborhood corporation could qualify for neighborhood facilities funds, for vocational rehabilitation funds, for public health funds, and so forth. The communities, knowing their own needs, will come up with programs that are realistic. I would further say that writing the neighborhood corporation into existing legislation will do more for urban development and peace than any programs administered and decided from the outside. We must no longer pile unworkable prógram upon unworkable program.

I would therefore urge the Congress to undertake the exciting and arduous task of reviewing its current legislation in community development and amend those laws, one by one, to include the neighborhood corporation as a legal recipient of funding for programs that meet the purpose of that legislation, which, after all, is no more than community development, itself.

These are my only two recommendations. They fit the two prudential rules for the establishment of neighborhood self-rule, which I have argued is the nature and interest of the political unrest and disorder which exists today in our cities. I wish now to turn to the structural problems that these simple recommendations would entail.

In speaking of the way in which the neighborhood corporation and the transfer of authority to community self-government meets today's struggle of rule and equality, I am not advocating, as some would readily suggest, a policy of neighborhood succession from the cities. I am speaking only of the sufficient degree of home-rule which the neighborhoods require for their successful development and peace.

Further, I speak of the transfer of certain public authorities to the neighborhoods which pertain to essential local matters, that is, things of particular interest and characteristic approach to neighborhoods.

Since when does public day care have to be centralized under municipal control? Can't the residents and mothers of the neighborhood determine the kind of day-care program that best fits the community? The same can also be said of recreation, libraries, schools, health, welfare, and so forth. What does a community gain in the unitary centralized control of these programs by a central structure of some millions of people? Does anyone suppose that if the community had authority over a health clinic, they would hire a mechanic instead of a doctor? Can anyone suppose they would retain an inadequate doctor, when the self-deciding community is precisely that which would be affected by his poor craft?

In deciding what authorities to transfer, let us begin with common sense. Jefferson said of the "ward republic": start them for one essential purpose, and other purposes will follow. Some authorities may

work in localities, others may not. Some communities will excel over others. But this is certainly an improvement over the general failure of urban social programing under today's method of central control and domination.

Thus we call for a substantial measure of home-rule in the neighborhood corporations. Their self-rule will build a strong independence, by which we mean the self-sufficiency of community, not the secession of community from city. Further, any politician will realize that the transferee of authority does not divorce himself from the transferor, but is always referring and interrelating to him. The fact is that the transfer of authority increases the total amount of authority, while he who tries to control everything, controls nothing.

The structural problems of the reorganization of government, politics and special interest groups, which are implied in home-rule for the neighborhood, are not insurmountable. We have not yet lost our political inventiveness and liberal spirit, and the task of reorganization should be quite exciting:

(1) We would have to make some adjustments in our structures of Federal, State, municipal relations and particularly in the operations of our Federal grants-in-aid program. One of the sharpest political questions concerning the transfer of authority to the local neighborhood corporations will be the degree of direct relationship between the Federal and neighborhood levels. While a nation that is more responsive to its neighborhoods, would have the great strength of complete citizenship, the municipalities will insist on some decisive role in that relationship. I would favor a legal formula of direct funding from Nation to neighborhood, both for the corporate organization of neighborhoods and for the success of their program development under the amended legislation we discussed. Such a formula would result in building a workable method of municipal-neighborhood relations. Thus, in a short time, the cities would include the neighborhoods as public units of its own municipal governing structure, and at the same time an appeal level to Federal Government would be available to politically rejected communities. Further, the municipalities would quickly make these corporations public and municipally tax supported. Through this fiscal contribution by the city authorities, good coordination and political negotiation will ensue. The neighborhood will become a self-governing territory within the city and a healthy urban Federal structure will grow. (2) There can be no doubt that home-rule will increase the authority of our cities and mayors. There is little support at present for increased urban authority in the municipalities, simply because the neighborhood communities do not share in that rule. Reverse that fact, and home-rule for the municipalities will become a formidable interest of all the citizens in our cities.

As for the mayors, their own authority to lead must necessarily increase under neighborhood government. The wise mayor, who gives authority for self-rule to the communities, will gain not only the votes of a grateful community, but also their understanding that their local authority depends on his continued strength. Further, the mayor will discover that the neighborhood corporation is an efficient and stable unit with which to negotiate.

(3) The problems of local authority and municipal reorganization will be less difficult in cities with councils elected at large, for under

that condition, as prevails in most of our cities, the Negro community is a political vacuum; there is no continuing and controlling political party machinery in the poor communities. Not only will the neighborhood corporation fill that vacuum with effective structure, but its growth will enhance the politics of ward district representation in those cities whose Councils are so structured. In these cities, such as Chicago and New York, an early question that will arise is what will happen to the two-party or one-party systems in operation. The only answer, and it is not too frightening if the parties are up to the task, is that the political parties will simply have to get into the policies and problems of the neighborhoods, and organize the membership of the neighborhood corporation.

(4) The growing class of professionals who now administer the lives of the poor will also have to make adjustments. They will have to learn to work for clients and produce good work for the communities that hire them. I am sure that they can meet this task, and once they do, they will find that the ethos of professional gratification lies in serving rather than controlling.

I wish to conclude this rather lengthy statement with an assessment of the time we have in which to establish the local self-rule our Nation requires to meet the present condition in our cities. I am optimistic but not sanguine. I see little time to spare. There are two fundamental problems to be overcome:

(1) First, there is the lack of understanding among the white majorities of our cities because they have no community self-rule themselves from which vantage they could discern the meaning of the Negro revolution. Correspondingly, the Negro has the illusion that the whites have the liberty and equality of community self-rule. Thus, the political equality which the Negro community seeks is possessed by none, except perhaps by our New England cousins in their town meeting. This is why what the Negro is doing has such meaning for all: his achievement of self-rule can bring legitimate self-government to the white community or the middle-class community as well, replacing the invisible and illegitimate powers and pressures which characterize the rule of even our more prosperous communities. Since the Negro doesn't get into the better neighborhoods he does not know and it is never publicly admitted that instead of democracy and law in white and middle-class neighborhood communities, there is only the mob rule of a Cicero, similar to the mob rule of the Negro ghetto, or the self-appointed oligarchs of informal community leadership and influence in the quieter middle-class neighborhoods. The Negro illusion is to suppose that since he feels the need for citizenship, namely public deliberative power, and the sharing of that ruling function by all, namely democracy under law, the whites want the same. But do they? Have they freed themselves from the rule of hate or wealth? Are they able to comprehend the benefits of self-rule and legally-constituted community decision? This problem is the greatest roadblock we face.

(2) The second problem is the dynamics of police control. In many cities, the policy of police control is established. We have given them military power over Negro communities, and military power is the most difficult power to retract. Further, the police are building a strong popular sympathy among whites. This is a dangerous polarization, but not without possibilities for correction; fortunately, Amer-

icans are not a very law-abiding people, and it is not easy for them to become sympathetic with police. The solution here is the rejection of the present course of militarizing our police forces and of equipping them with the armaments of international warfare.

To conclude, there is only one type of solution to the fundamental problems blocking our way toward the liberty and equality possible under neighborhood self-government. There is no scientific solution. There is no technical solution, notwithstanding the splendid schemes of city planners. The obstacles are political, and hence, the answer must be political. Your own statesmanship is all we have to depend on.

PART II. NEIGHBORHOOD CORPORATIONS AND THE REORGANIZATION OF CITY GOVERNMENT

Alongside the growing support for neighborhood corporations, there has also been opposition from certain quarters. Some mayors of our larger cities have criticized neighborhood corporations and have discouraged Federal support for their development. Their questions must be answered, so that we can separate their legitimate critique from their personal fears.

We have established in the first part of this statement that by neighborhood corporation, we mean the legal organization of neighborhood territories of the city for the purpose of local self-government. Under this arrangement, public authority is transferred to the neighborhood organization to establish a new unit of local self-rule. The residents of the neighborhood territory constitute the corporate body of the neighborhood corporation and develop their own internal constitution of government.

Although the neighborhood corporation is a private legal structure, it is open to grants of public authority and resources under its non-profit, tax-exempt character. As its local authority increases in such fields as recreation, education, day care, and job development, the neighborhood corporation will build a public territorial jurisdiction. Eventually this jurisdiction will be formalized, and the private neighborhood corporation will become a public corporation. Its structure as a unit of local self-government will be incorporated into the administrative, legislative, and juridical branches of city government. The city will become a federated structure of government.

The respectable objections to neighborhood corporation from Government officials and politicians center around a set of related questions:

> How can municipal government incorporate neighborhood corporations into its structure? What reorganization of municipal government is necessary? What advantages to good government will this reorganization provide?

A. MUNICIPAL GOVERNMENT: THE POLITICS OF SCHISM

The greatest current defect of city government is the vast distance which exists between its administration and its citizens. The process of city administration is invisible to the citizen who sees little evidence of its human components but feels the sharp pain of taxation. With increasingly poor public service, his desires and needs are more insistently expressed. Yet his expressions of needs seem to issue into

thin air, for government does not appear attentive to his demands. This disjunction between citizen and government is the major political problem of city government, because it embodies the dynamics of civil disorder. Government is always open to riot.and rebellion when its people either suffer from its oppression, fear it, or hold it in contempt. Under the present circumstances, each of these factors holds true for each sector of society: the Negro poor are angry at its oppression, the middle class fears its liberality, and the rich and the young people, for different reasons, have contempt for it. It is a dangerous situation.

The distance between person and government has become a separa- tion and is moving toward a virtual divorce. Public administration chaotically collides with popular political movement, for example, when urban renewal wipes out self-help community action or organization. People express one need and government issues an unrelated command. When the community wants to control its local school, the government tightens control with "quality" education—occasionally, as with P.S. 201 in New York City, at gunpoint.

This separation of government from people has resulted in separate agendas for government administration and popular political movement. Rather than a responsive relationship between these forces, the agenda of each sector advances independently. The result is that by the time city administration has settled its interests and priorities of an urban renewal plan for an area of the city, that area has been layed to ash by riot.

It is in this context of the separation of law from popular power that the idle discussions of intergovernmental coordination have been pursued by powerless officials and starry-eyed academicians. How can the recreation department be better coordinated with city educational programs? How can the police department be better coordinated with the public housing authority? How can the juvenile courts be better coordinated with the recreation department and the State employment office? How can the public employment department be coordinated with the welfare department? And so on. Such a strategy, under present norms of professionalism and technology, is likely to further the separation between government and the people. Admittedly, many departments and agencies of city government are either uncooperative political fiefdoms or are simply archaic in program concept. They require modernization. Closer interrelationship of agencies might have some value, but only if coordinated government organization were closer to the people. Barring this kind of political reconstruction, there is little political value in the "coordination" drive; without this basic change, coordination has only academic interest for experts and personal political profit for politicians.

The latest example of the results of sheer academicism in government coordination is the case of Detroit. Heralded by experts, Mayor Jerome Cavanaugh became the darling of modern city government. As a model mayor, he achieved in that ill-fated city a measure of coordination unmatched by other cities. He gave Detroit good administration, meaning a coordinated approach to city government. As events have shown, however, academicism had no practical value. His political understanding proved defective for he coordinated a house of cards. While he administered the clouds, the people of the city and their unmet problems continued to seethe miles below.

The issue of administrative coordination is a wasteful subject so long as government is separated from the people. The problem of city government which is preliminary to that issue is the need to bring about a direct relation between government and the people. Since neighborhood corporation and its concept of local authority pertains to this problem, it is a more practical subject for municipal concern.

B. THE INTEREST GROUP OF THE POOR

Neighborhood corporation is the territorial organization of local authority which can relate people to city government. This relationship is implicly achieved when neighborhood corporation and its self-governing authority is included into the system of city government. Territory is more than merely an efficient principle of public organization. It is rather the natural principle of group formation and common interest. To the extent that government credits the autonomous local authority of neighborhood territory, the people, grouped by that territorial principle, will credit the government.

The romantic notion that people seek an individual relationship with government and that alienation results from its absence is current but foolish. Commonsense cannot support such an egocentric assumption.

What ordinary man, or for that matter, exceptional man, wants an individual relationship with government and its might? Such a relationship would be a suicidal compact. What balance is there between the force of government and one man's might, let alone his defenseless reason? Granted, man seeks a responsive and comfortable government, but not through his individual relation to the state. Instead, he seeks a closer relationship to government through his group, where there is enough collective human strength to further his interest and defend him from state power; it is the group which relates man to the state for self-defense and the good life.

This proposition is generally agreed upon. But it is argued, in error and at political cost, that such grouping is formed out of special interests, and that the mediation between man and government takes place through the pressures of the group process. Thus, the formal procedures of government are softened by the role of special groups in influencing government to move with greater personal care and with greater advantage to the members of the group. That is the extent of group formation, as established by the romantic tradition of liberal thought.

But what of those who have no special interest? Those so generally impoverished and oppressed, so consigned to the scraps of society, have no special interest, but only the common interest of liberty, equality and prosperity. Their poverty cannot afford the costly competition of the pressure group process. Are they then denied group formation, which is natural for defense and reasonable for common interest? Group formation cannot be denied. It is a fact of man, independent of peculiar condition. Thus, even the poor form social groups for defense though they are not special interest groups.

The value of group formation for the poor is not to thereby gain a place of pressure in the pressure group process. Their needs are too common, their poverty too great to afford the luxury of representation

among the wealthy group contenders. Under such conditions, there is no prospect for the poor to enter, either by nature or reason, into the pressure group process. Yet in addition to a natural disposition toward grouping, they seek political power for their defense and prosperity. Their one resource is the collective strength of their human power, their only lever of equity, their numbers. But numbers, in the district system of representative government, cannot express their power, unless they number a majority in a majority of the representative districts. This is not the case. Thus, the resource of numbers is least effective under district representation.

The most efficient use of numbers for political power is territorial sovereignty, meaning the structuring of numbers of the poor according to their territorial concentration and the sovereign rule of that territory within the State. Direct local rule with its consequent political power is the most effective structuring of the numbers of the poor. The group formation is territorial, while the political exercise for maximum power is local self-government.

What reason requires, nature provides. There is a natural principle which disposes man to the kind of social grouping which is required by his interest. It is that grouping through which he relates to the State for defense and the good life. The identity of that principle has formed the liveliest debate in political thought.

Man is a political animal by nature and for his common interest. Nature disposes him to join in social groups, and reason guides the best use of that natural group tendency. Moving this dual disposition toward grouping by nature and utility is the principle of territoriality. Proximity is the condition of political grouping within which man desires to act and prosper. Territoriality defines the basic unit of common power for defense and the good life. Within that common structure of power, established by territorial sovereignty, interest groups are formed for specific domination within the community. Special interest is predicated upon the common unit of polity, established territorially. It is that original political power which the poor today are organizing. They are structuring themselves territorially and seeking the sovereignty of local control.

It is for this reason that the problem of relating the poor to government has little connection to the heralded option of group pressures. The foremost problem of the poor is to gain the original common power of sovereign community as a lever toward equality. This directs their movement toward neighborhood government within our cities. Neighborhood corporation is the initial form of this move for local self-government.

This fundamental understanding is essential to the current problems of city government and the requirements for its closer relation to the people. City government must transfer public authority to neighborhood territorial structure and relate to its citizens through their territorial structures of local authority. The first problem of city government is to face the fact of popular movement and accommodate itself to that reality. While we prefer grand design and self delusion, we can ill afford its luxury.

Privileged classes may enjoy representation, thereby foregoing the energy of politics in favor of greater acquisition and fanatic consumption. Representative government serves the rich, because their power

of wealth is structured by ownership, and vitally incorporated into the society by the power of property. Their political representation reflects this social power. The middle class may be content with representation because its commerce and technical skill is vitally incorporated into the society through production and consumption. Both of these groups may indeed feel some relation to city government. At least their suburban autonomy frees them of any urban concern other than defending suburbia against the onslaught of the urban poor.

But what can we say of the millions of urban poor? What is their power and how is it structured and vitally incorporated into the society and thereby reflected in representative government? The fact is that they are unrelated to government and their insurrection is merely an interruption of the constant process of oppression.

It is foolish for the city government to ignore this fact. Yet it does. In the wake of riots, city officials are elated by preposterous claims that riots and rebellion are caused by deficiencies in social administration; namely, bad schools, bad housing, and so on; as if any political power, other than the territorial sovereignty of the poor, can impel that equity. Social causes rearm city officialdom with delusion and government advances its defects with new programs of control in the name of equity. This course of deluded action promotes greater warfare.

However ignored by established authority, the Negroes and the poor are building their territorial community structures for power and aiming toward legitimate incorporation within the State. The quest for political power is not a treacherous conspiracy by the Negro poor, as the whites would have it, for there is only one way open for the poor to establish their political power, security and prosperity within the State, and that is by structuring their numbers in territorial control, and seeking stable incorporation in the society through public authority for local self-government.

C. THE REORGANIZATION OF MUNICIPAL GOVERNMENT

For several years, community action organization in the neighborhoods of the city has reflected this movement toward neighborhood community power. The political effort has ranged over innumerable issues in the complex of government programs and has tried a variety of organizational structures of numerical strength and methods of relating organization to the mechanisms of social administration.

The two principal forms of building the political power of the poor and relating its interest to government have been (1) collective bargaining based on mass organization and confrontation with established power for greater social benefits; and (2) territorial sovereignty by which political power in the society results from local authority and neighborhood control. The latter method is the fundamental principle of neighborhood corporation and that method, unlike collective bargaining, provides for the permanent incorporation of the power of the poor into the general organization of government.

The problem facing city government is to relate the citizen to government through his natural group structure. Thus, in the present case, the issue is whether or not city government can be organized to incorporate local territorial authority, for only in this way can the anger toward government give way to an identity and loyalty toward it.

The true question of coordination in government is not how to relate one separate department of government to another department, but how to assist and enable local neighborhood authority and coordinate that authority with the general administration of city government. What authorities can be transferred to local control and how can the city bring neighborhood corporation into the legitimate system of city government? This course of action, relating government to people, would involve the following strategy :

(1) City government must encourage the legal organization of local neighborhood territories of the city for the purpose of specific self-governing authorities.

Officials and politicians should not suppose that they can control the territorial identity and structural development of neighborhood corporation. By natural tendency and in behalf of the political power which territorial groups seek, the neighborhood corporation must grow out of local neighborhood initiative and through local leadership and decision. Territory will be determined by the principle of effective population for local control and political strength. However, city government can in many ways assist this development by cooperation and legal recognition.

(2) City government must review its departmental and agency authority and resources. It must transfer to neighborhood structures the authority and resources over the functions people seek to rule and which are within the self-governing capacity of local organization. There are innumerable authorities which can be so transferred with no loss of social value and much gain in peace and prosperity.

Nor should this review be academic. The primary test of the ability of local neighborhood authority to govern specific authority is if the neighborhood wants to rule that public function in the first place. The schedule of transfer must follow the schedule of claim, be it expressed or imminent.

(3) The transfer of public authority and resource to the private structures of neighborhood corporation should not proceed as a separation of neighborhood from city. With every transfer of authority to the neighborhood, the neighborhood legal structure should be brought into the system of city government authority. For example, in the case of transferring the program authority of citywide community action agencies to neighborhood corporations, the neighborhood structure should become delegate agencies of that citywide community action agency, and be given seats on the board of that agency. Similarly, if the housing rehabilitation and sale program of the city public housing authority is transferred to the neighborhood corporation, the corporation should receive that program authority as a delegate agency of the public housing authority, and given a representative seat on the board of that city agency. The same transfer of authority and inclusion of the local structure into the system of city government would hold across the board of social-administration. In the transfer of authority to the local units of the city insofar as education, manpower training, recreation, juvenile delinquency, crime prevention, public health, housing, et cetera, are concerned, the city gains a direct relationship to its neighborhoods. The neighborhood, through the incorporation of its legal structure directly into government, gains a direct relationship to the city. The people of the neighborhoods will feel their real part in city government since they are governing its local authorities.

(4) Thus far, we have been speaking about the neighborhood corporation as a private legal structure to which public authority can be transferred. The practice of this transfer and the delegate agency of the neighborhood to city departments and agencies will lead to a further step of government reorganization; the neighborhoods and city government will have a common interest in making the neighborhood structure a public corporation. Accomplished by city ordinance, this move would represent a basic change in municipal constitution, recognizing as it would the necessity of local territorial authority as a fundamental element of city government. It will move the option of political power for the poor away from the futility of group pressure and toward a practical foundation in local sovereignty and self-rule. The city will become a federated system of government, dividing authority between itself and the local neighborhoods and involving these structures and interests in a common constitution.

The neighborhood corporation will seek to become a public entity in order to secure continuing resources and revenue from municipal, State, and Federal taxations. While the Federal Government may assist the formation of neighborhood corporations and even directly fund its program applications, as provided under S. 1433, there are too many uncertainties in this exclusive Federal-neighborhood nexus. Initially, that Federal-neighborhood relationship should be direct for the principal purpose of enabling the neighborhood corporation to find its way into the urban constitution through its structured role in city government, for, after all, the neighborhood exists in the city, not in the Federal Government. The success of its local sovereignty lies in its ability to cooperatively relate to city government and politics. The future of neighborhood authority is tied to the fortunes of its city and anticipates the regularity of funding through the city and its sound fiscal structure. Local neighborhood authority is prepared for the politics of contending with other units of the city for its fiscal share. Its collective strength of membership has the electoral potential to enable it to confidently engage in urban politics.

City government, in the course of its transfer of authority to the neighborhoods, will seek clear lines of responsibility and accountability as well as coordination between the many neighborhood corporations and the city administration. The city will have a great organizational capacity for this task if the neighborhoods become public corporations, rather than remain private structures. But the essential reason for which the city will give public character to the neighborhoods is political: the city will seek to include the political power of neighborhood authority into its own system.

(5) If amendments were made to existing Federal programs of community development that would permit, under major titles, the direct Federal funding to neighborhood corporations, then great resources for local authority would be available. This, however, would still leave the major problem of local funding unanswered. How can the neighborhood corporation, year after year, meet the overhead cost of its administration? What source could fund the general cost of corporate administration, not being related to specific programs? For a neighborhood corporation of 8,000 people, the rough measure of this annual administrative cost would run, on the basis of the ECCO experience in Columbus, Ohio, approximately $200,000 a year. This

would pay the expenses of the executive director, executive council, program director, corporate aides, corporation counsel and other administrative staff, as well as material costs, rent, utilities, and maintenance.

The obvious source of this regular overhead funding is city finance. It is not unreasonable for a city of half a million to finance the overhead of 20 neighborhood corporations out of the city revenues at an annual cost of $200,000 each. This is a small cost for local self-government. As for the program costs, this can be transferred in large measures from the existing budgets of central administration to the neighborhood corporation. Further program costs can be covered by the Federal Government under amendments permitting direct funding to neighborhood corporations. Since each of the 20 neighborhood corporations would have an independent capacity to get development funding, the city's investment of $4 million would bring many times that amount into the city in the form of program funding.

(6) With the incorporation of neighborhood structures into the system of city administration and finance, there will follow a political formalization of this reorganization. The new harmony of neighborhood and city and the general increase of authority will be reflected in both the formal and informal political structures of city government.

Since 1946, many city councils have moved away from district representation to a system of election at large. This arrangement exists today in Detroit, Columbus, Boston, San Francisco, and elsewhere. The fatal error of this reform was that it left the poor areas of the city without specific representation and consequently without continuing political party organization. It deprived these areas of their territorial advantage under a prevailing system of pressure group politics. Where councils are elected at large, campaigning is principally directed to the middle class. Consequently, there is very little public service in the poor neighborhoods. As political demand and frustration grows in these neighborhoods, there is no local continuing party organization to structure this demand and negotiate its claim. Neighborhood corporation fills this political vacuum with stable territorial organization.

The public incorporation of neighborhood authority and its receipt of city revenues for administration and social programs is likely to be reflected in a reorganization of the city council structure. With the growth of its local authority, the neighborhood corporation may gain formal territorial jurisdiction from the council. Its argument for local budgeting and the absence of territorial representation on the council will result in the neighborhood corporation filling this void and gaining a seat on the council. Thus, the council at large form will move toward a mixed principle of at large election and territorial representation from the neighborhood corporations. This may emerge into a single or double chamber system of council government with one house elected at large, and another representing local neighborhood governments.

In other city councils which today have district representation, such as New York, Chicago, and so forth, the political accommodation of the council to neighborhood corporation will convert the present ward election into ward "government" representation. Today, wards are not

units of local self-government. They are simply electoral districts and as a result, administrative units of political party organization. The ward is a fief of party control. The ward alderman holds his power through the central party rather than from the local polity.

On the other hand, ward government, or neighborhood corporation, is the legal structure of local self-government. It has its internal constitution and lawmaking capacities for local public action. It can relate to outside public and private groups for resources and effective authority for self-rule. It is a local unit of government, not a unit of party administration. In those cities with ward elections, ward government will convert the council into the true representative body of local neighborhood governments. It is likely that this conversion from ward election to ward government will modify the current boundaries of wards to accord with the natural territorial grouping of people seeking sufficient political strength for local self-rule.

(7) The effect of the incorporation of neighborhood authority into the political system of city government will be the general increase of city authority and its effective home rule under State government.

Today, municipal home rule is a pressing problem of city government. The States retain inordinate control over city government, preventing it from effectively legislating its urban life. In spite of the importance of city home rule, the people of the city remain indifferent to this issue. Because of the remoteness of government, the people care little for its problems.

With the city government based on neighborhood authority and the relation of person to government achieved by territorial sovereignty and urban federalism, the need for city home rule will be felt by neighborhood government as well. Neighborhood authority and resources can increase only as long as city authority and resources increase. The people of the neighborhoods, as citizens of the city, will make home rule their common popular demand at the State and National levels.

In conclusion, the process we have discussed deals with coordination, as an issue of city government, in a meaningful sense—by bringing the citizens of the city and its government together in common interest and new unity.

URBANIZATION AND FEDERALISM IN THE UNITED STATES*

BY DANIEL J. ELAZAR**

In 1961, a British student of American Government observed that "the United States is a federal country, in spirit, in its way of life, and in its constitution." [1] The essential truth of this observation has been demonstrated with more than fair success. [2] Federalism may be defined as the linking of individuals, communities, and societies by constitution or compact, under the rule of law, in such a way that each party to the compact, retains its ultimate integrity, a measure of power to preserve that integrity, and a significant role in the national decisionmaking and executing processes. Thus defined, federalism is the fundamental principle undergirding the structure and functioning of American Government.

In a political and social system which is permeated by Federal principles, Federal institutions, and Federal processes, where power is widely dispersed among many centers as a matter of fixed policy, and where decisionmaking is shared among those centers as a matter of conscious design, the character of urbanization is bound to be uniquely affected. By the same token, the rise and spread of urbanization (which is accompanied necessarily by an increase in the demands for the use of political power to accomplish social purposes and by a concomitant intensification of the contacts among the various centers of power that are parties to the Federal compact) is bound to have the most important consequences for a Federal system.

Some consequences of urbanization are obvious. The emergence of new problems created by greater concentrations of settlement, and the increase in magnitude of older problems, along with the increase in population density, are to be expected in any urbanizing society. Great population densities create new problems of public health, transportation, environmental pollution, and recreation—to name only a few— and substantially magnify older problems such as public education and welfare, ranging from an increase in the amount of training necessary to make a living to the provision of adequate care for the aged.

It is equally obvious that urbanization has had some impact on the Nation's political alinements. The development of cities means the

[1] M. J. C. Vile, *The Structure of American Federalism* (London: Oxford University Press, 1961), p. 1.

[2] See for example, Martin Diamond, Winston Fisk, and Herbert Garfinkel, *The Democratic Republic* (Chicago: Rand McNally, 1966); Morton Grodzins, *The American System: A New View of Government in the United States*, edited by Daniel J. Elazar (Chicago: Rand McNally, 1966); and "Federalism" in the *International Encyclopedia of the Social Sciences* (New York: Macmillan, forthcoming).

development of a city interest in politics which, to some degree, is distinguishable from noncity interests. Moreover, the development of metropolitan and megalopolitan complexes, which radically change the magnitude of urban problems, also affects political alinements by creating an entirely new level of political interests, beyond that of sheer urbanization. The Northeastern megalopolis, for example, which stretches from Maine to northern Virginia, stands, in the aggregate, considerably to the political left of the rest of the country in its demands for Government services and in its assessments of the proper role of Government. The Americans for Democratic Action is, in the overall national political spectrum, an organization clearly to the left of center; but in the large cities and States of the Northeastern megalopolis, the ADA is virtually a centrist group. As a centrist group seeking to be more popular in that region, it has a hard time finding issues on which to take a more liberal stand than the regular political parties. In the urbanized Northeast, even the Republicans endorse ADA policies and often attend its functions.

But the effects of urbanization are not always clearly seen or understood. Certain of the consequences of urbanization appear to be obvious; other phenomena, commonly attributed to urbanization, should really be attributed to other forces on the contemporary scene; and still others, truly produced by urbanization, go virtually unrecognized. Moreover, the character of the urban impact is not of one piece, varying considerably from time to time and from place to place. The variations are not by any means random. Indeed, close examination reveals an order and structure in the impacts of urbanization which, though not the simplistic kind often suggested in public conversation, are nevertheless impressive and important. This order and structure, which relate in large measure to the sectional location of particular urban places, and to the specific role of each in the Nation's continuing frontier of development, can only be found by careful examination of the evidence.

TABLE I.—THE GROWTH OF CITIES, BY CLASS, 1920–60

	1920	1930	1940	1950	1960
Great cities (1,000,000 or more):					
Number	3	5	5	5	5
Total population (thousands)	10,146	15,065	15,911	17,404	17,484
Percent of national population	9.6	12.3	12.1	11.5	9.8
Large cities (250,000 to 999,999):					
Number	22	32	32	36	46
Total population	10,765	13,720	14,285	17,429	21,877
Percent of national population	10.2	11.2	10.8	11.6	12.2
Medium-size cities (50,000 to 249,999):					
Number	119	154	162	[1] 191	[1] 282
Total population	11,784	14,032	15,137	[1] 18,410	[1] 25,488
Percent of national population	11.2	11.4	11.5	[1] 12.2	[1] 14.2
Small cities: (10,000 to 49,999):					
Number	608	791	878	[1] 1,030	[1] 1,566
Total population	12,110	15,523	17,384	[1] 20,675	[1] 32,519
Percent of national population	11.5	12.6	13.2	[1] 13.7	[1] 18.1
Towns (under 10,000):					
Number	1,970	2,183	2,387	[1] 3,479	[1] 4,142
Total population	9,354	10,615	11,708	[1] 16,207	[1] 18,050
Percent of national population	8.8	8.6	8.7	[1] 10.1	[1] 10.1

[1] Current Urban Definition.

Source: U.S. Census Bureau, "Statistical Abstract of the United States, 1962."

The difficulty of understanding urbanization in America, and particularly its impact on the American system of government, is height-

ened by the existence of numerous mythical assessments of urban reality. The prevalent urban myths have given rise to the consequent development of mythical models for urban improvement. Perhaps the central myth in the contemporary complex of American mythologies of urbanism is the myth that adheres to the very notion of a nation of cities. The foundation of the central myth is the fact that over 70 percent of all Americans now live in urban places. This fact, however, must be considered in the context of the U.S. Census Bureau's definition of "urban place": any settlement of 2,500 population or more. Only when cities are thus defined is the United States a Nation of cities. But, of course, a town of 2,500—or even 25,000—is not what most of us mean when we speak of cities. If we use, instead, as our basic definition the commonsense picture of "the city," which evokes an image of a self-contained settlement, having a dense population confined within a relatively small space, but too large to allow even secondhand acquaintance among most of its residents, the real cities of America will be seen to represent a considerably smaller segment of the Nation's population than 70 percent.

The 1960 population distribution by city size reveals that 58.3 percent of the Nation's total population lived in rural areas or cities of under 50,000 people (which means approximately 15,000 families) and that only 9.8 percent lived in cities of over 1 million population. Of the more than 6,000 cities in the Nation only five have a population of over 1 million, and 51 have a population of over 250,000.

Furthermore, while the rural population has continued its decline, the percentage of the population in urban places of less than 50,000 has actually increased by half since 1920. In the same period, the percentage of national population living in cities of over 500,000 population barely increased at all. At least since 1920, the class of cities with the largest single segment of the Nation's urban population (and also the fastest growing class) has been that of the 10,000 to 50,000 group. Most Americans would agree that cities of that size hardly deserve to be considered cities at all in commonsense usage.

The nonurban character (in commonsense usage) of American urban settlement (in Census Bureau usage) can be shown in other sets of figures as well. The generally accepted minimum measure of urbanization is a population density of 1,000 or more per square mile; the measure of suburbanization is a population density of 500 per square mile. Seventeen States do not have even one county—not a single county—with a population density of 500 per square mile. Only five of the small Northeastern States have more than 30 percent of their counties in the suburban-density category. Less than half the States, 24 to be exact, have even one county with an urban density of 1,000 or more. Population density in the Northeastern megalopolis exceeds the suburbanization level only in the biggest cities. Furthermore, three-fourths of all standard metropolitan statistical areas contain less than 500,000 people, even when central cities and suburbs are combined. This usually means that the central city population is less than 250,000, and may even be less than 100,000. In short, what is developing in the United States is a wide spread of a relatively low-density population engaged in urban economic pursuits, many of whom ac-

tually live on plots of land that would look large to a pre-1949 Chinese farmer.[3]

To this student of urban affairs, there is real significance in an urbanizing movement expressed in the creation of small cities even in areas of generally dense population, of which more will be said below. But how urban is it? There is a difference in the life-styles of the residents of those cities depending on each city's location—within the great Northeastern megalopolis, as a free-standing community in the South or West, in a metropolitan area somewhere on the peripheries of the urbanized belt, or in any of a number of other places. Similarly, there are differences in life-styles between cities of 20,000 on the fringes of Boston and those of the same population size in the heart of the Rockies, between a Philadelphia of 2 million people in the shadow of New York and a Denver of half a million which serves as the "capital" of a region that ranges 500 or more miles in any direction.

The picture of urbanized America that is implicit in most discussions of contemporary urbanization, however, depicts all urbanized Americans as living in the same kind of environment and facing the some or at least very similar problems. Thus, the national news media convey pictures of traffic jams in New York and talk about the American city being crushed by the automobile. This may be as true of New Rochelle (pop. 77,000) as it is of Manhattan, but it is hardly true of Philadelphia or Minneapolis, where rush hour delays hardly add ten minutes to the total traveltime of motorists who drive to the peripheries of the commuting belt. They show pictures of water pollution in the Hudson River and complain that the American urban population has destroyed its fresh water sources. This may become a problem in Atlanta or Los Angeles (which face very different water problems) but is not one as yet. They show pictures of violent crime in the Nation's Capital and described the American city as a place where people cannot go out on the streets after dark. While the crime rate is rising in most parts of the country, this is hardly the case in Peoria or Indianapolis. Whatever the national spread of traffic jams, water pollution, and violent crime—and these problems are certainly present nationwide—any well traveled person can vouch for the differences in magnitude of all three, and many others, from community to community and from region to region, differences which reflect different meanings of urbanization from place to place.

On a slightly different plane, American cities are typified in the contemporary mythology as places where people wish to live anonymously, make every effort to seek the variegated activities cities are supposed to offer, and, in contemporary parlance, live to "swing." From this, one is led to draw a picture of an urbanized population that is also urbane, except insofar as its urbanity is frustrated by the "crisis of the city," as it is commonly called. Thus, according to the myth, we face a newly urbane population frustrated because it cannot get to the concert halls, the art museums, and the theaters with the ease due it; a population that is forced, against its will, to live in sprawling sub-

[3] Thoughtful examination of the data in the "County and City Data Book, 1962" of the U.S. Department of Commerce, Bureau of the Census, reveals many more bits of evidence supporting this thesis. For more specialized studies, see Jean Gottman, "Megalopolis" (New York: 20th Century Fund, 1961) ; and Harvey S. Perloff, Edgar S. Dunn, Jr., Eric E. Lampard, and Richard F. Muth, "Regions, Resources, and Economic Growth" (Baltimore: Johns Hopkins Press, 1960).

urbs; forced to depend upon the family automobile; forced to maintain lawns, raise flowers, and rake leaves.[4]

An honest look at the evident belies this whole picture for all but a small portion of the urban population, located in a few of the largest cities. Wherever the choice has been offered, Americans have worked to cultivate their identities among neighbors, whether through "togetherness" or through neighborhood associations; have sought activities that are by no means citified in character, whether through "Little League" and "do it yourself," or through golf and camping; and have clearly sought the suburban conditions of living with lawns and automobiles, often within the great cities themselves.

The composite of myths about American urban reality has led to the conclusion that our cities have failed us and that we face an urban crisis. This, in turn, has led to the development of certain models for urban improvement which are based on another set of myths derived from the classic European stereotype of the city, either directly or as translated into modern terms by the sociologists. Politically speaking, the most obvious of these is the notion that fragmentation of governmental responses to the urban situation represents a frustration of the will of the people. This argument is used whether the critics of the present situation speak of fragmentation of programs, fragmentation of governmental jurisdictions, or fragmentation of effort. Their position is that "rational consolidation" of the foregoing and the centralization of effort nationally will solve the urban problem.

Below the surface of the "fragmentation" argument, however, lies a particular kind of commitment as to the direction in which the American city should develop. Most of those who articulate solutions for urban problems start with the assumption that there is a public interest in favor of the radical citification of the United States, i.e., that the people would like nothing better than to make their cities modern versions of Florence or Rome or Paris, and that they are frustrated in their efforts to do so by fragmentation, by tradition, or by the politicians.

There is a great deal of evidence to indicate that most of the models of improvement proposed for the American city are nothing more than projections of the desires of certain articulate minorities in American society today. Whatever the dissatisfactions that stir the American people regarding the urbanized world in which they live, they are not the dissatisfactions pointed to by the spokesmen for "the city in crisis." Traffic jams and urban sprawl are not high on the agenda of complaints of the American people, because those are not great problems to most of the people who are defined as urban dwellers in the United States today. The blighting of old neighborhoods does not appear to concern the overwhelming majority of Americans, most of whom have never seen a real slum. Governmental fragmentation has been ratified time and again when the issue has been presented to the voters and, indeed, support for fragmentation of one kind or another is so great that the issue has rarely reached that stage.

Whatever changes the American people seem to be seeking, they are not directed toward the enhancement of the facilities that lead to an

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[4] The "Life" double issue of December 1965, devoted to "The City," provides the most recent comprehensive example of this myth, and its sisters, presented in its most universally accepted form.

urbane or citified life, but rather to the introduction into the city of qualities associated with the rural life—whether trees, cleaner air, larger parks, or new family style dwellings to reduce the overall density of population. The most recent Gallup poll on the subject, published in March 1966, shows that only 22 percent of the American people desire to live in cities, while 49 percent would prefer to live in small towns or on farms, with the remainder (28 percent) opting for the suburbs, probably as a small town surrogate. This attitude of wistful longing for the rural life is fully as prevalent among younger adults (ages 21 to 29) as among their elders.[5] No doubt this response also reflects a mythology but it is the mythology that must be considered when we seek to understand American attitudes toward the city. It might well be said that the American people persist in maintaining an implicit distinction between urbanization and citification, willingly accepting the former while seeking to avoid the latter.

THE THREE FACTORS AFFECTING AMERICAN CITIES

In understanding the reasons for the rejection of citification we can understand the real character of the American city and the way of urbanization in the United States. The American urban place is preeminently an anticity, implicitly developed to reflect a basic American life-style which has repeatedly emphasized agrarian elements from the days of the first colonists to our own.[6] The underlying character of the American urban place is shaped by three basic phenomena: agrarianism, metropolitanism, and nomadism.

AGRARIANISM

Since the Nation's founding, American values have been rooted in a vision of a commonwealth that supports and encourages the agrarian virtues of individual self-reliance and family solidarity within a cooperating community of freeholders where class distinctions are minimal, supported by the ownership of private property with an emphasis

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[5] As published in the Philadelphia Bulletin, March 23, 1966. The results of the poll were as follows:
"The following table shows where Americans would like to live:

[Percent]

	City	Suburbs	Small town	Farm	No opinion
All adults	22	28	31	18	1
Men	23	29	29	18	1
Women	22	27	33	17	1
21 to 29 years	23	32	28	16	1
30 to 49 years	19	34	27	19	1
50 and over	24	23	35	17	1

"Of those persons who live in the biggest cities (500,000 and over) nearly half would like to live somewhere else—in the suburbs, a small town, or on a farm. On the other hand, of those who live in these latter areas, few express any interest in moving to the big cities.
"In terms of the future, it is interesting to note that the views of younger adults, 21 to 29, differ little from the views of older persons. Men and women hold similar opinions on the ideal place to live.
"Negroes tend to prefer the cities—about two in three say they would live in a city or a suburban area if they could live anywhere they chose."
[6] Anselm Strauss, discusses the agrarian ideal and American urbanization in "Images of The American City" (New York: Free Press, 1961).

on the protection of property owned by its users; a commonwealth enhanced by the religious spirit and embracing settlements set in a garden. This agrarian ideal has held the qualities of urbanity, sophistication, and cosmopolitanism to be seriously suspect despite their undeniable attractiveness.[7]

Nobody conversant with American history need be reminded of the rural roots of American civilization. Beginning with the settlement of the Puritans in New England and the emergence of a Southern agrarian aristocracy, both of whom invoked Biblical, and hence divine, support for their views, articulate Americans viewed the rural life as the good life, or, indeed, the best life, where the vices inherent in man by virtue of Adam's fall would be least likely to flourish. Until the middle of the 19th century, this doctrinal position was reinforced by an agrarian economic system and a pattern of political organization that rested on individual agricultural freeholders. Furthermore, social equality, always a basic, if abstract, element in the American ideal system, found its closest approximation in the middle-class agricultural society of early America (at least in the North and West), a fact which was not lost upon those who seriously concerned themselves with the problems of creating the good society.

From an ideology which looked upon rural living (either in separated farms or in agricultural villages) as the best way to limit individual sin, the agrarian doctrine was translated into positive terms to become part of the world view of the 18th-century enlightenment. Thomas Jefferson, the best-known spokesman for positive agrarianism, articulated the new view as one which saw the agrarian life as the life best suited to bringing out the natural virtues of individual men and most likely to prevent the social evils always possible in society. The city was seen as the source of social corruption even more than individual corruption; the city was to be avoided as a source of inequality, class distinction, and social disorganization that could lead to tyranny in one form or another.

Both the positive and the negative views of agrarian virtue versus urban corruption became part of the mainstream of American thought, articulated by intellectuals from Thoreau to Frank Lloyd Wright, and made the basis of political movements from Jeffersonian Democracy, through Populism and the New Deal, to the "new conservatism" of the 1960's. The city was and continues to be viewed by many as a breeder of crime, corruption, social disorganization, and anomie, not really fit to be lived in, though valuable for its economic utility. While it is now fashionable in many quarters to attack this kind of thinking as a ridiculously naive relic of the Nation's unsophisticated past, there is at least enough probable truth in its conclusions to give those who do not otherwise wish to foster citification ample justification for their position.

The agrarian ideal survived and grew in the minds of most Americans even while the actual process of urbanization accelerated, fostering a crucial ambivalence in the Americans' approach to the city. Even when the agrarian myth was in full flower, Americans had begun to flock to the cities, primarily to gain economic advantage, and the

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[7] The overall thrust of agrarianism in America is discussed in Harry Banford Parkes, "The American Experience" (New York: Alfred A. Knopf, 1947). The views of the intellectuals are analyzed in Morton and Lucia White, "The Intellectual Versus the City" (Cambridge, Mass.: Harvard-M.I.T., 1962).

cities had become the pace setters in American life. But, even as they desired to gain economically and socially by exploiting the benefits of urban concentration, the new city dwellers rejected the classically urban styles of living (as developed in the Old World and in some of the Old World-style "ghettoes" in our major cities, populated by the more recent immigrants from Europe or from the American South). Accepting the necessity and even the value of urbanization for certain purposes, Americans have tried to bring the old agrarian ideals into the urban setting and to reinterpret them through the establishment of a modified pattern of "rural"-style living within an urban context.

The characteristically American attempt to "have one's cake and eat it too" in this case took the form of wanting the economic benefits of urbanization and avoiding the isolation and provinciality of rural life, while at the same time preserving as much as possible of an agrarian life style. The result has been the conversion of urban settlements into metropolitan ones whose very expansiveness provides the physical means for combining something like rural and urban life styles into a new pattern which better suits the American taste. It is hoped that this pattern will combine the advantages of an urban environment with the maintenance of the essence of the traditional American "agrarian" virtues and pleasures, to preserve as much as possible of what is conceived to be the traditional "American way of life."

As part of the effort to transplant the agrarian virtues and pleasures into an urban setting, a whole set of institutions and symbolic actions have been developed, partially by design, which are meant to evoke rural and small-town America and its traditional way of life. Limited and fragmented local government is one of these. The creation of many smaller cities, the *bête noire* of most professional urbanists, in place of a single large metropolis reflects this desire for maintenance of the small community, both as an abstract principle and in order to control such crucial local functions as zoning and police, which in a direct or derivative sense embody the traditions of local control. We see this in the continued emphasis on political autonomy for suburban communities, and in their resistance to any efforts, real or imagined, to absorb them into the political sphere of the central city.

Moreover, throughout the Nation there is a hesitancy among suburbanites to use governments for local services, for fear that the addition of more local services will increase the urban character of the environment. In the fringe areas of cities, large numbers of people resist sidewalks because sidewalks represent "the city." Street lights are frowned upon, sewer systems resisted, and the maintenance of the neighborhood school is an article of faith, for the same reasons.

It is generally known by now that suburbia has become the equal of small-town America as the symbol of the country's grassroots and the fountainhead of what is distinctive about "the American way of life." This is so regardless of whether suburbia is praised or condemned for its role. The popular literature defending suburbia and that attacking it are both strongly reminiscent of the popular literature devoted to small-town America two to four generations ago. If some see virtue in the small community—whether it is typified by a predominantly small-town society or a predominantly suburban soci-

ety—others see ignorance, provincialism, decadence, and even corruption in the same situation.[8]

The sphere of intercommunity politics is only one manifestation of this "neoagrarianism." The physical structure of the standard American city (with its sharp separation of commercial and residential areas; its emphasis on low-density construction set along wide, easily accessible, tree-lined streets; and its effort to merge city and country through the penetration of the latter into the city via unmanicured public parks and which, in turn, merge into private lawns in a natural setting that is not subordinated to the buildings) is yet another such manisfestation of neoagrarianism.

The continued emphasis on homeownership, and the complex of activities and symbols which surround it, represents still another aspect of quasi-ruralism, one which has spread in both cities and suburbs. Owner-occupied, free-standing homes, each with its lawn and garden, represent a major expenditure of energy and resources in contemporary American society. The emphasis on widely extended homeownership is not an accidental consequence of the convergence of separately initiated policies. On the contrary, it is the result of careful design.

While urbanization and metropolitanization in other nations have led to the development of official policies to encourage high-density living, Federal, State, and even local policies (other than the property tax) in the United States are heavily weighted in favor of the homeowner and low-density development. Mortgage guarantees, home financing funds, homestead exemptions, zoning regulations, and many other specific devices have been enacted into law to encourage widespread home ownership. The foundations for today's widespread homeownership were laid during the 1930's by the New Deal, as part of the New Dealers' overall efforts to translate the ideas and values of traditional American agrarianism into terms appropriate to the new urban setting.[9] The percentage of owner-occupied homes has been increasing rapidly since 1940, when only 43.6 percent of the Nation's housing units were owner occupied. By 1950, 55 percent were owner occupied, a figure which rose to 61.9 percent by 1960. This figure compares well to the 64.4 percent of owner-occupied farm housing units in 1900 (when only 36.5 percent of the urban housing units were owner occupied).

The trend to owner-occupied housing has revived such symbolically rural occupations as gardening and "do-it-yourself" home maintenance. The public response to these activities—State and county fairs (not to mention home and garden shows) outdraw art galleries in annual attendance even in the largest cities, and the greater share of adult education courses deal with home-related activities—indicates that they are, in effect, an urban recrudescence of a vital and significant "vernacular" artistic tradition long associated with rural and small-town life.[10] The importance of the vernacular tradition in American

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[8] See Strauss, *op. cit.*, for an elaboration of these conflicting images. The transformation of the locus of the small community from small town to suburbia is nearly complete. The Chicago *Tribune*, traditional champion of the agrarian virtues as it perceives them, now features suburban settings for its "rural virtue" cartoons. Robert C. Wood presents a comprehensive picture of the suburban aspects in *Suburbia* (Boston: Houghton-Mifflin, 1959).

[9] Parkes, *op. cit.*, discusses the agrarian aspects of the New Deal with great perception.

[10] Of the 14,000 fairs, exhibitions, and shows *in the world* in 1965, some 3,000 were State, county, and district fairs in the United States, which drew approximately 75 million visitors. One of the largest of these is the Los Angeles County Fair, held in Pomona, which draws nearly a million people annually. *Britannica Book of the Year*, 1966, pp. 293–294.

life is often overlooked as those who are generally deemed to be the custodians of the civilized arts in this country tend to be products of the more urbane traditions of Western civilization which originated in Europe.[11]

Similarly, the impact that private maintenance of lawns and gardens has on the maintenance of the esthetic qualities of American urban areas has generally been ignored by students of urbanization, but it is readily apparent when one contrasts slum areas where no such private contributions are made with even the most ordinary suburban tract developments where lawns and gardens are a social "must." The private expenditure for lawn and garden maintenance far exceeds the public expenditure for parks, beautification, and the like. It represents an important contribution to the "public good," that would be prohibitively expensive if charged against the public purse.

The near-universal American concern with promoting homeownership as the solution to the problems of urbanization and metropolitanization is in itself a strong reflection of the strength of underlying agrarian ideals. Except for New York and Chicago, apartment living remains the domain of unmarried young adults, newly married couples, and the retired. The recent spurt in apartment construction is apparently designed to meet the needs of those groups rather than to replace the single-family home. Curiously enough, much of the so-called apartment "boom" is a suburban phenomenon, one which is reinforcing the developing self-sufficiency of the suburbs, thus helping to transform them from dormitories that are really no more than extensions of the central city into smaller but self-sufficient cities (American style) in their own right.

METROPOLITANISM

The second of the three factors affecting American urban places, metropolitanism, is a product of the combination of plus and minus factors in urbanization. Excepting only the 19th century factory towns, founded specifically to bring together sufficient population to serve industry, the American city was not created for its own sake or to be internally self-contained, but to serve as the center of a larger area—a hinterland tributary to it in some way. From the first, the American city was really part of a larger geographic entity rather than a self-centered community, even in its economic purposes. The great cities of Europe, though each may be the metropolis of its particular country, have always offered their residents a self-contained way of life, one that is separated from that of the rest of the country in profound ways. In the United States, this is not true even of New York. The only American cities that even approach such a self-centered separation are San Francisco and New Orleans. In America, cities have thrived only by cultivating their hinterlands, whether it is New York serving as the Nation's empire city, Minneapolis playing an imperial role in the Northwest, Pasadena serving the San Gabriel Valley in California, or Charlottesville serving its metropolitan region in central Virginia.[12]

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[11] For a discussion of the vernacular tradition generally, see John A. Kouwenhoven, *Made In America* (Garden City, N.Y.: Doubleday & Co., 1948).

[12] The city-historical relationship as a metropolitan one is discussed in greater detail in the author's forthcoming book, *Cities of the Prairie: The Cities in Their Setting.*

Metropolitanism of settlement, as well as metropolitanism of commerce, began with the very birth of cities in the United States. Urbanization and suburbanization went hand in hand. Even as the rate of urban growth began to accelerate after the War of 1812, a counter, almost antiurban, trend began to develop alongside it. As fast as some Americans moved to the city, others who were able to do so moved out, while maintaining their ties with it. Though suburbanization would not become dominant until the physical setting of American society had become thoroughly urbanized four generations later, it can still be traced throughout the 19th century. After 1820, the Nation's largest cities, such as New York, Boston, Philadelphia, Baltimore, and New Orleans, began to experience an outmigration to newly created suburban areas. Though most of these early suburbs were later annexed by their central cities, the suburbanization process continued after each set of annexations, gaining new impetus as new means of transportation were developed and made possible movement out of the city for people who worked in the city. First the railroad, then the electric trolley, and finally the automobile stimulated suburbanization past the "horse and buggy" stage.

By 1920, over half the Nation lived in "urban places," and nearly a third lived in what commonsense would define as cities. However, no sooner did the big city become the apparent embodiment of the American style of life than it began to be replaced by a less citified style in turn. The upward trend in the growth of big cities came to an end during the depression, then gave way to the development of medium and smaller size cities on the fringes of the big cities themselves. In effect, as long as city life was able to offer most of the amenities of rural-style living as well as the economic, social, and cultural advantages of the city to those who were in a position to determine the cities' growth, the expansion of cities as cities continued. Newly settled suburbs and smaller cities brought into the big-city orbit were annexed to already large cities because their residents, or at least those who made the decisions locally, felt reasonably confident that their suburban style of life would be maintained, even within the city limits. When this became no longer possible, metropolitanism then became firmly fixed as suburbanization, with the semicity becoming more important than the city as the locus of growth in area after area.

NOMADISM

This trend is additionally encouraged by the penchant toward nomadism which characterized Americans. With a population that is so highly mobile that one family in five moves every year, the older European notion of the city as a stable, self-perpetuating community could not apply in the New World. This penchant has been characteristic of Americans from the very first; the actual percentage of families that have migrated from one State to another has not changed appreciably in the last century. Consequently, the city, like every other local governmental subdivision, has become a politically defined entity populated to a great extent by different groups in every generation, with a relatively low level of continuity among groups from one generation to another. The American urban place has had to accommodate itself to this nomadism and American urbanization has reflected its impact.

This, in turn, significantly alters the meaning of moving from farm to city and from central city to suburb in the United States. In other countries, the one great move from a fixed rural location to a fixed urban one has represented a major uprooting that is unique in the life experience of each family, perhaps for generations. In the United States, the similar movement for most people and their families, has been no more than one of a series of moves that originally propelled European immigrants across the seas and then, as Americans, westward, and which now propel men from city to city.

The emergence of the megalopolis is a perfect reflection of the new nomadism. People escaping the cities of the eastern seaboard, and now the cities of the interior and west coast as well, settled first in the interstices between them wherever possible, forming a more or less continuous belt of urban-related settlement. Now, as nomads, they have begun to move from place to place within each belt in search of opportunity, preserving a nomadic way of life that is urban without being attached to any particular city, or even to citified living.

THE REVIVAL OF THE BIBLICAL CITY

The American urban place, then, is a very different phenomenon from the city which is usually used for the model against which it is measured. The classic city is a product of Greece and Rome, medieval and modern Europe. Even today the European city is a lineal descendant of the Greek polis, sociologically and in law. This is the classic city of the civitas, the city which was the center of the political order of the ancient European world and the focal point for the founding of modern republicanism in later European experience. The exemplars of this classic city—Athens, Rome, Florence, Hamburg, Paris—remain today the symbols of urbanity, cosmopolitanism, and sophistication. They became the centers of their world to the point that people not involved with them were excluded from a share in the inner life of that world. Within their respective worlds, they brooked no competition. Men were citizens of those cities until the rise of the nation-state and, for many men, national ties have become synonymous with ties to the central city of their nation. In such cities, the city government was generally equivalent to the central government. That is to say, it was a national as well as a local government, a sovereign among sovereigns as well as an instrument designed to serve local functions. As such, it was internally centralized as well, with all local functions concentrated under the leadership of the general governing body.[13]

The American city, on the other hand, has its classic antecedent in the pattern of Israelite city-building described in the Bible, as befits the cities of an agrarian republic produced by the heirs of the Biblically-centered reformation. Like the cities of ancient Israel, the American city is located within territorial political jurisdictions that take precedence over it—in its case, the State rather than the tribe, and in both cases, the Nation above that. Thus, the city in this country, as in ancient Israel, developed not to be the state but to serve certain functions for an existing civil society which could best be served by bringing men

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[13] The origins of the European city are described in Numa D. Fustel de Coulanges, *The Ancient City*, tr. Willard Small (Magnolia, Mass.: Peter Smith. 1952) and Henri Pirenne, *Medieval Cities*, tr. Frank D. Halsey (Garden City, N.Y.: Doubleday. 1925). See also, Lewis Mumford, *The City in History* (New York: Harcourt, Brace, & World, 1961).

together in relatively dense population groups where they could interact socially and commercially.[14]

Three particular elements in the general structure of the American city bring it into close parallel with its Biblical predecessor. Unlike the classical city, which in effect first established its limits, then developed its various functions within those limits, the American and Biblical cities grew almost haphazardly from a central point, the "tower" in Biblical parlance. In the ancient Biblical city, the tower was often a fortress, a temple, or perhaps a granary which attracted people who did not seek the city per se, but settled around it to make use of the special facilities it offered. In the United States, the equivalent was often the governmental center for the local territorial jurisdiction; the city hall, or, more often than not, the county courthouse. Sometimes it was the general store-post office combination or railroad station which centralized communications with the outside world. In each and every case, it was some function which touched the lives of all the residents of the city and served as a focal point for them in some important way. Today, the skyscraper is the "tower"—a symbolic as well as a utilitarian focal point for the city's heart.[15]

Unlike the more or less self-contained classical city, the American and Biblical cities have lived through a relationship with their hinterlands in a special pattern of suburbanization which can be considered unique and characteristic.[16] In both cases, the urban center has been surrounded by satellites—villages or cities—that stand in what we would call a metroplitan relationship to the tower center. In many respects, the tower centers are more dependent on their hinterlands than their hinterlands are on them, though of course, the relationship is a symbiotic one. When urbanization follows the Biblical model, then, it can be expected to involve a strong element of metropolitanization at all times.

In this respect, the functions of the American city parallel those of the Biblical city. In the first place, both were designed to serve an agrarian ideal. The life of the city has been subordinated to the values of the society rather than being given a free hand to share those values along sophisticated lines. In the second place, both kinds of cities have served mobile populations; the Biblical city served an agricultural population that migrated with its flocks within the city's hinterland along set patterns, while the American city increasingly serves a population that migrates from center to peripheries and back, or from section to section within the metropolitan area, with the average resident changing location several times during his life cycle. While the character of mobility in each may be different, still mobility has been of the essence and the city has had to adjust itself accordingly.

The particular structural-functional pattern of the classic Biblical-American city has had direct and observable effects on the character of urbanization in both societies. Two examples will illustrate this:

[14] The ancient Israelite city is described in Gaalyahn Cornfeld, *Pictorial Biblical Encyclopedia* (New York: Macmillan, 1965). Its place as a city type among others is discussed in Mumford, *op. cit.*

[15] Christopher Tunnard, *The American Skyline* (Boston: Houghton Mifflin, 1955), provides a very perceptive view of the physical development of the American city in these terms.

[16] The contemporaneous best description of the metropolitan pattern of the Israelite city can be found in the Book of Joshua, chs. 13–22.

A major complaint among professional urbanists today is that marketing has become decentralized because of metropolitanization. Taking their cues from European city patterns, they argue that marketing must be recentralized if the city is to survive. In fact, the decentralization of the marketing function is characteristic of the Biblical-American city. Marketing has always been a central function in the classical European city, one with important public elements, because it is preeminently a social act, involving daily give-and-take in a manner conducive to the development of latent functions of sociability as well as the manifest functions of buying and selling. In the Biblical-American city, marketing tends to be much more a private affair, conducted in the most efficient possible way by people who do not use it as a social outlet. The focal point of the American city and the Biblical city was rarely the place for buying and selling, unless buyers and sellers gravitated toward the tower for convenience. Thus, in ancient Israel most marketing was done at the "gates of the city," where farmers could come and meet city people for the purposes of commerce. The contemporary American city, with its shopping centers located in such a way as to attract both suburban and urban people without regard to their relationship to the tower, is simply a contemporary expression of the same pattern. Americans wish private convenience in shopping, first and foremost, hence the failure of downtown enthusiasts to recentralize that function. At best, downtown has become another regional shopping center in the metropolis.

Similarly, the common complaint about the lack of centralized government at the local level falls on deaf ears because it is based on European notions of the city. The political structure and functions of the American and Biblical cities have been markedly distinct from those of the classical cities of Europe. The limited role played by a city that is simply one focal point in a larger civil society lends itself both to a reduction in the importance of the city's government and to the possibility of the separation of its governing institutions along functional lines without undue inconvenience. We know little enough about the government of the Biblical city, but in the American city, this kind of separation, whether de facto or de jure, is an important element on the local scene, given impetus, no doubt, by the fact that the city is not sovereign or even quasi-sovereign in its political role and must respond to outside demands that it undertake specific activities as well as to internal pressures on the part of specialized groups to the same end.

FEDERALISM AND THE AGRARIAN CITY

The American anticity is a particularly appropriate institution in a Federal system where the diffusion of power is counted as a positive good, though not for the reasons generally used to justify locally centered government. While Americans have an ideological predilection for emphasizing the primacy of local government, in fact, they have not hesitated to utilize the powers of government at all levels—Federal, State, and local—to secure their political ends. At the same time, they have continued to emphasize the principle of local control over all government activities within the community, regardless of their official

point of origin. Moreover, they have found numerous ingenious ways actively to assert that principle as a practical rule.[17]

What this means is that every local community is inextricably bound up in a three-way partnership with the Federal and State government, one in which virtually every government activity in which it is involved is shared intergovernmentally. Not only is this true today but to a significant degree it has always been true, changing only to the extent that the increase in the total velocity of government at all levels has intensified the amount of shared activity. In this respect, intergovernmental sharing, like urbanization, is a new phenomenon only because its manifestations are more intense.

The existence of this partnership with its emphasis on the National Government's role as stimulator of better public services, coupled with maximum local control over actual implementation of specific programs, has certain consequences that up to now have operated to reinforce the classical patterns of American urbanization. First of all, the very interpenetration of the higher level governments within every community reduces the desire of the local people to give up their local autonomy. Within the cooperative system, all local governments act as acquirers of Federal and State aid; as adapters of national or State programs to local conditions, needs, and values; as initiators of new program at the State and national, as well as the local level; and as experimenters in the development of new services. Most important, for every local community or communal interest, possession of its own local government gives it a seat in the great game of American politics. Governmental organization is, in effect, a form of "paying the ante" that gives the community as a whole, or the specific interest, access to a political system that is highly amenable to local influence properly managed. Relinquishment of structural autonomy, on the other hand, substantially weakens the position of the community, or interest, in its all-important dealings with the State and Federal Governments. This mitigates against any local government—whether the general-purpose government of a city or township or the special-purpose governments such as school, library, or park districts—willingly giving up its existence unless its constituents cease to desire a special seat at the political table.

This basic tendency is reinforced by the role of the States in the Federal system. Because the States are able to "run interference" for those of their cities that wish them to do so, they enable the smaller urban places to benefit from the Nation's overall system of local assistance to a degree that would be impossible if those cities had to confront Washington alone. Lacking the expertise or the political influence necessary to capitalize on all the benefits offered by the Federal Government in its effort to improve the caliber of public services in the country as a whole, the cities can use the expertise and influence of the State Governments and congressional delegations to their mutual advantage.

Of course, the Nation's largest cities, the great metropolitan centers, do not feel the need for this kind of service, nor are they willing to pay the various surcharges which the States quite naturally demand

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[17] For further discussion of this point see Grodzins, op. cit., and Daniel J. Elazar, "American Federalism: A View from the States" (New York: Thomas Y. Crowell, 1966).

for doing the job; hence their desire to obtain Federal aid directly. In their efforts to gain direct access, they weaken the intricate balance of federalism. But the suburbs and smaller cities find no particular advantage in sharing the big cities' desire. As their voices are heard, they provide a counterthrust to help restore that balance.

The present system also robs the metropolitan consolidationists of one of their primary arguments: that the creation of larger, supposedly more viable cities; that is, ones with metropolitanwide general governments, will lessen the Federal role in local affairs. The entire thrust of American history mitigates against this idea. Since virtually all governmental activities are invariably shared by all levels of government whether the local levels act energetically or not, restructuring local government is not likely to alter the Federal role in any appreciable way. A metropolitan area is no more likely to be financially and economically self-sufficient than the largest States are today, and we know that no State is presently willing or able to give up Federal assistance, particularly since none feels the need to do so to maintain reasonable local autonomy.

What would happen is that the present system (whereby the national administrators can speak for the ostensible interests of the larger public, while the local governments can speak for the most specific interests of local publics, so that together they can strike a balance) would be replaced by one in which national and local officials would tend to speak for much the same interests, leaving even legitimate local interests in a far weaker position in their efforts to be heard. In more than one community, had local consolidation taken effect, there would be fewer owner-occupied homes, tree-lined streets, and locally responsive schools, to name but a few examples of the changes that likely would have come about. Americans are not about to give up any of these.

Only the existence of an otherwise unmanageable urban crisis would lead Americans to seek to alter the present situation, or would persuade those who value the present semiurban way of life available to most people in this country that they ought to alter their life-style. Most vocal urbanists today argue that such a crisis does indeed exist. But, given the value preferences of the great majority of Americans, that argument seems hollow. As long as Americans prefer private homes to ease of access to work, trees and lawns to easy access to theatres and museums, private shopping to public marketing, and the quiet of the suburbs to the bustle of the city, solution of the problems usually alleged to embody the crisis becomes much less important. Indeed, solution of those problems is likely to lead to even worse ones: for example, we are just beginning to understand the horrible toll taken by noise on the mental health of the population. The effects of population density in heightening the pollution of the environment could well lead us to believe that the solution of the very real problems associated with environmental pollution lies in quarters other than greater concentration of population, even in the name of conserving open space.

This is not to say that there are no important problems generated by the urbanization of the United States. There are indeed great ones which must be tackled. But they do not call for an overresponse based on a crisis psychology that can do long-range damage to American

political institutions while not even solving the real problems. In fact, there is considerable evidence that the American people are responding to the real problems of urbanization as these problems are brought to their attention in a reasonable manner that is also consonant with their basic values. Unquestionably the solutions to these urban problems must be pursued by governments at all levels. The evidence is that even this is the case.

The rise of the great cities has interjected a potential threat to the federal system as we have known it, but that system, if given a chance has shown that it can also respond to the problems of urbanization, perhaps more slowly than some might wish but without citifying the United States in the process. Since most Americans would very likely argue that, with all its problems, the American pattern of semiurbanization is the freest and most comfortable yet created, there is every reason to believe that the preservation of that pattern is a desirable goal for the governments of this country to pursue.

CONCLUSION

It is a mistake to assume that urbanization in America stands apart from the other influential movements uniquely important in the American experience, or that Americans view the proper ends of urbanization apart from their larger view of the proper ends of life—their overall set of values. Unless urbanization and the responses to it are considered in relation to, if not in the context of, such values as federalism, freedom to make choices about life styles, the agrarian spirit, and the concern for the American way of life, we fall prey to mythical assessments of urban reality and to the building of mythical models of urban improvement.

In one respect, at least, the idea of "the city in crisis," while generally based on false premises, represents a characteristically American response to problems of the environment, the drive for messianic perfection. Perceiving some real problems in the urban environment, the bulk of the vocal reformers in our midst began to generate steam (for themselves and for others) to meet those problems first by portraying them in apocalyptic terms and then by prescribing messianic solutions which not only ignore but denigrate political and social realities. Up to a generation ago, this messianic vision sought to reverse the process of urbanization by returning the American people to the soil. That vision was clearly unattainable even then. Nor was it desired by most Americans. It has given way, in turn, to a vision that calls for the transformation of an urbanized America into a citified one, hallowing the city as the only key to the civilized life, much as the early agrarians hallowed ruralism as the only key to a moral life. This new messianic view is no more widely accepted than its predecessor. Of course, the citifiers are no more prone to critical examination of the excessive temper of their vision than were the agrarians, viewing the people and institutions that prevent the creation of their kind of cities as shortsighted and reactionary, even venal and corrupt.

In fact, the American urban place is a noncity because Americans wish it to be just that. Our age has been the first in history even to glimpse the possibility of having the economic advantages of the city while rejecting the previously inevitable conditions of citified living,

and Americans apparently intend to take full advantage of the opportunity. To do so, they are relying on the traditional spirit and mechanisms of federalism, ranging from the maintenance of territorial democracy to the encouragement of governmental fragmentation.

Within their metropolitan regions, Americans are fostering a new variant of the cooperative competition characteristic of federalism. Insofar as we are doing so without consciously articulating the values behind this cooperative competition and the ends to which it is directed, we leave ourselves open to criticism by the citifiers and the centralizers on grounds that appear to be more reasonable than ours.

PART 4

RULES OF THE GAME: PRIVATE SECTOR

To what extent are the shortcomings of our urban areas the result of actions or lack of actions in the private sector? Are these the result of a lack of initiative and innovation on the part of private interests, or are they the result of improper guidelines or "rules of the game" framed by Government for the guidance of private activity? If the latter, how can they be revised, as, for example, by revisions of property and other taxes, new innovations in building codes, etc.? What are the conditions which stifle the individual's involvement in his community? How can the individual's sense of responsibility and his search for identity be reinforced and fulfilled in the urban community?

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TOWARD A BETTER UNDERSTANDING OF URBAN AMERICA

BY REPRESENTATIVE THOMAS B. CURTIS*

THE TRENDS

To question and evaluate urban problems and policies, it is first necessary to understand the underlying dynamics of urban development. When we first understand the historical and economic trends of the city, we can then ask the more immediate questions concerning government and particularly Federal Government expenditures on the core region of the large city and on the shape and function of the core region itself.

History shows us that the two economic factors of the industrial power source and the labor supply have molded and directed the growth of the American city. In the late 18th century and in the earliest part of the 19th century water as our major source of industrial power necessitated that the mills locate near waterfalls. In fact the geography of this power source not only limited the areas where industry could locate, but also limited the size of the city since only a few mills in a given area could utilize the falling water. However, mass production had not really come into play to require the concentration of a mass work force in a limited area.

Then came steam and mass production and the growth of the high rise city. Coal, the new source of power, could be transported to centralized industrial areas, and labor aggregated in these industrial centers to be close at hand to meet the needs of mass production. Centralization became paramount and the maximum utilization of urban land was essential for industry. The result was the great architectural movement upward and the growth of the high rise city.

After 1920, however, the high rise city began to die. Electricity and the automobile initiated the decentralization of the city. Electricity was a mobile source of power and the automobile and the highway provided mobility for labor. This new mobility meant that industry no longer had to fight for the precious space in center city, but could instead move out into the surrounding country while electric cables

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would follow along supplying power for any location desired. And the family through rural electrification, telephones, and highways could do the same in the pursuit of better living. Labor no longer had to live in the immediate area of the industry since the car could take a workman as far away as 40 miles or more a day to his place of work. It is interesting to observe that the only urban giant in this country not characterized by high rise industry is the city of Los Angeles which was largely built up after 1920.

Now automation has caused an even greater dispersion of industry since automated production processes are carried out most efficiently in the sprawling one- and two-story factories, not to mention the amazing developments in new and more flexible forms of transportation and communication. The land needed for the automated complexes and better family living is found in the spacious countryside and not in the cramped confines of center city, and the countryside can accommodate this expansion as technological advancement has continued to diminish the amounts of land needed for agricultural and forestry purposes.

This historical perspective leads to questions which I feel have been too little examined by advocates of maintaining or going backward to the concentrated core of our cities. It seems that the historical trends are in fact going away from the further development of the old high rise core region and that advocates of restoration of the high rise city are working with vested interests and counter to healthy progress. Indeed, one could make the stronger charge that they are the unwitting mouthpieces of those with a vested interest in maintaining the outmoded values of center city property.

Population statistics clarify the trend toward decentralization (see chart I). Between 1950 and 1960, eight of the 10 largest cities in this country lost great numbers of people while the surrounding counties in their metropolitan regions continued to grow at a steady rate. Among the 15 largest cities, population estimates reveal that Chicago, Detroit, Baltimore, Philadelphia, Cleveland, and San Francisco have decreased significantly in population since 1950. During this period, population figures for their metropolitan regions have swelled, indicating the decentralization and dispersion characterizing these urban areas.

CHART I [1]

	1950–60	1960–65 (estimate)
New York: (−+=+)		
Metro	+1,138,690	+653,367
City	−109,970	+211,016
Counties	+1,248,660	+442,351
Chicago: (−)		
Metro	+1,043,045	+412,087
City	−70,558	−84,404
Counties	+1,113,603	+496,491
Los Angles: (+)		
Metro	+2,375,085	+33,004
City	+508,657	+317,205
Counties	-----------------	-----------------
Philadelphia: (−+=−)		
Metro	+671,849	+324,103
City	−69,093	+44,488
Counties	+1,248,660	+279,615
Detroit: (−)		
Metro	+746,163	+209,640
City	−179,524	−30,044
Counties	+925,687	+239,684
Baltimore: (−)		
Metro	+321,624	+129,977
City	−10,684	−27,024
Counties	+332,308	+157,001
Houston: (+):		
Metro	+436,457	+451,842
City	+342,056	+153,581
Counties	-----------------	-----------------
Cleveland: (−)		
Metro	+331,084	+174,405
City	−38,758	−40,805
Counties	+369,842	+215,210
Washington: (−+=0)		
Metro	+537,808	+411,103
City	−38,222	+38,044
Counties	+576,030	+373,059
St. Louis: (−)		
Metro	+340,815	+178,897
City	−106,770	−51,026
Counties	+447,585	+229,923
Milwaukee: (+)		
Metro	+237,342	+74,710
City	+103,932	+9,684
Counties	-----------------	-----------------
San Francisco: (−)		
Metro	+542,592	+151,641
City	−35,041	−116
Counties	-----------------	-----------------
Boston: (−)		
Metro	+178,736	-----------------
City	−104,247	−52,192
Counties	+282,983	-----------------
Dallas: (+)		
Metro	+340,100	+205,399
City	+245,222	+130,316
Counties	-----------------	-----------------
New Orleans: (+)		
Metro	+183,075	+157,520
City	+57,080	+24,475
Counties	-----------------	-----------------

[1] Column 1 shows the population increases between 1950 and 1960.
Column 2 shows the population increases between 1960 and 1965.
The symbols underneath each city are described as follows:
    A "minus" in parentheses indicates a loss in population for both periods, and a "plus" in parentheses indicates a gain in population for both periods; where there are two symbols, the first refers to the first period and the second to the second period; the symbol to the right of the equality sign indicates either an overall population increase or decline for the entire 15 year period.
Cities are listed in the order of population.

Five of the largest 15 cities—Los Angeles, Houston, Milwaukee, Dallas, and New Orleans—have registered population increases steadily for the past 17 years. The population gains within the boundaries of these cities, however, actually maintain the overall pattern of decentralization. The average density for these five cities (combined) in 1965 is 4,869 people per square mile. Detroit, Chicago, St. Louis, and Boston, each of which has lost over 150,000 people during the last 17 years, in 1950 had an average density (combined) of 15,248 people per square mile. Since these four cities are losing great numbers from within their city boundaries, their densities are now slightly lower.

In other words, cities with the greatest density present a pattern of people moving from within city boundaries into surrounding suburban counties. On the other hand, the cities which are now growing most rapidly at present have a very low density. Of the expanding cities, Los Angeles and Houston are the two largest cities in the United States (i.e., in square miles) and Dallas and New Orleans rank fourth and fifth, respectively. The area covered by these cities (e.g., Los Angeles at 455 square miles) means that these cities can continue to grow for some time without turning into centralized high rise cities.

"Sprawl"—used as a derogatory term—is often ascribed to these expanding cities. A study of the facts, however, reveals that these cities are actually gaining in population because their boundaries are spread out far enough so that these cities can actually encompass the forces of urban dispersion. The advocate of metropolitan consolidation, I might add, should be very pleased with this development.

Many people involved in urban politics and city planning have told me that the solution to major urban problems lies in a recentralization and intensification of people within the boundaries of our cities, especially our older cities. Not only is this contrary to the prevailing historical and economic forces, but this solution also contradicts and frustrates the desires of the majority of our urban citizens—a desire to live in low-density residential neighborhoods.

A brief look at Los Angeles County, in fact, supports my contention that a majority of urban residents choose to live in low-density neighborhoods as opposed to high-density high-rise apartments. Los Angeles County is one of the fastest growing areas in the United States. Statistics published by the Los Angeles County Regional Planning Commission reveal how the people in this growing region have selected their homes. As of January 1, 1960, the commission estimated that 65.05 percent of all dwelling units in the county were single-family units with multiples totaling 25.05 percent and duplexes 9.45 percent. Combining the single-family and duplex figures, we see that 74.50 percent of the dwelling units in Los Angeles County were in low-density neighborhoods. In short, in Los Angeles County, one of the fastest growing areas in the country and our second largest metropolitan region, the single-family residence has been chosen as the basic housing unit and the great majority of dwellings are in low-density areas.

Low density requires urban decentralization and dispersion. In fact, since our most rapidly growing metropolitan regions are decentralized and of low density, I must conclude that our people greatly prefer low-density living and urban decentralization.

At first glance, New York City does appear to contradict the trends which I have been discussing. Although, New York City did lose

109,970 people during the 1950's, it became the only old and crowded city in this country to gain population between 1960 and 1965. In fact, the 211,016-person increase in population in the first half of this decade meant that New York City actually had an increase of slightly over 100,000 people between 1950 and 1965.

A closer inspection of the population statistics for each of the five boroughs shows that New York, instead of providing an exception to the trends, actually reinforces them. Manhattan, the most densely populated borough, had a density of 89,096 people per square mile in 1950. In 1960 Manhattan's density fell to 77,195 per square mile and when last recorded in 1965, the density (estimate) was down to 70,955 people per square mile. The actual population loss for Manhattan between 1950 and 1960 was 261,820 and another 137,281 people left Manhattan between 1960 and 1965.

Queens provided the most consistent population increase with a 258,-729 rise in the 1950's and an additional 138,422 people through 1965. In density, Queens ranked fourth among the boroughs with a density of 13,724 people per square mile in 1950; in 1965, Queens was still fourth in density with 17,239 people per square mile.

New York City's fifth borough, Staten Island, actually bears a close resemblance to the residential density of Los Angeles County. Staten Island gained 20,436 people in the 1950's. It almost doubled this rate of increase with an additional 38,009 people moving onto Staten Island between 1960 and 1965. Even with this increase, Staten Island still has a density of only 4,333 people per square mile, compared to 4,346 people per square mile in Los Angeles. The opening of the Verrazano-Narrows Bridge is expected to continue the proliferation of low density housing on Staten Island.

A study of employment statistics clarifies the trend of urban dispersion. An analysis of 40 of the largest SMSA's (standard metropolitan statistical areas) in the United States reveals the rise in employment in the suburban rings of these SMSA's.

In 1948 only 36.5 percent of SMSA manufacturing employment was located in the suburban ring. This figure rose to 45.6 percent in 1958, and it is estimated that it now exceeds 50 percent. As of 1963, 31.5 percent of SMSA wholesaling was located in the suburban ring, while only 9.5 percent of SMSA wholesaling was in the ring area in 1948; 47.5 percent of SMSA retailing was in the ring in 1963 as compared to the 25.3 percent retailing figure for the same area in 1948. Finally, the suburban ring percentage of services rose from 17.4 percent in 1948 to 34.2 percent in 1963.

The outward movement of population and employment is statistically obvious and logically irrefutable. No matter what the empirical approach, the same trends result. For example, 37 out of 40 cities have declined in retail jobs between 1958 and 1963, while only 27 out of 40 had declined between 1948 and 1954. Parallel figures for wholesaling showed the decline spreading from 16 to 21 cities, and the parallel figures for services showed employment declines in services expanding from seven cities to 15 cities.

Conducting a study of urban population and employment, Harvard economist, John F. Kain, independently has arrived at the following

conclusion which completely concurs with my thesis of urban decentralization:

> First, I know of no good statement of why these trends *should* be reversed. It is not obvious that a reduction in central area employment and population densities is detrimental. The most frequently used argument that it is bad holds that such dispersal jeopardizes the tax base of central cities; while true, there are many more straightforward, and more efficient, ways of solving the admittedly difficult fiscal problems of central cities than by redirecting metropolitan growth. Attempting to reverse a massive, nationwide social and economic movement (i.e., suburbanization) strikes me as the most costly—and least likely to succeed—method of helping pay for needed central city services.[1]

It is my firm belief that instead of bucking the tide, we can harness its force for the betterment and improvement of living conditions in metropolitan America.

The new emphasis on homeownership can, to some degree, be interpreted as a response to the forces of low-density living. For income groups from $3,000 to $6,000 per year, the new homeownership approach would be preferable to high rise rent-subsidized apartments. In fact, homeownership legislation would not only provide more satisfying living conditions for this lower income group in our cities, but preliminary research indicates that homeownership is economically more feasible than many of the current rent subsidy and public aid programs.

HOMEOWNERSHIP

To digress briefly from my analysis of urban trends, I would like to briefly analyze some of the economic and social benefits of the homeownership approach in contrast to the rent subsidy and public aid approach. Studies of programs in Chicago and St. Louis provide much of my comparative material.

According to one of the major Chicago rent management companies, aid recipients account for almost 85 percent of rent delinquencies. In a revealing study of Chicago, David A. Satter observes:

> Those buildings in Lawndale that are unavailable to public aid recipients are in as good condition as they were before Lawndale became a slum. But buildings where even a fraction of the apartments are available to aid recipients are terrible. Apartment buildings that differ in rent from one another by as little as $10 a month show striking differences. The crucial factor seems to be the presence or absence of welfare recipients—people not having paying jobs or having them. Aid recipients make up between 30 and 50 percent of the tenants of buildings that rent for under $105 monthly. The story is always the same. They do not pay their rent and are destructive.[2]

In my own city of St. Louis, a private organization, the Bicentennial Civic Improvement Association of St. Louis, has already successfully initiated a homeownership program, a small scale preview

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[1] James Q. Wilson, ed., *The Metropolitan Enigma: Inquiries into the Nature and Dimensions of America's "Urban Crises,"* John F. Kain, *The Distribution and Movement of Jobs and Industry* (Washington: Chamber of Commerce of the United States, 1967), p. 26.
[2] David A. Satter, "West Side Story: Home Is Where the Welfare Check Comes," *The New Republic*, (July 2, 1966), p. 17.

of the National Home Ownership Foundation. The following remark by a staff member of the Bicentennial Improvement Association strikes a most interesting contrast to description of the Chicago public aid recipients:

> I can say that our experience as far as the families go has been excellent. There are no school dropouts in our families. They pay property taxes whereas before they received tax benefits and various aid programs. They now have jobs whereas before they did not. The families are living together and maintaining their homes whereas before they did not live together and had no home to maintain.[3]

A report from the Bicentennial Improvement Association further amplifies its record of success:

> Since 1963, over 40 families have been placed in rehabilitated homes within the boundaries noted. These families are paying for the homes with wages earned from jobs in local industry. In the 2 years since the first family was placed, only two payments have been late and none have become delinquent. The same is true for utility bills and other basic costs of running a household.[4]

Successful private homeownership programs are also in operation in Philadelphia and Indianapolis. The final step that remains to be taken rests with the Federal Government. Through Federal legislation removing the impediments it presently ignores in its tax laws, work and welfare programs against homeownership, it would become possible for privately managed and locally controlled homeownership programs to be successfully promulgated throughout the United States.

Possibly in a mild way additional Federal legislation other than just removing serious impediments could provide for the establishment of a nonprofit foundation which would raise private funds through issuance of Government debentures. These funds will be made available for low-interest mortgages to assist low-income families in acquiring equity in their homes. The foundation would operate at very low Government expense and control. Furthermore, its three pillars of emphasizing individual development, maximizing utilization of private resources, and minimizing the role of Government tower above the morass of confusion and inefficiency which characterizes the old generally discredited high rise public housing and the present urban renewal programs and their accompanying antipoverty projects.

In fact "positive" and "negative" are two words which succinctly capture the difference between the homeownership approach and much of the present public aid and rent subsidy approach. The homeownership plan comprises an interrelationship of various incentives. Tied into the plan are job training, job location, and education programs which will increase the possibilties and prospects for enduring homeownership. The homeownership approach also offers such positive incentives as allowing the home buyer to contribute his own labor as equity in his home.

Related welfare and social security legislation can effectively augment the homeownership approach. At the present time the aid to

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[3] Personal letter from staff member of the Bicentennial Civic Improvement Association during summer of 1967; also refer *Congressional Record;* April 20, 1967; H4443.
[4] Report from *The Bicentennial Civic Improvement Corporation* (August 3, 1966), p. 9.

dependent children and the old-age assistance programs appear to be biased against homeownership. Most States do not provide that welfare can be used for capital improvements for substandard housing; and consequently, the ADC and OAA agencies pressure familtes entering ADC or OAA to relocate out of the home into a rental place.

I believe that relocation into a rental place—and I have personally worked with a case in which this relocation occurred at the death of a father of seven children—constitutes a traumatic experience for the widow and the children. I also oppose this relocation for the sound economic reason that the relocation process is actually more expensive than the capital improvements necessary to eliminate the substandard situation.

I have succeeded in getting into the House social security bill a provision that the Federal Government will match on a 50–50 basis up to $500 payments by States to OAA people for home improvements. This amendment also gives similar aid to the blind and disabled. However, I would like to have this amendment extended to include ADC people, and I want the maximum payment raised to $1,000 on the same 50–50 matching basis. The present homeownership proposal, the National Home Ownership Foundation Act, is often criticized for supposedly covering those earning incomes of $4,000 and over. My amendment, especially the proposed extended version, addresses itself to the home-ownership problems of the lower income groups entering welfare programs—groups not fully covered by the NHOF.

By attempting to increase the aid provision in my amendment to $1,000, I am not making an unreasonable grab for more Federal money. Mr. Lacy Smith, the Rehabilitation Coordinator of the Federal Housing Administration, supplied me with the following information. An average of $2,500 to $3,000 is required to bring substandard housing up to code requirements. Section 115 of the Housing Act provides grants up to $1,500 for repairs and capital improvements and, the average grant for substandard housing has ranged around $1,200. Section 312 of the Housing Act provides direct loans for repairs and capital improvements at an interest rate of 3 percent over a 20-year period. This average loan is $3,000. (The $3,000 is sometimes split between a grant and a loan, and such a split is usually on a 50–50 basis.)

By asking for the increase to $1,000, I have arrived at a figure which FHA experience indicates would provide substantial aid toward ADC and OAA substandard housing problems. Furthermore, a person who receives $500 or $1,000 from my amendment plus $1,500 from section 115 of the Housing Act is in a position to provide sound and lasting repairs and improvements for a substandard property. To qualify for aid under section 115, a person must be meeting mortgage and upkeep payments amounting to 25 percent or more of his (or her) monthly income and earning an income of $3,000 a year or less.

Finally, the capital improvement amendment to the social security bill insures a coordinated response to the needs of the ADA and OAA people with housing problems. Whether or not an ADC or OAA person benefits from section 115 of the Housing Act, he is guaranteed immediate aid through my amendment.

To document my contention that certain welfare programs discriminate against homeownership, I had hoped to compare the percentage of homeownership for people before they entered ADC and OAA to

their percentage of homeownership after they entered ADC and OAA. Unfortunately, the welfare agencies have not been able to furnish us with the percentage of homeownership for ADC and OAA people before they entered these programs.

By comparing homeownership statistics from the 1960 Census of Housing to the percentage of homeownership of people on ADC and OAA, I have been able to observe the following correlations. In 1960, OAA recipients had an annual income (including assistance) of $968.88, and 48 percent of their housing units were owned or being bought. The national figure for household ownership for people earning annual income of less than $2,000 was 51 percent. This OAA home-ownership comparison, in itself, is not statistically that significant. OAA homeownership is only 3 percent lower than the national average for a somewhat comparable income group.

The ADC figures, however, are striking. Including assistance payments, the annual income for ADC recipients is $1,677.36. While 51 percent of all households earning less than $2,000 per year are owned by the occupants, only 21.8 percent (as of November–December 1961) of ADC households are owned or are being bought by a person living in the housing unit.

The ADC percentage of homeownership is 29.2 percent lower than the national percentage of homeownership for the comparable income group. Stating these same statistics differently, one observes that ADC homeownership is approximately two-fifths the national average of homeownership for people earning less than $2,000 a year. ADC recipients, however, are not entitled to homeownership by the social security homeownership amendment, and the statistics indicate that an excellent case can be made for giving them this aid.

In summary, homeownership can serve as a basis for a rehabilitated family. The homeownership program serves to strengthen the family, stimulates economic self-improvement, provides incentives for self-education, and, more important, an atmosphere conducive to educational development for the children in the family. It's his to fix up and gain the fruits of his labor. It's his to keep neat and in repair. Through ownership, the house can truly become a home. With homes, the residents can then grow the roots for building strong and healthy neighborhood communities. Furthermore, it is a form of real savings—something of his to pass on to his children—to the oncoming generation.

Public aid and rent subsidies, on the other hand, do generate some undesirable "negative" forces which discourage self-help and personal improvements. The most objectionable of the negative effects is the public housing provision that when a family's income rises to a minimum figure the family must leave the project. Instead of encouraging personal economic improvement, this provision stifles enterprise and perpetuates low incomes. Furthermore, studies seem to indicate that the income ceiling causes a pessimistic atmosphere of frustration to pervade the downtrodden public housing community composed solely of families with low incomes.

For greater success in our urban renewal and rehabilitation efforts, we must expand our capacity for putting people on their own economic feet. Initial observations and preliminary investigation indicate that increased homeownership will provide substantial progress in this crucial area of concern.

THREE MYTHS AND THE PROPERTY TAX

Following my initial observations on the direction of the historical trends, I would like to offer for exploration three myths which have been advanced in connection with prevailing ideas of effective methods of development of central cities. These myths have generally been advocated by those proposing to turn over to municipalities either Federal block grants or large amounts of Federal funds. The first myth is that the Federal tax system (essentially income taxes, personal and corporate), a tax on economic activity, has proven to be so efficacious that there is a "dividend" which may be declared. The converse is true. The Federal income tax rates, I would argue, even with the 1964 cuts, are still beyond the point of diminishing returns and are still causing judgments to be reached for tax reasons rather than economic reasons.

In other words, the high rates still impede the full development of the present Federal tax base (economic activity) and also stunt the growth of the ultimate base upon which this base of economic activity itself relies; namely, wealth. The tax take is, therefore, less than it would be if the rates were lower and applied to a larger base. We could today embark upon a 20-year program of reducing Federal income tax rates every 2 years and continue to increase our Federal revenues.

The second myth is that Federal block grants provide swift and flexible remedies to urban problems. The economics of the Federal block grant is unsound for the same reasons that the Federal dividend is untrue and economically unsound. On political grounds, I consider the block grant undesirable since it must invariably involve Federal control—Congressional responsibility to the taxpayers it affects could not allow otherwise. The political pain of imposing taxes must always be tied to the pleasure of spending tax money if expenditure discipline is to be maintained to insure that programs are carefully designed and administered.

The third myth is that the real estate property tax is overburdened. To establish this point, of course, I now must move against innate prejudice while, in discussing the other two points, I had it going with me. No taxpayer thinks any tax or tax system is not an overburden. However, the property tax has certainly responded in a remarkable fashion since World War II in providing the revenues for building and maintaining schools, streets, sewer lines, and disposal plants, and so forth, and rendering expanded services to the community in policing, fire prevention, education, and so forth. But because it has expanded greatly and rapidly does not warrant the conclusion per se that it is overextended. It might warrant the opposite conclusion. One test to reach a proper determination is: Has the wealth which is its base expanded more rapidly than the tax? Have the benefits: cost ratios, proven to be economically sound? Wealth, particularly related to these expenditures, actually has increased more during this postwar period than GNP, economic activity. Another test is found in the fact that the community bond issues for schools, sewers, streets, parks, and other community facilities are consistently voted affirmatively in over 70 percent of the submissions and many of the 20-odd percent bond issues which are rejected are then restructured and resubmitted, at which time they then receive an affirmative vote. The wealth of State and local government, and of the private sector, that is the

value of the assets minus the outstanding debt, has increased considerably. Putting it another way, the ratio of debt to wealth of the States and local communities has decreased markedly since World War II in a commendable fashion, albeit debt itself was rising rapidly. It is to be noted that on the contrary the ratio of Federal debt to Federal wealth has had a very disturbing incline and today is a negative ratio and at a very dangerous level. Yet, local and State debt in aggregate, not ratio, because wealth has increased more greatly, have increased more rapidly since World War II than has Federal debt. Nor is it any consolation that Federal debt as a ratio of State and local debt, or of private debt, is less today than it was in 1946: 1946 is the poorest year to pick as a benchmark. We are merely seeing an adjustment back from World War II Federal expansion to what is peacetime and growth normalcy.

Other statistics also belie the unbearable "burden of the property tax." For example, many States, including States with populous metropolitan regions; for example, Pennsylvania, Ohio, Maryland, and Texas, are now paying less in State and local taxes as a percentage of personal income than the national average for both State and local tax obligation and also State and local property tax obligation. In other words, many local governments could significantly increase their property tax rates—let alone maintain their present rates—without exceeding the national average for State and local taxation as a percentage of personal income.

There is additional evidence attesting to the unrealized potential of the property tax. A conference on urban taxation meeting at Claremont College in the summer of 1965 estimated that the market value of real property in the United States (land and improvements) is approximately $1 trillion. As of 1965, this tax base produced taxes of some $17 billion or only 1.7 percent of the tax base.

Much potential revenue goes unrealized because tax assessors assess vacant land far below its asking price. For example, idle land priced at $20,000 an acre on Long Island is commonly assessed as low as $500 an acre. In fact, idle land across the country is assessed at a lower percentage of its market value than is developed land. The 1962 Census of Governments showed vacant lots assessed an average of 20.5 percent of "true value" whereas the figure for nonfarm homes was 30.6 percent.

The Committee for Economic Development and the Tax Foundation have taken steps in the right direction to uncover the fallacy which I have just discussed. For years I have been trying to point out that here is the Cinderella of taxes dressed in shabby clothes, with smutty face, keeping the household going while her much less beautiful and productive sisters, in glamor clothes go to the ball. If only we could recognize the beauty of Cinderella, wash the smut off her face and hands, and dress her in modest, but up-to-date clothes. Toward this end, it is my hope that this compendium will help to move the dialog forward.

The property tax needs more understanding and certainly a lot of updating if we are to enjoy its maximum advantages. The property tax is dependent upon sound and equitable assessment policies which, in turn, depend upon sound zoning laws and up-to-date building codes equitably enforced. It requires an understanding that idle land—raw

land—should be taxed at a somewhat higher rate than improvement on the land, so that there will be an encouragement to put land to its most productive use. The property tax is the one tax of all the taxes available to governments that is antihoarding and hoarding, I submit, is the basic sin to a productive economy.

Not only should urban land be taxed at a somewhat higher value than improvements, but urban land should also be assessed and taxed with major consideration given to the location of the land—its "site value." These tax procedures can readily and effectively be coordinated with zoning laws, local policy, and the work of the city planner.

I also advocate a payment to State and local governments of sums in lieu of real property taxes on Federal property located within a local jurisdiction. This tax reform is only basic equity inasmuch as the Federal agency derives the same benefits as other citizens from schools, streets, sewers, fire and police protection, et cetera and it would, in an immediate and obvious sense, provide additional revenue for the State and local government. This tax change would also serve to impose a greater degree of discipline on the Federal Government in its acquisition and retention of land for Federal purposes because of its conformance with up-to-date cost accounting.

As a related factor, one should also observe that the failures of Federal fiscal policies have led to inflation and subsequent distortion of local assessments based as they are on dollar values covering a score of years. This result of the inept Federal fiscal policies has necessitated politically painful and costly reassessments of all local property at the same time in terms of the then current dollar value.

The property tax adheres to the sound economics of having the "users pay"; the benefit-to-cost ratio, is maximized. Furthermore, the property taxes pay for services and improvements which actually increase the value of the property. For example, a 4.6-mile section of Toronto's Yonge Street subway which was opened in 1954 caused property values along its route to rise 37 percent between 1954 and 1958 while the rest of the city improved an average of 20 percent.

The irrefutable logic of taxing the value added to raw land is most clearly illustrated by the rise in land value on Staten Island when the Verrazano Narrows Bridge was built. The bridge itself cost the taxpayers $350 million. Owners of idle land then enjoyed a tremendous rise in land prices while at the same time the low assessments on idle land enabled them to carry the smallest proportion of the tax burden. The economic justice of having the benefactors of a service pay for the service was reversed in this case. Those who benefited the most—the owners of vacant land—paid the least.

My hometown, Webster Groves, Mo., also provides an excellent case in point. Good property taxes over a period of years have resulted in an excellent local school system which, in turn, has enhanced and maintained local property values. A house in Webster Groves may sell for a much as $5,000 more than a comparable house in surrounding communities having school systems without the equivalent reputation.

TAX EQUALIZATION

Some critics of State and local taxation notably ignoring the equalization laws within States and sometimes within counties argue that there are great differences between the 50 States and that a Federal

mechanism is necessary to equalize between the rich and poor States. Revenue for primary and secondary education often falls prey to this superficial argument. It is said that many of the children who need to be educated are in the poor States which cannot afford to bear the costs of education while the ability to pay taxes lies in the richer States. Well, I have often sought to answer this syllogism. I ask, where are these so-called poor States? The answer to that question is quite ready, in the South, Arkansas, Alabama, Mississippi, etc. I then ask, but on what basis do you say these are poor States? The answer to this is also quite ready. "Take a look at the per capita income of these States." Indeed, the per capita income in these States is relatively low. But then, I ask the next question, and the answer to this is not quite so ready. But these States do not pay for education out of taxes or income, do they? Don't they pay for education costs and community facilities of all sorts essentially by use of the property tax? If this is so, and it is so, let's take a look at the assessed valuation in these States which allegedly are so poor. Here we have the true answer. There are not really any poor States in the United States. The States so often cited are States where there are poorly developed and enforced property taxes, where there is a considerable amount of absentee ownership, among other things. Where the assessment on real estate hardly match the true value of the land and structure.

For example let's take a close look at Alabama. Although Alabama has a statute which calls for the assessment of property at 60 percent of its fair and reasonable market value; in 1964–65, the tax evaluation of property in Alabama averaged no more than 18.6 percent of market value. This figure is significantly lower than the national average of 29 percent. A study by the National Education Association Commission on Professional Rights and Responsibilities further reveals:

> The extension of exemptions to corporate and individual owners of large landholdings and the unrealistic assessment practices of the publicly elected tax assessors have so eroded the property base that in 1965 ad valorem tax proceeds provided only 18 percent of the total tax revenues of the State and local governments in Alabama. No other State derived such a small percentage of its tax revenues from property assessments.[5]

This situation in Alabama and in similar States results in the loss of an overwhelming proportion of potential property tax revenue.

These are the very States, by the way, which are digging themselves further in the hole by waiving property taxes for a period of years to entice businesses to locate in their area—on the assumption, I suppose, that having the payrolls will assist them to have a better tax base than one based upon property wealth. This is surely regressive thinking for the 20th century. This theory can be found entrenched in most of our Latin American neighbors and throughout the world and until the theory is abandoned, I could argue, these societies will not move ahead.

No, there is no need for the Federal Government to get into the business of Federal equalization laws, although there is still plenty of reason for all the States to continually update their State equalization

⁵ *Wilcox County, Alabama: A Study of Social, Economic, and Educational Poverty* (Washington : National Commission on Professional Rights and Responsibilities of the National Education Association of the United States, 1967), p. 72.

laws for education. And there is much room for counties to pass education equalization laws so that tax revenues can be spread from wealth areas, measured in terms of property wealth to areas of less property wealth. Above all, there is ample room for modernizing our property tax laws and keeping them up to date—which means, among many things, modernizing our zoning laws and keeping them up to date. No community can support schools or community facilities—except the very few unusually wealthy communities—with a property tax based heavily on home assessments. A properly zoned community will derive only 30 percent of its revenues from the property tax on homes, the 70 percent coming from the property tax on commerce, industry, and utilities.

EFFICIENCY

While on this subject of education and taxation, I would also like to mention the often overlooked factor of economic efficiency. The Federal Government not being the sector of government which is charged with spending the education dollar has the difficult and costly job of transferring the tax dollars collected to the local governmental agencies which are charged with the spending of them. As has often been observed, send a tax dollar to Washington, D.C., to be returned to be spent in the community and it comes back badly clipped. We certainly can cut down on the amount the dollar gets clipped when it is sent on its long journey to Washington and thence back to the community, but we must recognize that there will always be considerable cost in undertaking the round trip journey in the first place. And we may well ask, is this trip necessary?

I want tax collection for efficiency's sake to be pretty close to the agency of government that is going to spend the money so that there is a minimum of cost in transferring the money from the agency that collects it to the agency that spends it. Also a closeness between the people who raise the revenue and those who spend it imposes a discipline on the spending agencies since they have a better understanding of the cost of spending.

BUILDING CODES

In addition to proper state and county tax equalization measures, equitably enforced building codes are an imperative if we are to reap the full benefits of the property tax. An editorial in one of my home town newspapers, the *St. Louis Post-Dispatch* on June 16, 1967, presented disturbing examples of selective housing code enforcement. Its disclosures reveal such inequities as the following:

> Sixteen investment companies have been named by representatives from community agencies as the most recalcitrant owners and managers of slum properties. These companies control much of the substandard housing in St. Louis. One company owns an estimated 1,500 units, most of which are in violation of the housing code.

> While the residences of individual owners are inspected and unresolved cases are referred to court, hundreds of dwellings owned by investment companies escape. From January to November 1966 approximately 300 housing cases were referred to the

Associate City Counselor for prosecution. Only 10 per cent of these cases involved investment companies.

A resident owner was fined $500–$450 of which was stayed, while one of the largest investment companies was fined $10 for his failure to abide by city standards on one piece of property. Another was fined $10 for two buildings. Still another was fined $15 for three buildings.[6]

If injustices such as these persist in our cities, many of the beneficial aspects of local tax procedures and zoning regulations will be completely lost.

As far as I am concerned, all the preceding material has pointed in one direction—against the involvement of the Federal Government. Our emphasis should be placed instead on the State and local government. To most effectively cope with the economic and political problems of the metropolitan community, we must concentrate our energy on the development of the economic and political task of the State and local governments.

There is, however, a Federal component to building code enforcement. The Department of Housing and Urban Development at present is authorized $750 million for urban renewal and code enforcement. Of that amount HUD has allocated only $56 million for code enforcement. In fact, a Republican proposal to require 20 percent of renewal funds to go to code enforcement was defeated in 1965.

The code enforcement approach through HUD funds is available when the Federal Government is confronted with a sudden need for rat control and other pest control programs. Merely by increasing the amount of money available for code enforcement (either by raising the present $750 million HUD authorization or by allocating a greater percentage of the present $750 million for code enforcement) the Federal Government can efficiently utilize existing agencies and standards (which are required under every city's "workable program" for urban renewal aid). This approach also has the advantage of including low-interest loans to slum dwellings owners to eliminate health hazards (such as rats) and keep the building in a healthful state. Through this provision "the slumlord" is given a financial interest in maintaining a healthy environment.

THE PROPERTY TAX AND THE TRENDS

There is a crucial and potentially valuable relationship between the property tax and the historical and economic trends of the city. With the end of the old high rise industrial core region much industry relocates in suburbia and provides a great source of revenue for the suburban communities. In fact the tax policies which assess land at a higher rate than improvements and in terms of "site value" complement the effects of decentralization. Industry may assume as much as 75 percent of the tax burden in urban and suburban areas. Crestwood, Mo., is my own district, conforms almost completely to this kind of industrial tax situation.

The property tax becomes most productive when effectively coordinated with policy formulation. For example, Melbourne, Australia, is meeting approximately 60 percent of the cost of a new subway through

[6] "Escaping the Housing Code," *St. Louis Post Dispatch* (June 16, 1967).

higher assessment and taxation on the property—business property—which would benefit from the new subway. In Melbourne, local property owners in the area served by the subway are to help pay for the system by annually turning over to the city one-fourth of the increase in assessed valuation during the first 10 years the subway is in operation. Highway and expressway construction can, in a similar way, utilize the property tax to meet construction costs. Furthermore, this use of the property tax meets the expenses of expanding transportation facilities in the metropolitan area—a direct and efficient response to the decentralization of the city.

I have devoted much time to discussing urban decentralization, but now I must speculate about the shape and function of the core region of our center city. Jobs demanding face-to-face communication most naturally will tend to locate where there is a dense aggregation of people—center city. This can result in a growing and thriving business and commercial community in the region. The core region can serve as a center for sports, culture, and amusements.

Following along in the same vein of thought, I can envision the property tax coordinated with zoning as a vital means of city planning. For example, the central city core region can be designated for commerce, business, amusements, sports, culture, and apartment houses through zoning laws and a high "site" property tax. Tax policy can affect land usage by assigning high assessments for good locations. Also the site tax—or land tax as it is often called—can be used to deter slum formation and land speculation. Finally, zoning regulations might be used to actually help expedite industry's natural trend to decentralize from the center city area to peripheral areas of the city and the surrounding country area.

These last comments have emerged from my own personal speculation in light of the data I have observed. As we now move ahead, many of the local programs have to be viewed as experiments. Each city becomes a laboratory for the political scientist and the practicing politician. In fact, this leads us to an area where a Federal agency can be useful. A national bureau for compiling data and providing information on the various "urban experiments" would increase the possibilities of success for programs intiated by local governments.

Variations, Modifications, and Supplementary Fiscal Tools

There are useful variations and modifications of the property tax which I have not discussed. One of the most common is the neighborhood assessment. Levying a neighborhood assessment for the first cost of a new service or facility adheres to the principle of "having the user pay." During my discussion of property tax assessments and city planning, I cited the new subway in Melbourne, Australia, an imaginative application of the neighborhood assessment concept.

A tax device similar to the neighborhood assessment is the land value increment tax. In this case, tax payment is made only when land values actually rise in response to the improvement.

Also the various formulas for emphasizing the "land" portion of the property tax deserve consideration. One plan already having legal status is the so-called Pittsburgh plan which taxes land at twice the rate of improvements. Earlier in this paper, I elaborated on the neces-

sity of assessing land at a higher rate than the improvements. An extreme response to this need is the policy of shifting the entire burden to the site value alone. This procedure has been successfully executed for as many as 70 years in Australia. New Zealand, Denmark, and a number of cities of South Africa have also successfully conducted this tax program. In this country the actual determination of these property tax formulas—with any new emphasis in the direction of land taxation which might occur—should reside with the State and local governments. In the long run, statewide and countrywide coordination is necessary to achieve fair tax equalization.

Some local efforts at metropolitan consolidation and regional fiscal coordination can be viewed as partial remedies for the problems of tax equalization. Before looking at two specific cases, I again want to emphasize my belief that local policies and programs should, whenever possible, be studied as experiments which might provide information for other cities facing similar problems.

In 1949 a city-parish government was instituted in Baton Rouge, Louisiana, parishes correspond to counties in most States. As a county coordinating body the government has jurisdiction over the following: the construction and repair of streets and highways, the power to zone for the entire area, the power to prohibit the incorporation of additional municipalities; and finally, a countywide property tax.

The major fiscal tool of the Baton Rouge city-parish government is a two-level property tax, with a lower rate applying outside the central city. In 1962, for example, the city property tax rate was $12 per $1,000 assessed valuation compared with $4 per $1,000 assessed valuation elsewhere in the parish. The city-parish council did vote a 1-percent sales tax which applies uniformly through the parish. Essentially, the two-level property tax is of special significance because it does enable the core city to draw revenues from the surrounding suburbs while at the same time this fiscal device is made palatable to the suburbs through the lower assessment on suburban property.

The Metropolitan Toronto Corp. also deserves mention. In total, its function includes provision of water supply, sewage disposal, arterial highways, parks, schools, financing, certain welfare services, coordinated planning, policing, business licensing, and air-pollution control. Although the corporation has no power to tax directly, it does play a major role in the area of tax equalization. To insure uniformity, the corporation assesses all property in the region. The corporation gets its funds through assessments on each municipality—13 independent municipalities including Toronto—based on the ratio their property assessments bear to the area's total.

Some solid progress has been made in the direction of consolidation. Many organizations, such as the Committee for Economic Development have begun to panic over "the balkanization" of our metropolitan regions, but I must reply that their panic is uncalled for. Positive steps have been taken.

A study of the local school districts in the United States reveals that consolidation is making an impressive advance. As of January 1, 1967, there were only 23,461 local districts as compared to 55,000 local school districts in 1956. The 1967 figure represents a 60-percent decline over the preceding decade. To bring the decline into sharper focus, we see that as of January 1, 1967, there were 3,541 fewer local

school districts than on January 1, 1966. In fact, over the last two decades there has been a 75-percent decrease in local school districts. In 1946 there were 101,000; 20 years later there are less than one-fourth as many local school districts.

It also should be noted that in some cases consolidation is advancing with a dramatic suddenness. Kansas, for example, had 1,500 local school districts in 1965. By the end of the following year there were only 349 local school districts in the entire State of Kansas.

The property tax should be the major fiscal tool of the local governments, but here is room for the implementation of other useful fiscal measures. Among the most promising fiscal techniques in terms of revenue potential and also tax equilization are the local payroll tax and the local income tax.

Local income and payroll taxes assume a great measure of desirability, first of all, because they allow a shift in fiscal emphasis from the Federal Government to the local governments. By lessening Federal payroll and income taxes in favor of local payroll and income taxes, we speed our revenue directly from those people paying the taxes to those spending the tax revenue. This shortening of the distance traveled by the revenue dollar will result in a cutting of administrative costs. Secondly, greater local spending of increased local revenues means more of our spending will be subjected to the "discipline of close-ness"—the discipline which emerges when people spending the dollars must also directly raise the tax revenue. Toward this end, I would develop the urban payroll and income taxes and provide that the urban income and payroll taxes levied be deductible from Federal tax obligations.

The question of whether to use urban payroll taxes, urban income taxes, or a combination of the two is integrally tied to the issues of tax equalization. The basic relevance of the urban payroll tax and the urban income tax to tax equalization can be elucidated through a translation of these two taxes into the issue of the origin of income versus the residence of the income earner.

A primary motivation lying behind the levy of a city payroll tax is that revenue is drawn from people who work in the city, use many of the city's services, and then flee home to the suburbs—free from the city's tax grasp. Furthermore, these same suburbanites are people who previously had lived in the city and then moved outward. It has largely been the case that the people moving outward have higher incomes than those people left in the city. A payroll tax consequently helps equalize the difference.

There is, however, a problem raised if the suburbs institute an income tax. A suburban income tax would tax the same people who pay the urban payroll tax. Some States remedy this problem by giving precedence to the tax levied by one's place of residence.

I have found two possible formulas for balancing income and payroll taxes. A plan adopted by the State of Michigan enacts a broad-based income tax and gives residents a credit for taxes paid to any other local government. Under this plan wages, salaries, and profits would be allocated to jurisdictions of origin and interest and dividends to jurisdictions of residence. Since business property yields a larger share of total metropolitan tax receipts than does residential property, the Michigan plan probably favors the jurisdiction over origin.

An alternative plan balances origin and residence taxes equally by giving taxpayers in one jurisdiction (i.e., of residence or origin) a 50 percent credit for taxes owed to the other jurisdiction. Finally by manipulating State and local tax formulas such as the ones just discussed, the States and localities of this country can, I believe, continue their progress toward greater tax equalization.

There are ways of conducting State and local income tax programs which minimize administrative costs. By authorizing only municipal taxes that use the State income tax base and were collected by the States for subsequent return to jurisdictions of origin, the local and State governments can greatly lessen administrative costs. Consideration should also be given to having State taxes use the Federal base in an effort to provide additional efficiency.

Another fiscal tool which has served our urban areas quite effectively is the multi-State agency. Article I, section 10, clause 3 of the Constitution explicitly allows States, with the consent of Congress to enter into agreements or compacts with other States. With this congressional authorization, different States containing the same metropolitan region can join together in tackling common regional problems. The Port of New York Authority, for example, represents one such interstate compact.

Interstate cooperation is most common in solving transportation problems; e.g., major bridges and river authorities. Furthermore, this kind of interstate service is able to capture substantial revenues through direct user fees, namely tolls.

Transportation is not the only important area for interstate cooperation. For example, water shortage problems in urban regions also calls for interstate agreements. In response to a critical water problem in the Philadelphia metropolitan region; New York, New Jersey, Pennsylvania, and Delaware have joined in the Delaware River Compact.

In beginning my discussion of the city, I said that it was first necessary to understand the underlying dynamics of urban development. From this orientation, I have guided my analysis by the economic and historical trends of the city. These trends, I strongly believe, should also be acknowledged when delving into the problems of the urban Negro.

THE URBAN NEGRO

In light of economic trends, the Negro problem represents an acute case of immobility. By taking the broad view of the Negro problem, we quite naturally recognize that the racial and social issues deserve consideration but there is also a pressing economic issue which is most deserving of our attention.

The basic problem of Negro immobility can be interpreted in terms of job training and economic skills. This factor of job competence, however, can be further reduced to the dimensions of an urban-rural continuance of backgrounds for the Negroes in our cities.

It is important to realize that the Negro problem today is part of an age-old problem that has little to do with race or color. It has to do with the basic economics involved in any society which is industrializing. An industrializing society has marked migrations of sizable populations from rural living to urban living. The more rapid

this movement the more aggravated the problems of social and economic adjustment become. The increased incident of crime among former rural people now living under urban conditions has long been observed. The closer people live with each other, of course, the more their daily actions affect each other. The more contact the more opportunity there is for friction, for more breaches of the codes both social and legal which govern the relationships of people living close to each other. Indeed, the codes of urban living are not only different from the codes of rural living, but perforce they are more comprehensive and complicated and hence lend themselves to more violations.

Part of the problem of adjustment comes from shifting from an economy which has much of barter about it to an economy which is almost entirely a money economy. Where the money economy cuts off in urban areas a State-organized welfare economy takes over in place of an informal community welfare economy.

Part of the problem of adjustment comes from the traditionally lower, as well as different, educational standards and standards of skills in the rural communities from those of the urban communities.

We must not identify these economic and social adjustment problems as racial problems if we are to solve them. The predominance of the Negro in the group shifting from rural to urban living beginning with World War II and continuing up to the present time has tended to confuse the problem. So, too, hasty analysis has led some to identify civil rights problems as racial problems. Again it is the confusion arising from the predominance of the Negro in issues involving civil rights that lies at the root of their obfuscation.

It must be constantly borne in mind that in the past decade—and the decade immediately ahead of us seems to be following the pattern—automation, or rapid technological change, has accelerated its pace and so aggravated the social and economic problems stemming from this massive migration.

Dr. Eli Ginzberg, professor of economics at Columbia, in a recent article published in the New York Times Magazine of February 9, 1964, puts these problems into a positive context:

> In Chicago, for instance, 80 percent of the Negro families have a higher income than 50 percent of white families. In the West, the nonwhite income distribution is almost the exact counterpart of income distribution among the white population of the South.

The most important area of education and instruction for the urban Negro is that of job training and vocational education. When these people acquire job competence and needed skills they will have greatly enhanced their own opportunities for increased mobility. Furthermore, local services providing listings of job opportunities and coordination between the unemployed and job vacancies should further increase the opportunity for economic and social improvement.

At this point, I must emphasize that racial restrictions on Negro mobility exist in serious measure and, of course, it is important economically, socially, and from a humanitarian standpoint to eliminate this bias and discrimination. What I do want to emphasize, however, is that we must balance the economic and social aspects of the Negro problem and recognize the economic impact of job immobility on the racial problems of discrimination.

REFORM IN FEDERAL TAX LAW

Education, job training and retraining, air pollution and water pollution all pose problems confronted by our urban governments. At present many indirect and inefficient Federal programs address themselves to these problems through block grants and Federal subsidies. Much direct and effective aid, however, can easily be funneled into these problem areas by merely providing tax credits in Federal income taxes.

Let me state the case for this most needed reform in Federal tax law in my own semantics because it is usually presented, even by some of its advocates in the semantics of those who oppose it. This reform is in accordance with American classic tax theory; namely, that we do not tax money which is being spent for a social purpose which if it were not so spent we would call upon the government to spend. Putting it another way, we know that when we extract money from the private sector to pay for the expenditures of governmental services we are going to have some impact on the economy. We seek to keep that impact at a minimum. We prefer not to tax industries on the wane, we prefer to tax industries on the rise. We prefer not to tax low incomes, we prefer to tax high incomes. We prefer to tax wealth, not the process of creating the wealth. We do not tax money spent for desirable social purposes.

This is the tax theory of the tax neutralists. This is the classical tax theory in America. There is a new school of tax writers who are not neutralists. Because the power of taxation to effect economic results and to render economic decisions is so great, and I might add, so subtle these theorists advocate an old system as if it were new, to mulct rather than to tax. They seek to write tax laws to deliberately produce economic decisions—their decisions—to channel expenditures into certain areas supplanting the private decisionmaking process with the political process.

In our Federal income tax laws we have always given a deduction for donations to charitable and educational insitutions. These new tax theorists say thereby the Government subsidizes these institutions. I say we give the deductions not to subsidize but rather on the theory that we did not wish to tax this area of endeavor. We as a matter of policy prefer to obtain the money to run the Government from other areas of endeavor. This is money being spent for social purposes which if it were not so spent probably would require the Government to spend it directly.

So the tax credit to those who spend money on education, which I advocate, is entirely consistent with American classical tax theory. If the private individuals do not spend the money for education then the people through their government would probably do so as a last resort—although I submit much more inefficiently.

Consistent with the theory of tax neutralism and classical American tax theory, I have introduced in the House, legislation which would give a tax credit for higher education. For elementary and secondary education, the taxpayer would have the option of claiming a $50 tax credit per elementary and secondary school child against his Federal income tax, up to a maximum of $200. This education bill is also desirable because it capitalizes on the advantages and benefits of a sound local property tax.

The tax credit can also be used to combat water and air pollution and to develop job training and retraining. I have also initiated legislation for an incentive tax credit to private business and industry to fight water and air pollution. I have also advocated what is called the Human Investment Act, which provides a tax credit to employers for part of the expenses of providing job training and retraining programs.

In conclusion, I would like to cite the following prediction by Henry Ford:

> We shall solve the city problem by leaving the city.[7]

Today, it is our task to recognize the validity of Henry Ford's prediction and use his message as a prescription for our future action.

Our cities are decentralizing and we can only progress by harnessing the forces of dispersion and not by bucking these forces head on. To deal with the problems of an expanding urban America, we must place a new emphasis on local and State government. We also must show a new respect for the potential of an updated property tax; and finally, we must recognize the role of low-density living and increased homeownership in the future of Metropolitan America.

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[7] Mitchell Gordon, *Sick Cities* (New York: The Macmillan Company, 1965), p. 13.

BUSINESS WELFARE AND THE PUBLIC INTEREST*

BY CHARLES ABRAMS**

1. THE BUSINESS WELFARE STATE

A consequence of the States rights doctrine has been the emergence of what can be identified as the beginnings of a business welfare state. Its main features are (1) escape from Federal taxation and (2) the removal of stake and risk from business enterprise. Since the States were the "original sovereigns," the Federal Government they created in 1789 was held to be inhibited from taxing them or their "instrumentalities." These instrumentalities were not only their subordinate governments, big and small, but the bonds issued by any of them.

Local governments, hard pressed for cash and for employment opportunities, have extended their operations in areas that were formerly in the entrepreneurial domain. Court decisions upholding public housing and other operations had abandoned the "use by the public" theory and speeded the "public benefit" test; i.e., that public money may be spent and private property acquired not only when the property was to be used by the public (a park, for example) but whenever it benefited the public. Public benefit was most often what public officials thought was a public benefit, and it was not long before private enterprise was not only made an eligible beneficiary but also became the main beneficiary.

A whole new set of uses has now been authorized, such as parking lots, garages, factory buildings, and industrial estates. Since these were now for public benefit, tax-exempt bonds could be issued by cities and States and land compulsorily acquired for the purposes.

The bonds which State and local governments issued for these new purposes as well as the interest paid on them are immune from Federal levy. The hard-pressed central cities and the smaller suburban governments issued these bonds by the billions. As more and more State and local operations formerly private are added to the tax-exempt inventory and as more tax-exempt bonds continue to be issued for the broadening purposes, the sources of Federal levy shrink. Simultaneously, the Federal capacity to borrow for its own programs in the competitive money market also declines.

THE CITY'S PLIGHT AND THE SOCIALIZATION FROM THE RIGHT

The older cities are borrowing and taxing because their budgets have soared while their sources for tax levy have shrunk. They are taking advantage of the tax freedom because the Federal Government is not helping them cope with their expanding needs. The suburban govern-

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ments and hamlets are simultaneously borrowing for their requirements and taking advantage of the same tax immunities. Not to be left out of the picture, industry and the speculative operator have joined the roster of tax-free beneficiaries.

As tax collectors, local governments have their limitations. They depend primarily on the property tax for their revenues. While such revenues may go up in suburbia with its development and expansion, most older cities have virtually reached the limits in tapping real estate for their surging costs. Resort to sales taxes is difficult (it sends buyers to the suburbs for their purchases), and it is particularly difficult where States have preempted the tax. Income and payroll taxes only increase the flight from the city.

As for the States, while they more than doubled their assistance to local governments in the 10 years to June 30, 1960, the proportion of State aid to local governments has just about stabilized.

Meanwhile, taxes of local governments have increased sharply—from $38 per capita in 1946 to $126 in 1964. Limited in their ability to tax, they are issuing tax-free bonds and the number of these have been spiraling upward.

Gross local debt has risen from $13.6 billion in 1946 to $68.4 billion in 1964, while State debt grew from $2.4 billion to $25 billion. In the same period, Federal debt increased from $269 billion to only $312 billion. On a per capita basis, local debt in that period rose from $97 to $357, while Federal debt per capita actually declined from $1,924 to $1,629.

Almost a third of the $10.3 billion of State and local bonds sold in 1963 were to finance educational facilities, 13 percent were for water and sewer facilities, 8 percent for highways and bridges, and 13 percent for refunding of previous bonds; the rest was for other purposes. About $32 billion of these bonds, or about a third of the total State and local bonds outstanding, were bought by individuals and trusts; commercial banks owned $28 billion, insurance companies $15 billion.[1]

One of the best potentials for issuing more bonds is through the issuance of revenue obligations; i.e., bonds secured not by the local government's general revenues but by the revenues of a specific project. While general obligation local long-term debt increased 128.4 percent between 1950–61, revenue bonds and other limited obligations increased 692.3 percent.[2]

To enable issuance of more revenue bonds, the local government must find new projects which will pay enough to retire the bonds with interest; and the temptation is to go into more enterprises which are either in the private domain or which were taxpaying private risks and which the local governments now assume for the company through the issuance of bonds (e.g., building a factory for an industry and paying the bonds through the leasehold rent or building an industrial park for a number of industries). It is the tax-free revenue bond which is being used to launch the dubious real estate ventures of speculators.

The pressure for socialization of operations had generally come from liberal and radical sources, and the opposition had always come from Wall Street and business sources. Today the pressures are also coming

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[1] In 1964, municipal bond sales made a record of $10.6 billion (Statistical Bulletin of Investment Bankers Association, February 1964 and February 1965).
[2] *Debt Obligations*, Monograph No. 1, Municipal Service Department, Dun & Bradstreet, Inc., Oct. 10, 1963, p. 4 and exhibit 1.

from the industries getting free plants as well as from Wall Street. To sell more tax-exempt bonds, more private and quasi-private operations must be socialized. A hungry market of investors waits upon each new issue of tax-exempt bonds, and the investment houses are not missing their opportunity.

I was first struck by the implications of these pressures in 1936 when, as a New York City official, I was asked by one of the largest Wall Street bond houses whether I could induce the city to acquire the Consolidated Edison Co., a taxpaying public utility. A sale of tax-exempt bonds by the investment house would provide the capital. Everyone, said the bond house executive, would "benefit"—the city would be paying less than Consolidated for the money it had to borrow to acquire the company. Since it could borrow tax-free money at a lower rate than the company could, and since it would pay no income tax on operational profits, utility rates could be lowered for the consumer.

Everyone would doubtless have been better off—except the Federal taxpayer. Not only would the tax on profits disappear, but the sale of the tax-exempt bonds would have immunized the investors against Federal levy for a generation.

The justification for the tax-exempt bonds issued by States and their creatures, e.g., that the State was the original sovereignty and that since "the power to tax is the power to destroy," taxation of the State would give the Federal sovereignty the power to do death to the States, can bear rethinking a century and three-quarters after the country's founding. There are 37 States out of the 50 from which the Federal Government did not derive its limited powers—and if one talks of who created whom, the parenthood in most cases is probably the other way. Nor is the Federal Government any longer a limited sovereignty, obliged to let the States and their creatures give tax immunity for entrenched wealth while those who venture their capital legitimately must pay the going rate. Finally, whatever may be the logic behind exemption from levy for the traditional purposes (and there is a better case for public housing than for many purposes less public in nature), it makes less sense in the case of the swelling functions of a quasi-private and proprietary nature. If the law cannot be changed, the Federal influence should certainly be strong enough to induce the issuance of tax-paying obligations. This will simultaneously call for an assumption of those responsibilities which the cities can no longer bear. The real test of whether the Federal Government will assume some of these obligations will come with the reduction of Federal expenditures for defense and the way in which revenues will then be allocated.

SOCIALIZATION OF RISK IN HOUSING

The move toward the business welfare state originated in the home-building industry during the New Deal era as an emergency measure. Until then, a fairly clear line could be drawn between the private and public domains in housing and other enterprises. President Hoover, the most ardent spokesman for a free private enterprise, had argued that under the system, the United States had become prosperous and efficient while Government operation was bureaucratic and lacking in

the incentives and inventiveness of the enterpreneur.[3] The laissez faire theory which he espoused was not much different from Adam Smith's, namely, that government should leave to the entrepreneur everything except public institutions and works in which "the profit could never repay the expense to the individual." [4]

With the advent of the Roosevelt administration and in its effort to prop up the home building and mortgage lending enterprises, the Federal Government, through the Federal Housing Administration, moved into the mortgage insurance business, which was once a private undertaking. This was done in the name of "encouraging private enterprise." A similar formula was later fashioned for home loans to war veterans. The Government's contingent liability on Government-insured and loan guarantee programs in 1962 totaled more than $60 billion.[5]

Although the two basic elements of private enterprise—stake and risk—are taken from the shoulders of the enterpreneur and lender and placed on the Government's, a premium of one-half of 1 percent was presumed to pay operating costs and provide reserves for losses. The operation has not been a losing proposition since building costs, house values, and incomes have gone up almost continuously since 1934.

There is, however, a vast difference between subsidizing an industry as part of a depression emergency and continuing it as a permanent part of the system. There is also a substantive difference between traditional insurance of risk and socialization of risk. The elements of an actuarial formula in an insurable risk require: (1) a statistical measurement of the probability of a risk happening on the basis of known experience; (2) a hazard that belongs to a class large enough to conform to the theory of probability; (3) the possibility, however remote, that the hazard will cause personal and direct loss to the insured; (4) that the premiums paid for the risk come from a sufficient number of exposed individuals so that there will be money enough to make good the loss caused on any one transaction.

A mortgage 90 to 100 percent of value is no more an insurable risk than a zero to 10 percent margin account in Wall Street, and value of real estate is just about as fluctuating. Nor is risk improved with time, for on a mortgage with a constant payment of interest and amortization, depreciation virtually keeps pace with amortization for a decade or more. Thus during the period of greatest hazard, there is no actual reduction of the risk.

The homeowner does invest more than the downpayment when he furnishes his home and moves into it. Despite the fluctuations of value, he will also tend to hold on for emotional reasons. But from an actuarial standpoint, the risk is hardly one which is insurable. A rental project is even less insurable. An example is a project with 114 units, the insured mortgage on which is somewhat under $1,600,000, leaving a cash investment of about 10 percent. With rebates and builder's fees, the investment should be no more than 3 to 5 percent. The projected net profit is listed as only $5,909. A 25-percent increase in taxes, a rise of 3 percent in the vacancies or rent losses, a drop of 3 percent in the

[3] Herbert C. Hoover, "Government Ownership," address delivered in Washington, D.C., Sept. 29, 1924.
[4] Adam Smith, *Wealth of Nations*, Edinburgh, Adam and Charles Black and Longman's, Brown, Green, and Longman's, 1750, book V, p. 325.
[5] *Report of the Committee on Federal Credit Programs*, p. 29.

expected rental, or an increase of 10 percent in operating cost would wipe out the thin margin of return (operating cost generally goes up with the years and rarely down). A fractional increase in each of these items (which is by no means unlikely) would bring the same result. A $5,909 profit (before taxes) on a rental of almost $200,000 is so marginal that no sane mortgagee would consider buying such a mortgage without a Government guarantee.

The Federal mortgage insurance scheme fails to conform with most if not all of the actuarial criteria for insurance risks. Default would cause no serious personal loss to the operator, for he stakes only a nominal amount of his cash on a gamble. The risk of loss to the Government is not calculable by the theory of probabilities, for there is no known experience proving that real estate values go up and not down. Nor is the one-half of 1 percent premium sufficient to justify the Government's risk, which is particularly hazardous during the early stage when the mortgage is at its maximum and the first big test of rentability arrives.

The fluctuations of the rent and building cycles continued on the whole to operate favorably for FHA and the insured builders from 1935 to 1958 and in this period, FHA built up premium reserves of close to $650 million. Thereafter, however, the mechanisms faltered. Acquisitions of homes by FHA exceeded the increase in defaults, rising fifteenfold from a minimum of 1,054 properties in the last half of 1957 to 15,940 in early 1962. The cost of taking over a house is about $1,500 and sometimes more. According to Neal Hardy, then FHA administrator, "both the Nation and FHA have been fortunate in the postwar period that no recession between 1937 and 1960 was of such magnitude as to result in major increases in foreclosures, although increases in defaults have consistently occurred in recession periods." In short, said the FHA administrator, as long as property values were rising, there was less danger of foreclosures. But with the first downturn of economic activity national or local (which was the first real test of FHA's actuarial formula), the cracks in the structure appeared.[6]

Because of the relative novelty of the insurance and guarantee devices in housing, the theories underlying their use have hardly received attention. The report of the Committee on Federal Credit, composed of the Secretary of the Treasury, the Budget Director, the Chairman of the Council of Economic Advisers, and the Chairman of the Board of Governors of the Federal Reserve System, sanctions their use "when credit needs arise from risks or uncertainties which, in the opinion of private lenders, are too great or too unpredictable to encourage investment of private funds, but are not excessive when spread over many loans."[7] This argument hardly makes sense for FHA rental operations, the loans on which are not only highly excessive but are also highly hazardous.

The report also says that since FHA-insured mortgages involve longer terms and therefore "such a high proportion of total investment that private institutions cannot legally lend without the protection of Federal insurance," FHA insurance is held to fall within

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[6] *Progress Report on Federal Housing Programs,* hearings before a Senate Committee on Banking and Currency, 87th Cong., 2d sess., Aug. 29, 1962, p. 7.
[7] *Report of Committee on Federal Credit Programs,* p. 17.

the authorized category. Were this argument correct, there would be no need to insure the entire mortgage for builders. The Government's underwritings could be on second mortgages, not first mortgages. Since the first-mortgage market operates well in most parts of the United States when mortgages amount to 66–70 percent of value, it is unnecessary for FHA to insure the entire mortgage. By insuring the junior interest in an 80 to 90 percent mortgage, private enterprise would be substantially restored to the first-mortgage market without the need for Federal insurance. The fact that savings and loan societies are functioning as uninsured mortgagees on small homes throughout the country and have steadily pushed FHA out of the competitive market renders the committee's defense of FHA operations baseless.

It is not contended that FHA has no role to play in mortgage financing. Its insurance might be justified during emergency periods when the mortgage market has slackened and building activity has sagged so that it imperils the economy. It might operate also in places where no mortgage market exists, for example, where there are isolated defense installations in which mortgagees might hesitate to invest without Government insurance. It is also justified where a public as distinguished from a private or purely speculative purpose is involved. As an insurer of second mortgages, it might play an important role if savings and loan associations could be induced to make more conservative first-mortgage loans on homes and FHA insured the secondary financing. It could also play a useful role as an insurer of home ownership security by offering an owner insurance against foreclosure due to unemployment, illness, or death—this would perform a public as distinguished from a private purpose. Where private lenders demur, FHA insurance might also be justified in other areas of social purpose, such as insuring mortgages for low-income families who are being subsidized by the Government. In short, FHA insurance can be justified in particular cases, but it has little justification as a tool for giving Government guarantees at high interest rates on speculative operations and on market operations that should be financed privately.

Federal Guarantees of Liquidity

As Federal operations expanded in housing and building, the Federal Government soon became not only the insurer but also the direct financier, subsidizer, and joint venturer under a widening variety of mechanisms.[8] They embraced trailer lot development, college dormitories, private nursing homes, and almost every other kind of rental housing project.

One of the more recent Government innovations with far-reaching implications is the Federal National Mortgage Association, rechartered in 1954 to perform the function of mortgagee merchandising for the private mortgage market. FNMA buys FHA and Veterans' Administration mortgages from private lending institutions and sells mortgages to them when they want it. They may be long- or short-term loans and include speculative ventures as well as cooperative

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[8] A list of the operations would cover at least pages. For an abridged list of these vast involvements, see my summary appended to *Report on Housing in California*, p. 74 and following ; and *Progress Report on Federal Housing Programs*, pp. 91–132.

projects and those under 221(d)(3). It also buys defaulted Government-guaranteed mortgages. In 1964, it held about $4.8 billion in its mortgage portfolio. It obtains its necessary capital from the Treasury and by floating its debentures on the open market.

In practice, the mortgage lender not only has FHA insurance of its risk, but it can have its money any time it asks for it. Thus, although mortgages are bought at yields geared to long-term interest rates, the instrument is actually short term.[9] Under this arrangement, an interest rate not much higher than the Government rate would seem to be warranted. But interest rates on such prime investments are little less than the going rate on uninsured mortgages.[10]

In short, the Government now not only makes it possible for builders to embark on risky ventures with little or no cash but it underwrites risks in the mortgage business and provides liquidity to the lending institutions when they no longer want the paper. The thin thread of equity(if any) provides the dubious margin that "justifies" the adventures. Social purpose, the rationale for most subsidized operations, has become the palliative for the removal of the gamble from private building speculations and mortgage investments and for passing it onto the Government.

Unless these mechanisms are reshaped to benefit low-income groups or fulfill similar social purposes, the emerging trend of the system would seem to be toward a "socialism for the rich and private enterprise for the poor." [11]

2. OPPORTUNITIES IN TAXATION FOR ACHIEVING PLANNING PURPOSES

Of the three powers in the Government power plant, the power least explored for its impact on urban development is the tax power. Its potentials and applications include its employment (*a*) as an encouragement to better planning and housing, (*b*) as a deterrent to bad planning or poor housing, and (*c*) as a compulsory device to enforce essential land development.

The United States is unique in the development of its tax power on real estate. As an *ad valorem* tax that levies on property irrespective of whether it is income yielding or not, it differs from the British and similar tax systems. Its merits, such as they are, are that it is old and established; as a tax *in rem*, it is easy to collect, impossible to avoid by leaving the jurisdiction, and impossible to conceal. It originated when the ownership of real property was the surest test of the ability to pay and when the amount of property owned was a rough measure of income and hence of the just proportion of the tax burden. It has survived in a period when intangible property had moved ahead to become the most important form of wealth in the economy and the more accurate index of the capacity to pay.

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[9] For a criticism of FNMA practice, see *Report of the Committee on Federal Credit Programs*, p. 23.

[10] FNMA is not the only agency guaranteeing liquidity to lenders. The Farmers Home Administration's insurance of farm real estate loans, Commodity Credit Corporation crop-support loan guarantees, defense production loan guarantees, and Small Business Administration deferred participations all permit the private lender to turn over the guaranteed portion of his loans for cash at any time. Government insurance is now also issued for housing loans to foreign governments.

[11] I have used this phrase in previous writings and am grateful to Michael Harrington for popularizing it.

The imperfections of the real estate tax loom larger as social and racial problems have become intensified in the central cities. Both the tax rate and assessed valuations have steadily increased so that the central city has had to resort more and more to levies on less stabilized sources including intangible property. This in turn contributes to the general flight of wealth and industry from the cities, accentuating the burdens of the growing social commitments enforced upon these cities. Thus while the cities' social problems and their educational needs, pensions, and payrolls are rising, their springs of revenue are drying up. A generation ago, municipalities were collecting more taxes than the National and State governments combined, but their take, which had been 52 percent of total in 1932, had dropped to 7.3 percent 30 years later. In 1902, the combined net revenues of Federal, State and local governments were less than $1.4 billion but by 1964 they exceeded $158 billion of which the Federal share was now more than two-thirds.

Thus while the Federal tax collector has replaced the local government as the principle recipient of tax revenues in the Nation, it has not as yet assumed a corresponding responsibility for the social and educational burdens that have fallen on the cities. Unable to tax for its needs, the central city has borrowed heavily, as stated above, so that on a per capita basis, local debt just about quadrupled while Federal debt per capital actually decreased.

The increased tax burden, the attractiveness of suburbia for industrial and residential settlement, and the social and racial problems in the central cities have forced some ambitious localities to offer special tax inducements to industrial and residential development, which in turn has been sapping the older cities of some of their sources of revenue. To retain its middle-class families, New York City grants tax exemptions of various kinds for slum clearance undertakings such as Stuyvesant Town and for Mitchell-Lama projects for moderate income groups in cooperative and limited dividend projects. It also offers special tax exemptions for rehabilitation by private enterprise. Boston has given tax subventions to commercial and residential property under its limited dividend and urban renewal program, while public housing generally benefits from tax exemption wherever projects are built.

Again, tax exemption to induce industrial settlement is a growing device. This has taken form in exemptions of industrial real estate and in the use of tax exempt bonds to finance the settlement of industrial corporations which include the operations of such corporations as Armour, Allied Paper, Olin Mathieson Chemical, American Machine & Foundry, Borg-Warner, Georgia Pacific, and U.S. Rubber. The first bonds for such purposes were isued in 1959 for only $5 million, but from 1959 to 1963, there were 16 additional issues, and in the 4 years up to 1963, more than three times the amount of industrial bonds were issued as in the preceding 20 years. The use of these tax-exempt bonds is heading toward a bizarre stage, with one city of only 610 people marketing tax-exempt bonds totaling almost $50 million. Another with 300 residents recently issued $25 million in bonds.

A Holiday Inn has been financed with such bonds, and real estate operators are now moving into the opportunity by organizing special districts which have been able to float large tax-exempt issues to help

them develop their utilities. Thus one real estate development firm issued more than $55 million in tax-exempt bonds to build Foster City, and speculative developers in California have issued about $9 million in general obligation bonds of their new community. In one California case, a bond issue was unanimously approved by the only two voters in a tract of land, both of whom were officials of the land owning company; $178 million of tax exempt bonds were floated to reclaim and develop a parcel of land assessed for tax purposes at about $354,000. Similar bonds have financed cableways for skiers and similar adventures. A number of California urban renewal agencies have issued such tax-exempt bonds secured by the potential tax revenues and in California alone, these bonds total more than $64 million. The fact that the buyers of such bonds pay no income tax is one of the important inducements to investors.

Simultaneously, vast amounts of tax-exempt bonds are being issued by public authorities either for established public purposes or under the public benefit theory now covering a wide range of public purposes which were formerly private. Many of the private purposes are now "incidental" to public purposes, as in the case of the $550 million of tax-exempt bonds to be issued by the Port of New York Authority, which is constructing two 110-story buildings in downtown New York to be rented largely to commercial tenants. The rents collected from the private tenants will be more than sufficient to pay off the bond issue. This is but one illustration of the uses of the tax-exemption privilege as a means either of attracting industry, increasing real estate revenues, or meeting parasocial needs.

The Federal depreciation factor is another inducement to development in cities and elsewhere. With the tax system taking 48 percent of corporate profit and as much as 70 percent of individual profit, developers have sought to take advantage of the highest depreciation a given building permits.

The more costly the building, the greater the deductible depreciation; the larger the mortgage, the smaller the actual investment and the greater the proportion of depreciation to actual stake. This is where FHA rental and urban renewal operations work to the investor's advantage. The 90-percent mortgage enables him to buy into a building with a big depreciation factor while committing very little cash. If the annual rate of allowable depreciation is greater than the annual cash profit, the owner can pocket the profit while taking a loss for income tax purposes. He will not only pay no tax on the cash profit earned, but he may charge his book loss against any other profits he may have made.

If handled deftly, for example, an investment of $487,000 for a taxpayer who was in the 70-percent bracket would actually net a profit of 10 percent annually while the book loss would range annually from $60,000 to $250,000. The investor should have recouped his whole investment through the tax shelter in the first 3 years and thereafter have additional deductions until the end of the depreciation period.

These are figures for an investor to conjure with. If he is in the 50-percent bracket, the tax he avoids paying should, in a proper transaction, more than equal his cash investment in the first few years even if there is no cash profit. One of the troubles with the play is the bureaucracy involved with renewal transactions and, while the game

may be attractive on paper, many an investor has wound up behind the eight ball, which turned out to be a huge unplayable ball of redtape.

It is wrong, moreover, to single out urban renewal investment as the only or even the main form of tax dodge. Its tax benefits exist in all big building operations and are a pittance compared to oil well depletion allowances, tax-exempt bonds, and other escapes. Depreciation, moreover, is taken by all business enterprise. If it did not exist, the returns expected on FHA and urban renewal investment would have to be much greater to attract investors and builders.

I should also mention the impact of depreciation and capital gains on city development as well as on the sterilization of city development—an important aspect of the tax process on which I have seen nothing written. The central cities are composed mostly of old buildings, many of which have been held by the same owners and are now fully depreciated. When a building is fully depreciated and an owner desires to sell it, he receives at best only 75 percent of the proceeds. Rather than sell it and keep only 75 percent, he inclines toward mortgaging it for 60 to 75 percent and thereby pockets about the same amount as if he sold the property; he can simultaneously reap the net profit left above the mortgage and carrying charges. The sales proceeds left over to the owner are even less if he happens to have mortgaged the property earlier and pocketed the mortgage proceeds.

If he then decides to sell the property, what he pocketed from the mortgage is taxable so that he may pay as much as 50 percent or more of the sales proceeds to the Federal tax collector. Under either circumstance, the owner will be disinclined to sell. The result is that considerable property in the older cities, much of it in the central areas, can no longer be voluntarily sold and assembled for much needed new developments. This is responsible for a growing catalog of old buildings that persist in the central cities and retard neighborhood regeneration. Resort to the condemnation power in cases of urban renewal and other public uses is awaited by the owner since when the property is condemned, the realized capital gain need not be paid if the proceeds are invested in other real estate within a year.

If voluntary renewal of central areas is to be stimulated, it would only make sense to offer the same benefits to the voluntary seller of property as is offered to him when his property is condemned or when he is a homeowner. I should like to see this aspect of urban development explored more thoroughly for I believe that it is becoming one of the principal deterrents to urban development and is contributing to holdouts in much-needed strategic central improvement.

Still another example of the lack of constructive thinking on the tax power in urban development is the case of Puerto Rico. Puerto Rican officials have proposed legislation designed to curb speculation by levying a 75-percent tax on capital gains made from land sales. Not only will this encourage leasing rather than homeownership but for a Commonwealth dependent on private investment, the proposed legislation is bound to be construed by industry as a prelude to unsound tax policy in other areas of investment.[12]

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[12] Under the proposed bill, the installment sales method would no longer be applicable in determining the gain, and the tax on the entire gain would be determined in the year of realization. The proposed change would become retroactive to Jan. 1, 1966.

Tax policy is sometimes used as a means of preserving open space, golf courses, and other desirable uses by offering a low tax rate as long as the preferred use is maintained and forcing a payment of the accrued taxes should the land be sold for speculative development. This might well be adapted as a means of preserving historic sites. A tax exemption could be given to the building owner, provided he agrees to maintain his building as a historic site and grants a first refusal to the city to purchase. The accrued taxes could be credited to the city on its purchase price.

Another interesting use of the tax power is the enforcement of idle land development. This was first used in the Henry Hudson stockade when settlers refused to develop land and a tax was imposed as a means of enforcing such development. The device has not been used again in the United States as far as I know, but it was recommended by a United Nations mission, of which I was a member, in Pakistan and in the Philippines. In these countries, land ripe for development was being held out of use. Since the land was free of taxes while population was simultaneously surging and the introduction of public facilities was adding to land value, it paid the landowner to continue holding the land unimproved and benefiting from the increase in value. In Pakistan, a law was enacted on the recommendation of the mission to designate "use areas" which were defined as areas ripe for development and which remained undeveloped. If within a prescribed period the land was not developed, a 3 percent tax would automatically be imposed upon the property. This could be usefully employed in the United States where developable land is held out of use. The tax could be higher than the regular tax. But it should not be levied except as part of a master plan which designates the taxed land for development according to a time schedule and a proper zoning plan. By combining the tax measure with master and zoning plans and a time schedule, the land would tend to be developed for its most appropriate use.

Drastic tax measures have been advocated in California where land prices have risen sharply in recent years. In less than 8 years a typical lot in Alameda and Contra Costa Counties increased in size by 15 to 20 percent but doubled in price. In Marin and Santa Clara Counties, lot sizes were about 15 to 20 percent more but the lot costs rose by over 150 percent. Los Angeles lots gained about 25 percent in size but rose almost 250 percent in price. In the bay area if the lot had remained constant, the price would have doubled.

These sharp rises in the price of raw land have revived ethical controversies on the right to speculate in land and have refreshed dormant 19th-century theories for taxing land increment and curbing land speculation. Continued speculation and price rises, it is said, impede housing production and rocket consumers' costs.

Despite the dramatic price rises in land, however, only half the price rise is attributable to the increase in the price of the raw land. Another 29 percent of the total cost increase has been due to changes in development quality and standards while about 21 percent came from changes in lot size.

Rises in land costs must also be matched against rises in income and rises in house costs generally. The average price of sites nearly doubled in the last 12 years, but more than half of this increase can be attributed to higher income in terms of current dollars. An indeterminable

amount of the price rise also results from the tendency for investors to spend more for land. About one-third of the increased cost of sites can be explained by the fact that land prices rose faster than income.

A big question still to be resolved, however, is whether land cost has presently reached the point where more drastic political processes should be employed and interfere with normal market processes. Although rising land costs are prejudicial to the average wage earner, it is only one of the high components in an aggregation of high housing costs. The increase in land cost, for example, is still less of a factor in monthly shelter cost than interest rates—interest and amortization in fact account for more than half the monthly cost of housing. Moreover, price rises are not all profit and one putting cash into speculative land loses the interest on the money invested (or pays interest if the site is mortgaged) as well as land taxes. Land prices, therefore, must go up at least 7 percent annually or the speculator is bound to lose in the longer run. His hope is that land prices will rise faster than the sum of his taxes and his loss of interest. In this respect, speculation in land is a risk much like the freezing of cash into goods. Loss as well as gain may result from the gamble—in an unanticipated rigid zoning law, in the arrival of a housing surplus, and other hazards.

This does not mean that no new public land policies are needed. It is often, in fact, existing policy that contributes to high land cost—zoning laws that limit use or that enforce excessive lot sizes. Local assessed valuations do not keep pace with rising land values and should. In Contra Cost County, for example, land was so underassessed that the county was forced by the State board of equalization to raise its assessment ratios on developed and undeveloped land.

Some landowners are being unjustly enriched by public improvements for which no recoupment is made through assessments for benefit. But enrichment is not unjust when a legitimate speculation brings a profit. It becomes unjust when an improvement, the cost of which is charged to all the taxpayers, apportions its dividends only to a few. The betterment accruing to the owner due to roads, streets, water, and other public improvements should be at least partly recaptured by the public incurring the expense.

In sum, the planner and planning official have placed entirely too much emphasis on the restrictive applications of planning and on the use of eminent domain powers, and have underemphasized the impact of tax policy—both as a spur to proper development and as a limitation on land abuse. The three powers in the government powerplant need to be related, and the tax power, both in its inducing and restrictive aspects, should be reexamined for its impact on development and sterilization of development.

As long as private enterprise is the main instrument in American growth and environmental development, tax levies and tax incentives will be among the dominant factors governing the emergence of the American scene. A series of major studies of Federal, State, and local tax policy as they affect land development is urgently needed, and I hope it will receive the attention of the city planning schools and the public agencies.

3. THE CITY FACES THE FUTURE

Every industrializing nation must go through a period of slum formation, and the United States is no exception. Every nation with a pride in its environment has been moved to renew its cities, and the United States faces the prospect for the first time in its history.

After referring to "the blighted cities and bleak suburbs" in his State of the Union Message on January 4, 1965, President Johnson proposed that "we launch a national effort to make the American city a better and more stimulating place to live." Pointedly, the President said: "The Great Society asks * * * not only how fast we are going but where we are headed." The President did not answer his question, but the answer is that we have been edging about in many directions but are not yet off the ground. As matters stood in 1965, Congress' promise of "a suitable living environment for every American family" and the President's hopes for "communities where every member has a right to belong" were almost as far from realization as ever.

One reason for the chasm separating promise from performance is an ambivalence in the national attitudes. An American sense of morality has generated a sensitivity to slum life in cities, but our slums cannot be cleared without a housing program, and no adequate housing program has either been proposed by the President or emanated from Congress.

A similar sensitivity has prompted some Federal aid for education, relief of poverty, and improved transportation, but the programs operate in isolation. They lack a unifying aim, and the amount of money allotted for the central cities where the problems are concentrated is a token.

We have similarly committed ourselves to renew our cities, but the authorized funds for renewal are no more than a gesture compared to what a real commitment would entail. No real renewal of our cities can, in fact, be accomplished without easing the gigantic financial burdens which the urban society has imposed upon them, and this, too, appears unlikely for the present. In less than 40 years, said President Johnson in his message to Congress of March 2, 1965, urban population will double and city land will double. "It is as if we had 40 years to rebuild the entire urban United States," he warned Congress, but in another part of the message, he conceded that "we are still only groping toward solution" and he dedicated 10 of those 40 years as "a time of experimentation." What we spend, create, and build during the first experimental decade will, of course, condition what we can do thereafter.

The anticity and antiminority forces and the political blockade at the State level are still too formidable to permit a meaningful Federal aid program to cities that will pull them out of their ruts. The historic coolness of the rural sector toward cities has not changed with the rise of urbanization, and the flight to suburbia has only contributed another faction to the anticity coalition. The influx of Negroes into cities has linked racial fear and bias to city life (one can more readily admit to a prejudice against cities than against Negroes though the emotions are intermeshed). The image of planlessness, slums, crime, and social

and physical distortions has not produced many champions for the big city's regeneration, nor has the mobility of its people and industries brought to the side of its cities a broad-based, stable citizenry with a pride in place and a stake to protect and improve.

Yet with the rise of the Federal Government as the primary force in the creation and re-creation of environment, the city's destiny is at the mercy of Federal policy. The huge Federal resources available for credit, public improvements, defense, and services and the influence they have on environmental development are so great that they can generate population inflows or draw them elsewhere, help or hurt cities, make or break them.

If we are to know where we are headed, therefore, the Nation's first task is to bring the national perspectives, political powers, influence, and resources more in line with the responsibilities of an urban society—by consensus, if possible, or by taking the issue to the people, if necessary. While the Federal power to act in the general welfare should embrace the welfare of its urban people and its central cities, the Federal political structure is still geared to its agricultural origins. The political gap between the society of 1865 and of 1965 is still to be bridged. Direct Federal aid to cities for housing and community development, for example, was only $400 million in 1963 compared to $7.7 billion spent by the Department of Agriculture. Such urban aid was less than 1 percent of total Federal budget expenditures.

Funds for public housing are minuscule compared to the need. Though the deteriorating public schools of cities have been an important cause of poverty in the cities and the flight to suburbia, there is no sign of real aid to the city school system—up to 1965, only about $1.3 billion of Federal funds were available annually for education of all kinds in rural, urban, and suburban areas. Insistence on more subsidized housing in suburban areas as well as cities would help equalize the city's burden of maintaining its poorer people and dissolving its Negro concentrations. It would make possible for the first time the demolitions and displacements which cities must inevitably undertake for their essential beautification, recreation, housing, services and utilities, and for their conversion into places where people can work and live decently. More open space within cities would give their people more room to breathe but most of the Federal Government's open-space spending is outside, not within, the cities. More playgrounds would be a boon, but this has not even been accepted as a Federal concern. Efforts to solve the problems of air pollution are hardly at their beginnings, nor can they be meaningful without regional cooperation. Except for the nominal appropriations for urban renewal, public housing, and parts of the poverty program, there has been no national acknowledgment that an urban society demands a Federal program of direct dealing with cities and direct aid to them, as the Federal Government is doing in the case of farms, savings and loan associations, private builders, and other enterprises.

If we discount political rhetoric dealing seasonally with the plight of city living and poverty, and look at the actual impact of national policy in the last three decades, not only has the Federal Government not aided existing cities but it has been a contributing cause of their deterioration.

To cite a few examples:

(1) Since the end of World War II, local governments have increased their debt more than fivefold, while the Federal debt per capita has declined. The central cities have been straining their resources to meet their growing social problems. As State aid to cities failed to keep pace with their needs, the cities were left to bear their burdens almost alone. Although population migrations and racial problems, poverty, ignorance, and urban environment are the concerns of a federal government with a welfare power, its assistance to the cities which have been bearing the main weight of these problems has remained nominal.

(2) By offering cities cheap mortgage money and adequate housing subsidies for their middle-income families, the Federal Government could have encouraged central and suburban development simultaneously and given the cities a more equal chance to compete for the fruits of the immense growth the nation was experiencing. Instead, its policy under the Federal Housing Administration, Veterans' Administration, and other agencies has encouraged and emphasized suburban development. Capable of creating distinctive environments that might have been the envy of the world, Federal policy made it easy for middle- and upper-class families who needed help least to buy homes in our mushrooming suburbias, while it left to their own devices the low-income families who lived mostly in the cities. It is still doing so.

(3) By openly and deliberately advocating racial restrictive covenants in its suburbs between 1935 and 1950, the Federal Government put its weight behind racial discrimination, virtually influencing a whole generation of suburban families, firming a lasting division of classes between its cities and its suburbs, lending an ethical base to an unethical practice, and establishing a new social milieu that was not only repugnant to its faith but difficult to alter after the Supreme Court had condemned the practice. Although President Johnson has done much to expand the Negro's political rights, his program has done little to regain the ground in housing that was lost after 1935. Housing discrimination is still being openly practiced in the suburbs and the Negro is still confined to his ghettos in the central cities.

(4) Having assumed the general welfare power after 1934, the Federal Government could not only have helped build new cities but also salvaged the old ones, regenerated the transportational links between them, and made both part of a functioning whole. It could have done this through private enterprise, the States, or both. If the States demurred, it could have conditioned its aid upon State cooperation. Or it could have elected to build housing for needy families directly in suburbs and cities as indeed it did during the New Deal days. But having won the power in the courts to do so, it renounced it and again surrendered its welfare power over cities to the States. While devastated Europe had to rebuild its cities under the pressure of homelessness and disorder, the Federal Government could have helped rebuild our own cities with predeliberation and purpose. But while it helped Europe rebuild, it let its own cities fall away.

(5) By concentrating major Federal expenditures on roadbuilding after 1935, the Federal Government stimulated employment during the depression years; but long after the economy had recovered everywhere but in its ailing cities, it accelerated the road program, increased the subsidy to 90 percent of road cost, and drew hordes of middle-

class families from the cities. In 1964 it increased its highway aid almost sixfold over 1954, the largest percentage increase in Federal aid for any purpose during this period.

There are no easy roads to the better city—and it is in fact easier to build roads than cities, which might be one explanation for the direction of Federal policy. But no society can be a great society without great cities. And a nation of ever-widening suburban enclaves thrusting outward from bankrupt cores is no pathway to a great society or even a middling one.

With more than half of the people who live in metropolitan areas still living in the central cities, and with some 320 million people destined to live in urban areas 50 years hence, there is no development plan, no philosophy of urban progress, no program for stemming city decay—only a fortuitous concourse of patchwork programs, most of which reflect the successful lobbying power of a particular pressure group and most of them working to the detriment rather than to the benefit of existing cities.

"We have been called upon," said President Johnson, "to build a great society of the highest order, not just for today or for tomorrow, but for three or four generations to come." Yet unless something more relevant and more comprehensive is offered, we shall see in the very first generation acres of speculative sprawl controlled by a myriad of jurisdictions, each of them armed with governmental powers over their environments that are superior to that of the Federal Government itself; our central cities will steadily fade as solvent communities; new cities composed of arteries without souls; cities for the poor and cities for the better-situated; and some cities that are little more than workshops, deserted at nightfall by all but the poor and the transients— like the Nation's Capital which, planned and built by a young and hopeful government, is now inhabited mainly by the Negro while most of the white working population flees into the dormitories of three states with each twilight.

Unless our policy changes, we shall be leaving to the "generations to come" a millstone, not a milestone—a long procession of suburbias made up of the same straggling subdivisions carved out of whatever patches of land the developers happen to pick up; the development of such land will entail the same astronomical burdens for followup roads, schools, water, recreation, and services. As each farm and orchard is consigned to the steam shovel, the only vestige of nature will be the little greenbelts preserved to separate the blackbelts from the whitebelts. For a look at a decent city in this age of cities, our people will have to look abroad.

There is another alternative: better planned communities surrounding the cities and with interests linked to them. They can be built on land acquired by public authorities, with schools, services, and utilities provided in advance and with the land developed by private and public builders for families of all classes and incomes. This would mean no more than extending the urban renewal concept to open land, as indeed was its original concept, and harnessing it to a vital public purpose.[13]

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[13] Although this recommendation was made to Gov. Edmund G. Brown by his Advisory Commission on Housing Problems and by President Johnson in his message to Congress of March 2, 1965, it is noteworthy that California by 1965 did not adopt the recommendation. Similarly, the Johnson proposal was rejected in committee.

Simultaneously, we can make our existing cities worth living in by replanning and rebuilding their slum sections realistically and with adequate provision for rehousing their people. We can provide a small park as the focus of every neighborhood. We can revitalize the city's business centers and link them to the highways that now spread only outward to the suburban centers; we can provide more open spaces, recreation, and better schools, and make them available to families at all social and economic levels. But without a firm Federal position, this will never happen.

A New Philosophy for Cities

Yet simply planning new cities and pouring money into the old ones will neither make the new urban formations live nor make the old ones spring to life. There is a dearth of ideas and, thanks to our long unconcern with the problems of cities, there has also been a diversion of the talent for generating such ideas. Our great capital pools stand aloof of any responsibility to invest in city rebuilding. The younger generation with the imagination has been siphoned off into building the machines for industry and ignoring the machines for living; our gifted people are concentrating their attention more on systems planning than on neighborhood planning; on target values rather than human values. We have succeeded in extending the duration of life but in housing we have learned only to extend the duration of mortgages. Compare the skills and endowments going into the physical sciences with those into city planning, or the advances made in assembly-line production with those made in house production, or the progress made in the conquest of outer space with the progress in the use of space on our own planet.

It is late but not too late to alter the stream of events. But it will require a change in the nation's philosophy.

The new philosophy must acknowledge that there are values worth preserving in cities as there are in suburbs; not only because they are where most of the people in urbanized areas live but also because they provide an essential contrast to suburban life; they are still a vital influence in national life and the marketplaces of trade, experimentation, and ideas; they are the main forums of civil rights and the soils on which our democratic principles will receive their most crucial tests. The cities are history, havens of interest and contrast. They offer variety in life's chances, and if they fail to suit the needs of all, they are the desired environments for many. They are still one of our frontiers—for the poor whom the suburb shuns, for those who choose them as their initial anchorages, for the enterprising young in search of new horizons, for the elderly when the suburb no longer satisfies their needs. If the city is not the only environment, it must remain one of the essential electives in a society which has always boasted a diversity of environments in which to live, work, and raise one's family.

The new philosophy must acknowledge that the central city and suburb are an entity. They depend on each other for job opportunities, services, recreation, escape, variety, and progress. The city shapes and supplies the future recruits for the suburbs, and the suburban character in turn depends on the training and education the city's people receive and on the environment in which they grow. The suburb is a new form

in the history of human settlements and must still be tested in the crucible of time. It is as unique to America as is the decline of its cities. It may have to cope with the racial problems the cities are facing. As it spreads out farther onto the millions of acres which it will consume, the limits of travel may be reached and the suburbias may decline just as the older cities have declined. A suburb requires an urb and one reason for the growth of the fringe is that the cities survive at the core. If the central city dies, new central cities will have to be created out of the satellites, and it is by no means certain, with all of the imperfections of the present cities, that the new ones will be better or that they will serve the needs and accept the social responsibilities which the present cities are doing.

A third aspect of the new philosophy would redefine State and Federal functions in fulfilling the general welfare. The partitioning of the welfare responsibility with no definable lines of jurisdiction between the States and the Federal Government impairs the effectiveness of both jurisdictions. It creates billions in new tax-exempt obligations, an increasing proportion of which are monuments to financial legerdemain; it duplicates levying powers, confuses the responsibilities of both governments and threatens to impair the Federal capacity to borrow for its needs. Where jurisdiction is divided, there will be sterility, not progress. When as presently, there are two sovereignties concerned with the general welfare, one must be the paramount power in that area.

Federal assumption of the welfare power should not bar the State from its traditional lawmaking powers or those affecting intrastate affairs. But in the history of democratic governments, men's devotions have long leaned toward their Nation and their city. The Nation has been their shield, their local community the seat of their homes, jobs, pleasures, and interests. The State in the United States has become the tertiary form of government toward which personal affections are least drawn and sacrifices least made. It is now the limited not the supreme sovereignty—it has never acquired the logic of the province and has lost its luster as a tradition. State sovereignty is being asserted in the South mainly as the shield for white supremacy, and in the North as a means of maintaining boundary lines and status concepts that lost their logic a century ago. With the Nation's urban population doubling in the next 40 years, and with 30 million people to be added to our urban areas in the next 15 years, State lines, city limits, and suburban border lines have become largely meaningless. A realistic redefinition and reallocation of State and Federal functions would make both sovereignties stronger and effect a giant step toward the great society. And it need not mean a lasting concentration of Federal power or a surrender of State and local autonomy on matters not touching the general welfare.

A fourth aspect of the government philosophy should be to assure to citizens the right to live where they choose. As the historic refuge, the city's doors must be open to all. The same rule must apply to the suburb. But to achieve this right, executive orders and civil rights laws are no longer enough. Unless the Federal Government enforces its orders and provides the subsidies that can make it possible for the poor to live where they choose and in homes that are decent, the right to move is a shell. A city, whether new or old, large or small, is

by definition a community of people of every status or fortune and every level of aspiration. Neither a city nor any governmental entity, old or new, can function as the enclave of a single class or race. Where Federal funds are dispensed to create cities or suburbs or build roads leading to them, they must not only be conditioned upon the right of all to move into the area but Federal housing programs must be devised to make the right meaningful.

A fifth aspect of the new philosophy should be that low-income families are entitled to the opportunity to own homes and to own them without fear of losing them when unemployment, illness, or death supervene. The present housing programs, which offer them rental housing only and confine them within cities, must be broadened to guarantee every family a home near its work, in city or suburb, and on terms that make it safe and feasible. If the Government made it possible for all workers to own or rent homes near their jobs, the racial problem would be reduced to insignificance and school segregation would disappear.

A sixth aspect of the new philosophy should be that poverty is a national concern. Though the Federal Government has moved to relieve poverty, its power to do so is still viewed as subject to State consent. Because poverty exists mostly in the cities, the cities as well as poverty must be part of the national responsibility. The poverty program must be expanded from a demonstration to a comprehensive program. The main burdens for relieving poverty cannot be left on the shoulders of the cities alone, nor can Federal intervention be conditioned on a local government's refusal to cooperate. The central cities, which are the havens of the poor, must be made better cities with better environments, more opportunities for jobs, educational facilities, and recreation. It means, in short, that the Federal Government must take on many of the obligations that the old city can no longer bear and which the State is no longer posed to do. This entails a reexamination of the Nation's tax system, its readaptation to the needs of an urban society, and the redeployment of revenues to meet the needs and responsibilities of people wherever they live.

Once these principles are built into the national philosophy, we can be poised to prepare the relevant laws, policies, and programs. Educational aid, poverty, transportation, and other programs affecting urban welfare could be integrated and directed toward a common goal. The housing programs would be expanded and varied, and be made regional in scope. The urban renewal program would encompass not only slum demolition but also rebuilding of cities and suburbs; it would embrace transportation renewal, recreational renewal, downtown renewal, environmental renewal, public services renewal, and also a political renewal that acknowledges the existence of a regional city and not a collection of political enclaves pegged around a beleaguered core. Every major city would be the sound and functioning epicenter of its region.

In an urbanized society, neither the city nor the suburb serves its purpose when there is constant strife between those who live in the city and those who dwell at its edges; when there is fear or prejudice among those who should share common interests; when there are better schools and teachers for one class or race and not another; when

poverty, ignorance, and slums are the lot of one class, while the rest of us all but close our eyes and hearts to it.

In the division between city and suburb and in the dual jurisdiction over national welfare, the Nation has become more divided against itself than it was before the Civil War. We have become a Nation of a thousand Mason-Dixon lines—in the North as well as the South—and they are spreading daily with each sprouting suburb. The influence of city life on the national culture is fading. Love of city is disappearing as it did in the cities of Greece and Italy before the Roman conquest and later in Rome itself before its decline and fall. People in the United States are losing their ties to their own older cities and their faith in them—not only because the cities are failing to meet all their needs, but also because neither the States nor the Nation seems concerned with providing for such needs.

The main virtue of the American system has beeen that it has been able to adjust itself to political and economic change. But while it has taken the industrial revolution in stride, it has not yet coped with the urban revolution that came in its wake. Only when it has done so can it demonstrate that democracy can be as valid a faith, as sound a political system, and as practical way of life in our new urban society as it was in the society that has passed.

NEW PERSPECTIVES FOR URBAN AMERICA

BY EDGARDO CONTINI *

I am very appreciative of the opportunity of presenting my views and comments to your committee. They will stem from a pragmatic point of view, unavoidably, since my involvement with urban problems and urban design has been much more at the professional level than at the academic.

Your announcement of the subcommittee's program of investigation of the problems of the urban environment expresses the expectation that, of the participants, "each specialist will be aiming at a particular part. In a word, a collection of coordinated rifle-like essays rather than scattered shot blasts."

In response to the expectation I will from the onset define the target for my comments. I propose to address myself to the following three points:

> I. The posture and attitude of Government vis-a-vis the problems of urban settlement has been historically—and to a large degree still remains—very different from and markedly more timid, undecided and ineffective than the corresponding posture vis-a-vis other major problems of national relevance.

> II. Because of this posture, as problems of urban nature develop, the Government's efforts and the remedies have been not only inadequate and relatively unimaginative but, very often, self-defeating or, in themselves, generators of new problems more complex than those being attacked.

> III. Among the many target areas for aggressive and imaginative governmental intervention, the establishment of a policy and program for the development of new cities—new metropolises to be located in regions presently underdeveloped in terms of urban settlement—offers a most promising hope for assertion of the extraordinary creative potential of the country, a constructive alternative to the baffling and ineffective process of relief and remedy to the existing cities, and a perspective of richer living opportunities for the generations to come.

The three points are obviously correlated; the objective—the target —is very specific: to direct the interest of this committee—and, hopefully, through its subsequent political initiative, the interest of Government toward such new and bold venture.

A brief review of existing conditions and trends will provide a frame of reference for the case that I propose to develop.

The total population of the country is now close to 200 million. Of this, approximately two-thirds, or 125 million, live in urban areas, in terms of U.S. census definition of standard metropolitan statistical

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areas. By the year 2000—or one generation from now—the urban population will have doubled, and will amount to approximately 250 million, or 75 percent of the anticipated total population of 330 million.

All present trends indicate that, short of a determined alternative policy effort at a national level, the major portion of the expected urban growth will be attracted to and cluster around the existing major metropolitan complexes. Thus what are already very large urban concentrations will become (as if by extension of Newton's universal gravitation principle to "urban" masses) progressively larger. While entire regions with relatively low urban density will continue to decline in their influence as population shelter, the pressure on the existing metropolitan areas will continue to increase, to impose unprecedented technological problems (transportation, pollution, etc.) and to frustrate all efforts to alleviate the economic and sociological problems that the existing metropolitan areas have inherited and nurtured.

The implications are relevant both in terms of new growth and of renewal of the older cities.

New growth has, until recently, taken the form of suburbia: accretion by fragmented increments at the periphery of the existing cities. Excessive land values (sometimes generated by tax assessment policy as much as by actual demand) and other factors—among others, the entrance into the field or urban development of such industrial giants of GE and ITT—are encouraging new suburban growth in the forms of New Towns—single development enterprises covering thousands of acres, planned and programed in much greater depth than conventional suburban development.

Thus a new crisis is emerging: if the "bedroom" suburban developments of the past forced upon the existing cities severe economic and sociological problems, the new towns could make the problems even more acute. Suburbia, while greatly attractive to the middle and upper economic groups, lacks by the very nature of its fragmentary growth some of the amenities and facilities of the city, often is short in employment opportunities; thus the older city could still hope to compete and, in fact, it has succeeded, at least in some instances, in retaining a measure of economic and social balance with its newer surrounding. The new towns, on the other hand, while still relying on the nearby urban cores as launching platforms (not a single new town has been started in truly open territory: one developer's site selection manual sets 45 minutes driving time from a major "downtown" as a limiting factor for site consideration), will be able to provide ample employment opportunities (especially white collar), excellent urban facilities, and, in the best instances, superior residential environment and amenities. Yet, there is little indication that the new towns (still subjected to conventional financing and marketing techniques) will succeed much better than suburbia in providing housing for the lower income groups or to offer relief to the urban segregated ghettos. It is no wonder the Conference of Mayors vigorously opposed Federal legislation proposed to alleviate the otherwise formidable economic problems that the new town developer encounters.

Thus, the trend of new urban growth portends more and better for the well off, and less and worse for those at the lower end of the economic scale. It is possible, of course, that Government may elect to

exert massive pressure and support toward shaping the new towns into more balanced urban organisms. Two questions, then, should be raised:

First: Can such efforts be successful in view of the entrenched patterns of resistance and prejudices that prevail in the metropolitan context, or will such efforts only result in discouraging the trend of new towns and reinforce instead the more conventional pattern of fragmented—and less controllable—urban growth?

And, second: Should the efforts be successful and indeed provide alternatives and relief for the lower income groups now entrenched in the older cities, would then the efforts have been wisely exercised if the result is still the continuing growth of already overly large metropolitan clusters?

As far as the existing cities are concerned, the situation is well known; and we must acknowledge that, in spite of all Government efforts of assistance and encouragement, in spite of the remarkably broadened scope of the urban renewal programs, the problems are becoming progressively more acute at the physical, the economic, and the sociological level.

In the process of relief of existing conditions, we have indeed aimed scattered shot blasts. We have failed to muster on a massive scale the help of advanced technology in reducing the cost of urban shelter, and distributed help in such a wide range of fragmented efforts and projects that, to this date, we have not a single successful example of citywide revitalization. True, there have been a number of successful "projects"; but often the success of renewal of a specific area has only shifted the original problem next door rather than provide a true solution. In other instances, we have failed to acknowledge the implications of the rapid obsolescence of the physical structure of the city, and have attempted rehabilitation when it makes very little economic sense. Generally, we have placed all emphasis (and most of Government intervention) on remedial action, on prevention of disaster: the finger in the dike!

Indeed, at such limited scale, in many instances private initiative, without the benefit of the economic support and the power of eminent domain that public urban renewal makes available, has done almost as well: Pittsburgh's Triangle, Midtown Plaza in Rochester, and, more recently, the Crown Center in Kansas City, are excellent examples of privately sponsored and financed initiative, and they compare favorably with the best projects undertaken by the urban renewal process.

Unfortunately, both in the case of public and private projects, the scope is limited, it lacks reference to a comprehensive citywide program, and they often end by "robbing Peter to pay Paul".

Thus, in summary, Government policy toward the country's urban problems has been:

> For the older cities, sympathy, financial help, encouragement, but no long-range objectives, let alone programs.

> For the new growth, no policy at all: let growth happen where, when, and as it wishes, as long as it conforms to minimum FHA standards!

Why? Why should Government consider it its responsibility to become involved in supersonic air transports, in communication satel-

lites, in exploration to the moon, but should in no way be interested in inquiry and constructive intervention in the process by which the country's population is becoming almost entirely urbanized?

Why should it be a matter of indifference to Government if, a generation from now, a major portion of the country's population shall be clustered in a dozen megalopolitan regions of 20 to 30 million each rather than distributed in 30 or 40 metropolitan cities of more comprehensible and manageable size?

Many explanations and apologies can be advanced; it can even be rebutted that we enjoy, in fact, a higher standard of urban environment than any other country or culture, and therefore why should we worry. Yet this is the wrong perspective in which to view the issue: It is in terms of the potentials that we have available, in terms of the accomplishments that we have achieved in other fields that our past performance and, even more, the portents for the future of our urban environment must be measured. And in this light we must honestly admit that we are falling far short of our capabilities, that we are preparing an environmental future for our children that is much less rich in alternatives, potential experiences, opportunities for a more full enjoyment of life than it would be within our means to accomplish "if"—this is the key point: if we could free ourselves from the attitude—I would almost say the "complex"—that has affected and distorted both private and public posture in the subject of urban environment.

It has been characteristic of our national policy, during the transition from the industrial age to the age of affluence, to balance and countervail the initiative of its private sector and the responsibility of its public sector; to retain, indeed to encourage, the profit motivation of private enterprise toward the accomplishment of a higher level of productivity, a higher standard of living, greater abundance and variety of goods; yet, at the same time, to distribute the increased wealth, to widen the range of expectations for education and for opportunity, to prevent exploitation, and, finally, to assume public initiative and lend public support for those ventures and tasks that are in the public interest and yet are either beyond the scope or contrary to the natural orientation of private enterprise.

Thus, for example, in the 19th century, as a matter of national policy, the Federal Government encouraged—and handsomely compensated with generous grants—private enterprise to expand our frontiers westward by constructing the great transcontinental railroads.

Thus, in the early part of this century, the increased productivity made available by industrialization was channeled, by a balanced process of Government initiated incentives and restrictions, into both profits to private enterprise and increases of wages; by this process not only social strife was averted, but indeed a chain reaction of increasing incentives, broadened markets, new products, and new demands was activated.

Later in this century, in the face of critical problems in the economy of the country's agricultural sector, the Government assumed the initiative and took bold steps to experiment with and encourage techniques, crops, and soil management policies, to the benefit of both individual farmers and the country as a whole.

More recently, in the space exploration and space communication fields, Government has acknowledged and exercised responsibility for leadership and investment, and forged new instruments for constructive cooperation with private enterprise to accomplish the established national purpose.

In most instances a clear pattern of relative functions and responsibilities was recognized: It is the function of private enterprise to create profit, the function of Government to guide the process of free enterprise so that the end-product will be beneficial to the public, to assume initiative and leadership in those areas that are beyond the scope of private enterprise to attack effectively.

I submit that in the field of urban environment this classical relationship has been almost entirely subverted. We have faced private enterprise with inducements that are conducive to inferior, wasteful, and socially undesirable end-products, and restrained it from operating creatively and effectively. Conversely, at the public level, we have failed to assume the responsibility for the initiative and long-range programing that should be the province of Government.

The causes for this paradox are many and complex—possibly the main underlying factor being a romantic attachment to the concept of the sanctity of individual homeownership that, as heritage of our rural past, persists anachronistically and self-defeatingly as we become progressively more urbanized. I will not attempt to review the causes of this set of circumstances, but I will list a few of the paradoxical conditions that prevail:

Let's start with the role of private enterprise:

One of the key provisions of our tax structure functions as a powerful deterrent against private enterprise investment in high standards of environment: the capital gains tax gives a premium to those who build for rapid disposal and penalizes those who build to hold. Thus investment in quality (that is, preoccupation with low maintenance, concern with environmental stability, pride of ownership) is discouraged. A fiscal device that came into being for circumstances that had nothing to do with the building industry has become one of the most powerful distorting factors precluding the coincidence of private profit and public benefit.

Similarly, the generous depreciation provisions of our tax structure—aimed primarily at encouraging industrial development and modernization—have created havoc in the field of urban development: The professional developer, the individual who has established skill and dedication in this field, and whose income derives from the profit of his enterprise, is being pushed aside by the competition of entities or organizations whose prime objective is not development but depreciation allowances to be written off against income from entirely different sources. This may have brought "new blood" to the field of investment in urban development, yet the distortion of objectives and motivation is certainly not beneficial to the end result.

In addition to such diversionary incentives, the urban development industry is faced with repressing conditions that systematically discourage the initiative and investment that characterize most other sectors of private enterprise; a multitude of inconsistent, obsolete, arbitrary building codes and ordinances—often tailored to favor local

interests or whims—are effectively preventing the introduction of mass production techniques to the housing and construction fields. If every city and county had an equivalent variety of restrictions affecting vehicles circulating within their boundaries, the cost of automobiles would still be beyond the reach of most of the population.

Similarly, the reactionary posture of most building trade unions has effectively discouraged the introduction of industrialized processes to the building technology; attempts by the aircraft industry, shortly after the end of the war, to develop prefabricated standardized mechanical cores for individual or multiple dwelling units came to naught, frustrated by the stubborn resistance of the plumbers' unions to any kind of technological innovation. Today, bathrooms and kitchens are still put together piece by piece, tile by tile, bolt by bolt. It costs almost as much to provide plumbing connections for a washing machine as to buy the entire machine with all its sophisticated programing gadgetry and its glistening finish. In fact, the whole technology of shelter construction is caught in a perplexing and anachronistic standstill. While in all fields productivity increases yearly, in the housing field, except for a brief burst of improvement in preassembly techniques in the early fifties, we have settled down at a no-progress pace in terms of productivity, with the result that we can furnish transportation and television but not shelter to the one-third of the population that is at the lower end of the economic scale.

The natural process of private enterprise, then, is thwarted and distorted so that it is impossible to maintain a common denominator between profit motive and public benefit; yet this is not all: To compound the paradox, we are expecting private initiative and investment to assume responsibilities for social progress and public welfare that truly should not be its province. In the process of urban renewal we demand that the developer identify with the burden and the risk inherent in the revitalization process. True, we give financial incentives in the form of bargain prices on the land; yet, while the community is willing to exert the full weight of public power in assembling the land through eminent domain, it timidly and awkwardly stops short of exercising the last and most critical step of public commitment—implementation—and instead turns over the package to the developer and says: "Now you go ahead and solve my problems." If, in spite of a few successful exceptions, the process is not working out too well, we should not really be surprised.

A complementary paradox has affected the posture of Government: When leadership and initiative and political courage toward reform have been needed, timidity has prevailed; in lieu of experimentation, salves have been handed out to relieve the itch of downtown decay or the burns of the "hot summer." Extreme caution has been taken lest Government be even suspected of usurping the sacrosanct conventions of ownership: In the urban renewal process, after going through the painful process of acquisition and assembly of private land, government does not see fit to retain title to it but sells it to the new developer, thus paving the way for a repeat of the costly and painful cycle a few decades hence, when obsolescence, operative at the rate that we can reasonably anticipate, will warrant a new cycle of land utilization.

But these are small transgressions as compared with the major sins of omission in which our public sector has indulged in the past and con-

tinues to indulge at this time. We have yet to postulate, as a matter of national concern, the first fundamental question: *"Are there beneficial alternatives to the present pattern of urbanization, whereby the big cities become bigger and bigger and most of the land remains unpopulated?"* And, should the answer be positive, the next question: "What are the incentives necessary to induce profitable investment in such alternative patterns of urbanization?"

Had we raised the first question, answered it in the negative, and continued on our present pattern as a matter of conscious decision, the decision could be acceptable; but the fact is that the question has never been seriously raised, the possibility of formulating a national policy on urban growth has yet to be postulated, and the way things are going it seems to be viewed as an unchallengeable act of God.

If it were true that no incentives, no interactions were operative today, one could perhaps appreciate such purity of Government abstention; but the fact is that a multitude of forces, regulations, incentives, and restrictions—to which the Government is a party—are in effect today, and they generally discourage experimentation, investment in alternatives, a better balance of population distribution, greater enjoyment of natural assets, and a richer variety of forms and types of urban environment. I mentioned the paradoxes of tax incentives, but many other factors of inertia are operative: The forces of financing, Government's own FHA policy, and, lastly, the pattern of speculative land investment which, starting as a byproduct of urban growth, eventually becomes the prime arbiter and determinant of location, timing, and sequence of growth.

As a country, then, we have no urban growth policy, no urban growth program.

By way of comparison, let us suppose that a decade ago, in response to the obvious increase of vehicular traffic, Government had said to the roadbuilders: "Find out where movement demand is highest, where profit from road operation is most predictable, where investment is likely to be most profitable, and go ahead and build the roads. I will help with financing and with other assistance, but you will choose routes and priorities as you see fit." Absurd! We would have never achieved a national highway system, a network conceived and related to countrywide objectives.

Yet this is precisely the posture of Government in relation to the national pressure of urban growth: The developer is encouraged to pick the sites, the location, the timing that he—or, more often, his financing institution—thinks most advisable; and thereby amorphous and contiguous growth takes place, suffocating the older cities in its middle, limiting for the next generation the perspective of urban life to perhaps a dozen supermetropolises in the entire country.

Is this the best policy that we can devise? The best relationship of the private and public sector that we can conceive?

I believe that only if we find the courage and wisdom to face the issue we will finally free ourselves from the paradoxical posture in which we have cornered ourselves. If such a policy was formulated, and a broad enough market was underwritten, extraordinary opportunities for private enterprise would be opened in the area for which it is best fitted: Development of new techniques, improved efficiency and, ultimately, greater profit.

Let us examine somewhat more in detail the perspectives and opportunities that national commitment to develop new cities would open up.

First, a clear definition of "new cities": "New" in that they must be viewed as urban organizations conceived with imagination and responsive to human needs and aspirations as much as to technological potentials. "Cities" in that, unlike the "new towns" clustered next to and dependent upon an adjacent metropolis, they are to be programed from the beginning as full-fledged urban structures, accommodating populations of metropolitan scale, and located at substantial distance from existing urban concentrations. "New cities" in that their administrative self-sufficiency, their independence of existing speculative or political forces and interests will allow beneficial experimentation with forms or techniques that could not be overimposed to the structure of the existing cities.

As to dimensions, the "new cities" must be large enough to support a complete range of cultural and educational facilities: regional characteristics, economic base, and other factors would influence definition of optimum size for each location. New political and economic devices and incentives would initially encourage and, at later stages, limit growth.

Location

Historically, urban settlements have coalesced and developed in response to economic stimuli: at first, in predominantly agricultural cultures, as marketplaces at the crossing of rural paths; later, as markets expanded and communications increased, at harbor locations or along navigable rivers; in more recent times, under the pressure of industrialization, in the proximity of—and sometimes right above—deposits of sources of energy—coal, oil, or of raw materials; later, along the transcontinental railroad routes, sometimes as the result of no greater motivation than the locating of a whistlestop facility next to a convenient spring to refill the boilers. Historically, people have moved to the cities in response to the opportunities for employment and enterprise generated by the extraction, processing, and manufacturing of raw materials. Thus, until recent times, the sequence of motivation has been constant and clear: the city developed where the economic opportunity emerged, and people moved to the city.

There is ample evidence that this historical pattern is becoming less valid and that motivations other than obvious and preexisting economic opportunity may justify the location of urban settlements. The United States has in the recent past turned an extraordinary milestone: it has reached such a high level of productivity that all of its citizens can potentially be provided with adequate food and shelter. For the first time in the history of mankind an entire country—rather than a privileged class—is within reach of affluence. One direct result of high productivity and affluence is the increase of leisure and recreation demands; thus, selection of residence will no longer be solely affected by employment opportunity but will be balanced by other factors of human choice: industry followed sun-loving people to Phoenix and Tucson, rather than vice versa.

Furthermore, recent technological and transportation trends—synthesis rather than extraction of materials, atomic rather than hydro-

electric or thermoelectric power, air rather than rail transportation—all tend to expand the opportunities for location of urban settlement and multiply the choices, liberating them from the historical limitations that have prevailed to this day. The locations of all of the major existing metropolitan regions were motivated by criteria and opportunities that are becoming obsolete: It would therefore be tragically shortsighted if we allowed all of the future urban growth to gravitate around the existing urban clusters.

If the sequence could be reversed, that is, if the choice of new urban settlement could be determined by optimum factors—including climatic characteristics and recreational opportunities—and if industry could be induced to follow such urban settlement, then we would have added a new dimension to the high standard of living that we can enjoy.

Thus, it appears that a thorough reassessment of our natural land resources is in order: We must take a second look at much of the territory that, in our heady and hasty westward expansion, went bypassed or ignored, or that, by change of economic fortunes, went into decline; we must establish what opportunities and potentials are available, evaluate them on the basis of rational criteria and, finally, select sites and sequence of development. In this manner intelligence and logic, rather than chance and default, will chart the course of the country's urban growth for the years ahead.

Innovation

If the overriding motivation for undertaking a "new cities" program is to provide an alternative to megalopolis and to encourage a more imaginative utilization of our natural assets for urban settlement, several other positive incentives contribute to the case for the "new cities."

The hardening of the political, economic, and social structure of our present cities is so advanced and so pervasive that effective experimentation with new techniques, methods, or approaches to capitalize on advanced technology, to remove obsolete institutions, to reflect new aspirations, is well-nigh impossible. The efforts presently being exerted or planned to assist our cities in solving their problems are remedial in character; the crystallization of residential patterns and social prejudices makes the solution of the pressing urban problems—physical and social—a baffling, elusive, and frustrating experience.

Everyone wants to see results; everyone, from underprivileged groups to taxpayers at large, becomes impatient and indignant with the slow pace of accomplishment. But no righteous indignation can alter the fact that if changes and improvements come slowly and unevenly it is in the nature of the beast: The existing cities simply do not respond readily or dramatically to urban medicine.

Thus, a laboratory for creative experimentation and innovation may prove a most fruitful investment in terms of long-range returns and toward the formulation of remedies and solutions. It can present visual and factual evidence of feasible accomplishments that will serve both as stimuli and as models for comparable efforts. Just as private industry embarks upon research programs and ambitious explorations into potentials for the future, so can the country embark upon an equivalent program in terms of potentials for urban forms and techniques. The

"new cities" can be such a laboratory: they must be conceived with imagination, committed to experimentation, and implemented in the spirit of national purpose.

Let us explore some of the areas that offer promising potentials for imaginative inquiry and bold departure from precedent.

Urban amenity

We certainly are aware that, in the transition from the 19th to the 20th century, the inherited urban structure has been subjected to extreme strain and that the new urban structure was constructed with rigid and limited perspective. As a result, many aspects of the urban living experience have suffered.

Aristotle's words, "The aim of the city is to make many happy and safe," remain to this day a valid prescription for the new cities. If the definition of happiness may be elusive, it is certainly not difficult to recognize certain of its ingredients in terms of urban amenity; and it is even easier to evaluate urban structure in terms of safety.

The primary goal of the new cities, in terms of urban amenity, will be to reintroduce variety of choice for its citizens: choice in way of residence—type, density, character—choice of recreation, choice of employment; and to translate the availability of this choice into variety of urban form: variety of scale, variety of visual impact, variety of social structure. The level of urban amenity would be increased by minimizing harmful conflicts and frictions and by developing the best potential of all of the ingredients of urban life; thus, areas of high commercial and recreational concentration can be conceived from the beginning as pedestrian precincts, free from interference and danger from vehicular movements; conversely, the vehicular arteries can be made from the beginning more efficient by being protected against parasitic interference along their boundaries. The simultaneous design of urban structure and its transportation system will not only avoid the intrusion and conflicts that are unavoidable when transportation systems are overimposed to existing urban textures, but will actually increase the level of variety and amenity of the transportation experience itself.

The areas of concern for urban amenity are obviously too numerous to be listed. In their totality they must motivate a new attitude and a new level of sensitivity toward urban design and quality. Imaginative and sensitive design can endow the new cities with unique forms and characteristics capable of recapturing some of the older urban values that our present cities have either never possessed or lost, and of creating new ones responsive to contemporary technology and our emerging way of life.

Technological progress

A comparison between the increase of productivity efficiency in the construction field and its counterpart in agriculture or industry presents a disheartening picture. The advancements in technology that have increased our standard of living at almost all levels have failed to make an equivalent contribution to the industry of building: techniques, materials, and attitudes are still, in many ways, those of our grandfathers. Obsolete and inconsistent building ordinances, featherbedding, and lack of enlightenment on the part of the building trade

unions, and partly a persisting old-fashioned romantic and irrational public attitude toward the image of shelter, have contributed to frustrate all efforts to produce housing of adequate standards at lower cost. To this day, we cannot produce without subsidy new and decent housing within the economic reach of the one-third of the population at the lower end of the income range; thus we are forced to fall upon the "hand me down" technique that is one of the prime causes of urban deterioration and social stratification.

If the technology applied to the production of appliances or automobiles or farm produce was allowed to play an equivalent role in the building of housing, if the same background of research that the Department of Agriculture had devoted years ago to increase farm productivity was devoted now to improve efficiency in the producing of shelter and environment, we could, within a few years, bring within the reach of each other minimum income and unsubsidized housing, thus rendering obsolete and unnecessary the props of subsidy and public housing and bringing relief to the wasteful and dangerous cycle of social obsolescence.

The "new cities" program could provide the best opportunity for this effort. Its building ordinances would be prepared by professionals and scientific institutions and be oriented to encourage rather than penalize technological innovation; they would stress standards of performance rather than specify techniques of implementation, be constructive rather than restrictive. The building unions may more readily accept innovation as applied to the "new cities"—where it would not disturb the existing structure of economy and power—than they would accept it if it were applied to existing urban areas. In any event, the magnitude and significance of the undertaking and the horizons of opportunities generated would probably find a responsive and cooperative attitude, especially as union leadership transfers to a new generation.

Technological innovation for the new city should go far beyond the more efficient building of shelter. It may concern itself with the possibility of total climate control for elements of the urban complexes (the covered air-conditioned pedestrian areas of recent years are just modest forerunners of the potentials that are already technologically available), thus allowing the expansion of the location opportunities of urban settlement to encompass areas previously bypassed because of climate extremes; it should concern itself with entirely new approaches to water supply and disposal, making possible much lower utility costs, with new techniques of power generation and distribution, with new methods of communications. Furthermore, the new city would be made ready to accept the technological advances that are predictable but not yet available, thus minimizing the cost and disruption that continually plague our cities as they painfully suffer through the reluctant adaptation to the demands of new technology and changing standards.

Probably one of the most promising fields of technological innovation in the new cities is in the field of transportation. The design of a new city offers an unparalleled opportunity to reconcile the benefits of private mobility that the automobile has made available with the demands for compactness, efficiency and variety that must be inherent

in a viable urban complex. A system of private and public transportation designed to maximize the benefits of both, and experimentation with new techniques of rapid mass transit could be developed. Since the urban structure would not preexist, this could be done without inhibition and with simultaneous optimum contributions of imaginative urban design and advanced technology.

Sociological progress

Possibly one of the most important contributions that the new cities program can make is the furnishing of a concrete example of urban structure free of the conventional role of an instrument of social stratification and discrimination.

The major difficulty encountered in the efforts to eliminate the ghettos of existing communities is that all measures of redistribution (housing, schooling, recreation) run against the automatic resistance to change that is inherent in the established human settlement. The obstacle to desegregation is probably not just prejudice against the concept of desegregation per se, but also resistance to change and against intrusion on existing and established patterns.

If the change could occur overnight and everywhere by fiat (as was the case in the Army, where one single signature was enough to wipe out a pattern that had prevailed for a long time, and where the consequences were far less critical than had been anticipated), there would probably be a relatively easy and painless adjustment and acceptance to the new way. Obviously, however, in the case of existing cities, change by fiat—sudden change of significant scale—cannot be enforced; thus a multitude of devices and methods, often indirect, to bring about, by bits, what eventually must become the way of the land.

In the new cities there will be no resistance from preexisting patterns of population distribution, there will be no status quo to defend. Its urban structure will be so conceived as to make racial and economic integration a taken-for-granted reality—in fact, a beneficial reality—from the very beginning. Thus many ghosts may dissolve on their own, as the Army example has proved, and the working example derived from a determined fresh start will be available as a model to be followed elsewhere.

Other aspects of sociological innovation could be oriented to reinforcing the sense of identity and the desire for civic participation of the resident of the new city. Structuring of the urban complex into identifiable elements, comprehensible in size and organization, correlated to each other and to the city's central core, interspersing of minor public spaces at the neighborhood level, providing for recreational facilities in optimum relation to the overall urban structure— these and other factors contributing to individual well-being and social sense of belonging could readily be introduced in the concept and texture of the new city.

Urban efficiency:

The present pattern of urbanization (even without consideration of the problems of obsolescence of the central city) is conducive to an inefficient and uneconomical system of public services and improvements: discontinuous development, fragmentation of Government and authorities, obsolete habits and institutions result in unnecessary costs

for the support of public services and facilities; these in turn are reflected in high rate of taxation and/or deterioration of quality of services. The functioning of the urban machinery as a whole has not yet been subjected to the scrutiny and the critical analysis that constantly is applied to the operation, expansion and modernization of a major private industrial complex or the country's defense system.

Even if it were possible to unravel and understand the complex tangle of functions and services that operate within the urban structure, if it were possible—by sophisticated analysis—to develop a system of optimum relationships for maximum economy, it would in all probability be extremely difficult to implement the political and administrative reforms that would be necessary to implement such a system in our existing metropolises.

Conversely, for a new city, a most elaborate analysis of functions, services, costs and techniques could be undertaken prior to the planning of the city, and alternative model-simulations could be tested, to establish the most effective and economical approach to the rendering of the required public services. Both the physical plan and the administrative plan of the new city would reflect the findings of the studies; thus it would be possible to improve and expand the range of public services and amenities without increase of taxation. From this aspect again, the functioning new city would provide a valuable model and example; and the benefit of the experimentation and innovation in urban economy generated by the new city program would extend well beyond its limits.

A specific area of experimentation should be motivated by acknowledgment that technological advancement renders rapidly obsolete even new components of the urban structure: We are almost at the point where, in the course of one generation, it is economically advantageous to replace a dwelling or a plant rather than modernize it. This reality is already affecting profoundly the pattern of urban change and obsolescence; lack of recognition of its implications results in a wasteful and expensive program of periodic renewal, accomplished by the sequence of acquisition of fragments, assembly, and refragmentation by sale of newly defined parcels. The new city could recognize—even attempt to turn to advantage—the process of obsolescence by viewing its urban structure as a stable and durable frame, within which its component elements—somewhat as the cells of a living organism—periodically regenerate themselves by orderly cycle. With this approach (that may involve an updating of the concept of ownership of the development rights on urban land), renewal need not equate with decay, displacement and the concurrent painful economic and social strain; it would instead express, as the term "renewal" itself implies, a continuing process of change within a climate of urban health.

Education and health

The role of the educational institutions is changing and expanding. Preschool Headstart programs and adult education extension programs have extended the range of the educational experience at both ends; in the process, they are broadening the significance of the educational process, beyond the classical function of teaching, into a role of comprehensive social service.

This change has yet to be reflected in terms of urban form. Educational institutions, from grammar school to multiveristy, tend to cling to traditional concepts of isolation and seclusion; the fenced yard and the very concept of "campus" reflect an attitude of isolationism that does not serve well the forthcoming role of education.

New relationships are emerging: The elementary school as a neighborhood center, the high school as an integral element of the community center, the use of its facilities extended to fulfill civic as well as educational needs; the university conceived as an urban campus, woven with the structure of the city, reflecting the close relationship between the university and private institutions of research and industry, as well as the broad cultural influence that the college can exert on the entire community.

Similar considerations apply to the community's health facilities. As the emphasis shifts from curative to preventive medicine, as mental health is identified with environmental stability and amenity, as the problems of the aged are beginning to be viewed in terms of community responsibility, the extraordinary potentials for innovation of concept and design of medical facilities are emerging.

These are just beginnings. The new cities can provide a perfect testing ground for these and other innovations. If the planning of the new cities is preceded by an intensive exploration of the future role and optimum structure of the educational system of the community and of its health facilities, it will be possible to accelerate the transition from obsolete systems and attitudes by providing working examples of the new concepts.

Political and administrative structure

The political and administrative systems inherited by our cities have proved cumbersome and inefficient in coping with the problems and the pace of the contemporary metropolis. Conceived and structured at a time of slow change and limited range of public service, they were originally more directed toward the maintaining of the democratic process at the local level than to providing efficient government.

The challenge for the new cities thus is clear: Devise and adopt a government structure that will not only retain but indeed reinforce the democratic process in contemporary urban life and, at the same time, will function effectively in administering the complex machinery of the city.

The multiplicity of contiguous independent (and often competing) governments resulting from the present pattern of urban spread, the irrational application of the privilege of incorporation to special interest portions of the urban complex must be replaced in the new cities by a form of municipal government so structured as to be sensitive and representative of neighborhood or community needs, and, at the same time, capable of comprehending and attacking the problems of the urban region. It will have to be so structured as to be able to respond effectively and quickly to critical problems as they arise, and to be as immune from partisan pressures as feasible. It will have to combine the best characteristics of corporate management with the tradition of representation and civic participation of the residents.

To accomplish this, a bold experimentation will be necessary; yet the ability of a culture to modify and update its institutions in the

face of changing circumstances is a measure of its strength and its maturity: The new cities may offer the best opportunity to adapt Democratic government to the demands and the pace of our life.

Urban economics

Our cities are presently in dire economic straits. Growth and deterioration operating simultaneously in the framework of an obsolete system of taxation and financing have resulted in the concurrent phenomena of land speculation and fiscal insolvency.

A large measure of the economic difficulty results from the conflict between the concept of private ownership of land and rapid urban growth. Individual ownership of land, as the heritage of our social revolution, is a prized accomplishment of American culture. It has served the urban community well as long as growth rate and obsolescence were slow; under those conditions the ownership concept was meaningful. But as soon as growth became a pressing and predictable phenomenon and, more recently, as obsolescence tends to accelerate the pace of change of use, ownership of urban land has been overshadowed by speculation in urban land. There would be nothing intrinsically more objectionable to speculation in land than to speculation in stocks or cattle if it were not for the fact that speculation in land, and the pressures and responses that it generates, frustrates all efforts to orderly and efficient urban growth, and thus results in increased community burden.

Thus, without modifying in any way our social or political tenets, we must come to view—as other democratic countries have already done—urban land as a public asset, as a resource to be used wisely and efficiently for the greatest common good.

This concept has already been adopted on a limited scale by the urban renewal process: Eminent domain is exercised when hope of self-improvement has faded, and land is reassembled as a community asset. It is returned to private development consistent with community-established plans and programs. The differential between acquisition cost and disposal price is borne by the community, with substantial Federal assistance.

Can this concept be expanded? Why should the instrument of community guidance and control be instituted only when things are desperately bad, and when the price of rehabilitation is so high? Why not reverse the process, introduce from the beginning community control of the development rights of all land that is destined to become urban?

In this matter it would be possible to program the pattern of urban growth most efficiently, to install services and utilities in proper sequence and adequate size. The community, by making available to the private developer the land when it is required and readied and by pricing it at its fair market value, will retain the differential between the cost of raw land plus improvements and the disposal price. Thus it can accumulate a rotating capital to finance the process of growth and the services that growth requires. The result: not subsidized renewal, but urban administration on a self-supporting basis, with lower and more equitable tax burden.

The new cities, starting from a clean slate, on large holdings of land (possibly land already publicly owned), will offer an unprecedented

opportunity to experiment with innovation in the field of urban economy and with radical reforms of taxation and financing without disturbing established order or established investment.

The new challenge

Beyond all considerations of increased efficiency and economy, beyond all images of brilliant technological or sociological innovation, the case for embarking upon the program for new cities can be made in terms of cultural obligation. Now that the battle of productivity has been won, should we not ask: "What next?" Having produced the highest standard of living ever achieved by any society, is it not time that we divert our determination and our creative genius from its present orientation toward efficiency and productivity—a purpose that has characterized our national commitment since the turn of the century—and that we reorient ourselves toward a new challenge?

The creation of an urban environment consistent with the standard of living that we have achieved may well become, for the coming decades, the new battle to be waged; winning it will not only benefit directly or indirectly every one of the country's citizens but will also provide knowledge and experience that can be shared with the rest of mankind.

Futhermore, with specific reference to the problems that we currently identify with the urban crisis, the experimentation that will be made possible by the freedom of innovation that the new cities could enjoy will in all probability produce valuable experiences and models from which more aggressive and imaginative programs of revitalization and renewal can be formulated.

It would appear that if this aspect—the catalytic influence that the new cities program can exert upon the entire range of urban problems—can be made clear and convincing, the political acceptability of the new cities program could be greatly enhanced.

The implementation of the new cities program—like many of the new ventures recently undertaken as a matter of national policy— would be best accomplished by a joint venture of the initiative and financial support of government and the imagination, technological skill and investment of private enterprise.

This is the approach that historically has served the country well, by reflecting our unique genius in balancing and correlating the energies of public and private sectors to realize the most spectacular accomplishments of western culture without the loss of either democratic structure or individual initiative.

The scale of the new cities program is too overwhelming for private initiative alone to sustain, and its purposes and implications are too relevant to the country's future to be relinquished to the profit motive alone. Conversely, it is not conceivable that the venture be undertaken entirely by government; not only would this approach represent a politically unacceptable departure from the country's tradition, but it would also deprive the complex undertaking of the invaluable contribution of ingenuity, motivation, and capabilities that the Nation's system of private enterprise can best provide. Thus implementation could take place through a joint venture involving the coordinated participation of three principals: government, industry in general, the building and urban development industry in particular.

The role of government would include the formulation of the program and its sequence, the financial support or guarantees necessary to generate the initial momentum, and the endorsement of the legal, fiscal and administrative innovations that would provide the necessary incentives.

The role of industry in general would be to commit, on a time and location sequence correlated to the adopted program, the development of an adequate amount of research and production facilities to establish the primary employment basis of the new community.

The building and development industry—its complex of financing, design and construction forces enriched as necessary to respond to the innovations of building technology—would have the role of actually translating the program into reality.

The organization and correlation of economic and technological forces will involve a determined and sustained effort; yet the task is certainly no more complex than other ventures that, under the motivation of defense or national prestige, have already been successfully accomplished.

If the imperative to direct the national interest to this enterprise is recognized, the skills and determination necessary to its success will certainly prove available.

I realize that, in terms of the task assigned for my comments—goals, values and priorities—I have addressed myself to a very limited target.

I have made no attempt to define goals or values: too much time and controversy are spent in efforts to reach consensus (or a minimum semantic consensus!) on goals and values for urban policy. I believe that the Constitution's reference to pursuit of happiness may well be accepted as the underlying premise and guideline for all our public efforts. As for objectives, they can only be formulated as a synthesis of the many, often conflicting demands, pressures, perspectives, and insights that relate to the problems of urban America. I am sure that the other papers that are being submitted to your committee will present a wide spectrum of such varied influences and points of view, and I am confident that the committee will succeed in translating their diversity into a meaningful synthesis, and to formulate therefrom valuable objectives and programs.

I have addressed myself to priorities—or at least to one definite priority: a program for new cities.

I have attempted to present the rationale and the benefits that such program would entail, in relation to several specific aspects of our urban problems. I believe that, beyond such specifics, a national commitment to the bold new venture of establishing new urban settlements would have extraordinary psychological and emotional value: as long as we view urbanization essentially as a generator of problems and grief, as long as we address our public efforts to remedy, relief or repair, we forego both the spirit of our pioneering heritage and the capabilities of our unmatched creativity.

Let us view the urban revolution—as in the recent past we have viewed the industrial revolution—as an extraordinary opportunity: the opportunity for the joint exercise of public vision and commitment and of private ingenuity and skill, for raising our sights to new challenges, for giving new form and new values to the abundance that we have achieved.

THE PRIVATE SECTOR AND COMMUNITY DEVELOPMENT: A CAUTIOUS PROPOSAL

By Chester W. Hartman*

It is obvious that the private sector plays an enormous role in urban development and that the aggregate of individual private investment and location decisions has a profound impact on the shape of our urban areas and on the quality of urban life. This paper will confine itself, however, to the issue of participation of the private sector in publicly directed programs to solve pressing urban problems. More specifically, the paper will focus on the area of housing and community development, although the issues raised will, to a greater or lesser degree, be relevant to other urban problems as well. The underlying assumption of this paper is that attainment of certain public welfare goals for our cities and their inhabitants is the overriding issue; means, then, are determined according to the most efficient and efficacious way of achieving this end, not according to any preconceived social and economic philosophies or set of interests and allegiances.

The major questions to be asked are:

1. In what ways does the public mechanism fail to perform adequately in solving existing problems?

2. What advantages are there in placing greater reliance on the private sector?

3. What sorts of motivations and operative styles might lead to inherent conflict between public and private goals?

4. What forms of public control are needed to insure the congruence of private performance to public goals, and in what way might these controls reduce the level of public-private cooperation?

There is little doubt as to the scope of failure of both public and private sectors to date in the field of housing and community development. Scrutiny of census data on living conditions of the American populace suggests that we have not traveled all that far from President Roosevelt's 1933 lament that one-third of our countrymen are ill housed. If one were to add together the total number of families living in physically substandard quarters (over 12 million families alone in 1960); those living in overcrowded conditions in physically sound housing (possibly more detrimental to physical and psychological health than are structural housing defects); those who are living in decent housing located in substandard and decadent environments (an aspect of substandard housing conditions that is not even tabulated in census reports); and those paying more rent money than the family can afford without neglecting food, clothing, and medical care (quite probably a more serious aspect of the so-called housing problem than all deficiencies in physical housing and neighborhood conditions combined), then

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we might well conclude that as many as one out of four American families still falls short of the national housing goal (circa 1949) of "a decent home in a suitable living environment for every American family." The reason for this is quite simply that the private sector has for quite some time now been unable—given prevailing costs of land and construction—to produce unsubsidized housing for lower and moderate income families, and the Government has been unable or unwilling to supply more than a mere fraction of the subsidies needed to bridge the gap between true housing costs and what a large proportion of American families can afford. Taken together, all government programs (Federal, State, and local) which directly subsidize housing at present are producing no more than an average of 50,000 to 60,000 units annually, whereas the need is in the millions.

Thus, any discussion of the role of the private sector must avoid obscuring or distorting basic financial realities. There is no magic to be achieved. Whether the national housing goal is met by the public sector or the private sector, vast sums of public money—probably along the order of $7 to $8 billion annually—are going to be needed to enable those families to live decently whose incomes are too low to afford adequate housing on the private market. (The projected subsidy appears vast, particularly when compared with $400 million currently spent on low-rent housing programs, but it represents only 1 percent of the country's GNP and about 3 months of current military expenditures in Southeast Asia.)

Most of the private enterprise proposals to date have, intentionally or inadvertantly, offered the prospect that somehow public costs will be vastly reduced if only we can "unleash the private sector." There are possibilities for reducing the housing cost-family income gap, but realistically these must be regarded as both remote and partial in terms of the immediate future. This observer can see little prospect that massive programs of income maintenance or job creation will in the foreseeable future enable hundreds of thousands of families to join the ranks of those who can purchase or rent adequate housing at current market costs. Nor should the realist anticipate a massive reduction in housing costs in the near future as a result of some kind of technological revolution in the housing industry. It is true that new building technologies are being developed (although this has been going on for years without any appreciable drop in the cost of the final product); that new actors are thinking of entering the housing picture (notably some of the corporate giants like G.E., Litton Industries, and U.S. Gypsum), with different approaches to marketing and the organization of production; and that advances are taking place in the field of residential financing. Should we embark on a massive Government subsidized program of housing construction and rehabilitation (possibly along the order of 800,000 to 1,000,000 units per year over a period of 10 years), this scale of activity will undoubtedly open up opportunities for modernizing the traditional, technologically backward housing industry. But the forces resisting these changes and the complex web of actors in the housing field would suggest that it is by no means certain that the desired changes will occur. In short, we cannot expect that housing costs will be significantly reduced by innovation, in part because the level of innovation suggested may not occur, in part because

rising costs of some of the major factors in residential construction (land and money) may serve to offset any technological advances.

Once the need for a massive, long-term public subsidy is accepted, we may focus our attention on the form which these subsidies should take and on the agencies through which the housing gets produced and the eligible families get served. Traditionally, Government programs which directly subsidize housing have been administered by local public housing authorities, an institution first established in the 1930's and which has now proliferated to the point where over 2,000 local authorities (a few of which are county- rather than municipal-wide in jurisdiction, and some of which have jurisdiction over urban renewal as well as housing) now operate in roughly an equal number of communities. For a complex of legal and political reasons, local housing authorities have been given maximum autonomy in administering federally aided programs, within the broad statutory and administrative guidelines laid out at the Federal level. Local authorities tend to be far more conservative in their approach to housing problems and solutions than is true of the Federal housing bureaucracy. Whereas the usual "good government" notion of these authorities assumes that the men who guide these programs are disinterested civic types, above politics, with only the public interest at heart, we are just now beginning to realize that these local commissioners in fact represent a quite biased segment of the population, with their own values, class interests, and preconceptions—all of which render them quite unrepresentative of (and possibly unsympathetic to) the clientele and segment of the population served by these programs. Local housing authorities (with very few exceptions) have not been aggressive advocates of a vastly expanded and improved housing program, have not been true spokesmen for the interests of the persons in need of better housing. The men who run these local authorities are overwhelmingly white, upper income, and engaged in occupations such as business, real estate, and insurance which would probably not predispose them to look favorably on massive public intervention. In many communities these boards act as a restraint and control on the number, type, and location of subsidized housing developments (in Boston, for example, a city where 20 to 25 percent of the population lives in substandard housing, not a single unit of family low-rent housing has been constructed in 13 years). One of the principal problems, then, is that at present there are few powerful and vocal forces at the local level willing and able successfully to advocate a comprehensive approach to community development.

It is notable that two of the more promising housing subsidization ideas in recent years—direct, below-market loans and rent supplements—have bypassed the local authority in favor of direct negotiation between the private developer and FHA. But the traditions and orientations of FHA would seem to impose severe limitations on that agency's suitability as the administrative vehicle for a massive program of Government housing subsidies. Its sphere of activity, competence, and interest does not relate mainly to urban areas, low-income families, and public welfare goals; furthermore, recent experience indicates extensive bureaucratic delays and inefficiencies in processing rent supplement and 221(d)(3) housing. There are some excellent new ideas

being introduced as part of the public housing program, too (rehabilitation of substandard units, leasing and purchase of private units, joint public-private development of mixed income projects), but there has been considerable resistance to these ideas in all but a few locales. The conclusion seems inevitable that the existing housing bureaucracy—particularly at the local level—is stodgy, unaggressive, tired, and that some other mechanism must be found for administering housing subsidies.

A further critical defect of the existing administrative mechanism is worth noting here, too, and that relates to the question of unrealistic geographical boundaries. It is beyond question that the problems of urban housing and community development are metropolitan in scope and have little to do with the multiple municipal distinctions and boundaries that prevail in any metropolitan region. Land availability, rational land use, tax base, optimal population distribution, and housing choice are all considerations which underlie a comprehensive approach to metropolitan community development. For each local authority in the metropolitan area to have the power to decide whether, to what extent, and how it wishes to handle the housing problem, and for any single authority to be limited in its jurisdiction to a single municipality virtually insures an inadequate and irrational set of solutions. Since there is little hope that the complex of vested interests in the present fragmented structure can be persuaded to phase themselves out of existence in favor of a more rational system of metropolitan- or regional-wide authorities and programs (a recommendation to this effect was recently submitted by a study commission of the Illinois Legislature and promptly defeated), one must again seek ways to circumvent the existing administrative structure.

One of the distinct advantages to greater involvement of the private sector is the opportunity thereby presented to solve these dilemmas of insufficient motivation and inadequate jurisdiction. Regarding the issue of incentives, it is axiomatic that if these are made sufficiently attractive, the private sector will produce. The infamous FHA section 608 program of the postwar period made this abundantly clear: if virtually no investment capital is required from a builder and if profit opportunities abound (through overmortgaging, intentional default, substandard construction, and other devices) then lots of housing will get built—in fact, the 608 program produced more multifamily housing in a short period of time than any other Government program before or since. The obvious question that must be asked about utilizing the private sector to achieve a public welfare goal is: at what price? To allow for an increase in the rate of profit (either through tax credits or a higher rate of return on investment) results in higher housing costs to the consumer (and hence a need for greater subsidy if all income groups are to be served—or, barring that, a raising of the effective lower income limit served by the program) or in a shifting of costs to some other part of the public sector (i.e., in the form of foregone tax revenue). The recently announced plan for the Bedford-Stuyvesant area, for example, which relies on both a fairly high rate of return and tax credits, envisions housing which will rent at $85 to $90 per month. Even using the newly elasticized rule-of-thumb that families should pay no more than 25 percent of their income for rent, these

rent levels require an annual income in excess of $4,000 (in excess of $5,000, if one uses the traditional 20-percent ratio). There are literally millions of families in the country who are unable to afford these rents. Moreover, the plan offers no figures on or description of the indirect subsidization costs incurred as a result of the tax credit feature.

In the opinion of this writer, higher profits rates and/or tax breaks are an unnecessary, as well as an unwise, feature of a low-rent housing program. The limited-profit approach (in most instances stipulated as 6-percent maximum, although with only a moderate amount of ingenuity the effective rate can be somewhat higher) would seem to offer sufficient incentive, if unnecessary red tape is eliminated and if builders have the opportunity to work rapidly and at a sufficient volume. Incentives can and should be offered to developers who demonstrate the ability to produce well and efficiently, but these incentives should be in the form of reduced capital requirements, which will permit the developer to operate on a large scale while tying up a minimum of his own capital. Considerable direct assistance can be given to private developers in the two areas where they find the greatest difficulties: financing and land acquisition. The direct low-interest loan reduces the cost of capital, one of the major components of high housing costs; and Government assistance in assembling buildable sites (through eminent domain, use of land-banks and conveyance of tax-title property) and in reducing the cost of land through write-down subsidies (as is presently done under the urban renewal program) offers help in another critical area. This kind of aid, plus the creation of an operating climate in which private developers are allowed to make maximum use of their entrepreneurial skills, can effectively tie the private sector into a comprehensive program of housing and community dvelopment whose overall goals and strategies are determined by considerations of public policy.

Once set into motion, the private sector would be able to reproduce for familes of low and modest income the variety and freedom of operation which it presently offers to families able on their own to pay the going costs for housing. Thus, the private developer can build anywhere within the metropolitan area (or outside of it), unhampered by narrow jurisdictional limitations and the continual political constraints imposed on a public agency. A loosening of the "suburban noose" around the central cities might then be facilitated, all the more so if progress can be made in modifying some of the restrictive zoning and subdivision regulations that presently characterize the suburban scene.

Probably the most important ingredient the private sector has to offer, and the ingredient in greatest shortage in the public sector, is expertise. Housing and community development are extraordinarily complex processes, requiring the rapid and efficient utilization of large amounts of financial, technical, and human resources; delay and inefficiency become exceedingly costly. Expertise in the areas of financing, land acquisition, legal procedures, administrative processing, design and construction, and property management takes a long time to develop, and this kind of experience and technical know-how, which is relatively abundant in the private sector, ought to be harnessed to public policy goals.

It is clearly advantageous, then, to involve the private sector in community development programs, and incentives to greater private participation are not difficult to design. The key issue is to design a set of public policy controls that will at once be acceptable to the private sector and effective in keeping private participation within the con-- fines of publicly established goals and strategies. Adherence to a general set of public policy controls becomes a *quid pro quo* for receipt of Government aids. In effect, what is called for is a modification in the traditional absolute control over property exerted by landlords, in favor of a degree of public control over the tendency of publicly assisted projects. To an extent, the present FHA 221(d)(3) program provides precedent for this, as do some of the analogous State programs (such as New York's Mitchell-Lama program). In programs such as these, the private developer, in exchange for benefits received in the form of direct low-interest Government loans, agrees to limit his profits and to place a ceiling on rents, as well as certifying that the annual income of prospective tenants falls below a stipulated maximum. These programs work well (apart from their limited volume), attributable in part to their concentration on middle-income families. Once these programs begin to reach down into the low-income group (all segments of this group, down to those with no income), a new set of problems arise, which require even greater public supervision and control. In the first place, the kinds of Government assistance to the private sector being discussed here—low interest loans (approximately a 3-percent interest rate) and/or land acquisition assistance—are not in themselves sufficient to bring housing costs within the reach of very poor families, those earning under $4,000 per year. In order to permit families at these income levels to live in housing of this type, additional subsidies are needed, which ideally should be given to each individual family, adjusted according to the family's actual income. Supplementary individual family housing subsidies would permit the family to become a "sovereign consumer" in the housing market, with all the advantages this implies in terms of freedom of choice, more dignified treatment, and absence of invidious distinctions. A family would be eligible for this subsidy if its income (relative to household size) was inadequate to obtain decent housing on the private market. The family would apply to a public agency, with jurisdiction over an entire metropolitan area, which would establish the family's eligibility for a housing subsidy, the amount of subsidy to be given and would then issue a rental certificate to cover the gap between the family's paying ability (computed at roughly 20 percent of income) and the cost of obtaining decent housing on the private market. Under one system which has been suggested, these rental certificates would be tied into the program of inducements to private developers (which might be administered by the same metropolitan agency, to facilitate integrated planning), so that the rental certificates are usable only for housing that has been constructed or rehabilitated under the program of inducements to the private sector; correspondingly, a certain proportion of the units stimulated by this program of aids to the private sector must be made available to certificate holders.

There are a great many advantages to a program of this sort, including the provision of a "built-in market" for a portion of the

privately produced housing and an enhanced freedom of choice for the housing consumer. The key issue here, however, is the requirement that a certain proportion of low-income families be accepted as tenants and the conditions under which this provision is implemented. Because it is in itself the critical feature of any program of publc housing subsidies, and because it represents so well the kind of issue that is the source of potential public-private conflict and friction, this question of public control over tenant placement will be treated in some detail.

It is obvious to anyone familiar with the current housing picture that there is an enormous amount of prejudice toward, discrimination against, and maltreatment of low-income families on the part of private landlords. These families have severely limited housing choice, little ability to cope with prevailing economic and political forces and hence are forced to endure a great deal of arbitrary and unjust treatment at the hands of the owners and managers of the housing they live in. Private landlords do not consider low-income families as desirable tenants, a sentiment traceable to a multitude of attributes, including race, family size, receipt of public welfare assistance, irregular family composition, life style, personal behavior—to name just the more common sources of these attitudes and conflicts. Many issues are involved: To what extent is this prejudice based on real behavioral attributes which landlords find objectionable, as opposed to contemptuous preconceptions? To the extent that objectionable (destructive of property, antisocial) behavior exists, is it due to inherently different values and life styles, to lack of necessary training and services, to general resentment against poverty and discrimination and/or specific resentment against the landlord? Is a really good enviroment (i.e., one which offers amenities, dignity, and control, in addition to safe and hygenic conditions) capable of altering people's behavior and outlook on life? But despite the complexity of the issue, one point stands out clearly: these families—who number in the millions—desperately need decent homes and environments, and if a program is developed for the maximum feasible participation of the private sector in attaining the national housing goal, then there must be complete assurance that families of low income will be full beneficiaries of the program and will benefit in a way commensurate with their needs for a healthy social environment and dignified treatment.

In summary, what is required is sufficient public supervision to insure that publicly assisted private developers accept a certain, mutually agreed upon proportion of low-income families at rents commensurate with their ability to pay, with the remaining units available at "normal" rents (i.e., rents established in accord with actual costs, including limited profit, and taking into account the subsidy that has been received in the form of low-interest loans and/or land writedowns). Low-income families who are eligible for and have received further subsidies in the form of rent certificates would apply for admission directly to the private developers, and developers would be required to accept these families (with consideration given, of course, to appropriate family size for the available units) on a first-come, first-served basis. In other words, no family could be rejected (once declared eligible by the public agency) on the basis of the traditional prejudices

held by landlords against low-income tenants (incomplete household, receipt of welfare assistance, race, etc.). Naturally, once accepted, the family would be subject to eviction through normal legal procedures, for any of the causes that are the grounds for eviction of unsubsidized families: nonpayment of rent, willful destruction of property, severely antisocial behavior, etc.

The plan being described here (the basic outline of which was first introduced at a 1960 conference of the Metropolitan Housing and Planning Council of Chicago) requires resolution of two important, and related, issues of public policy: (1) what sorts of noneconomic criteria, if any, are to be used by the public agency in establishing the eligibility of low-income families for subsidization on the private market in the form of rental certificates? and (2) what is public policy to be regarding socioeconomic and racial "mix"?

At present, housing subsidization programs for low-income families are characterized by a definite screening process, which serves to eliminate families with severe social problems. The rent-supplement program does this by giving the private developer complete control over tenant selection, the public housing program through an elaborate set of locally determined standards for tenant selection (the New York City Housing Authority, for example, has a list of 30 problem indicators, any one of which can serve to exclude a potential applicant). Moreover, in those newer forms of public housing which involve the private sector (e.g., the leased housing program) selectivity by the housing authority has been even more stringent, with only the "cream" of the authority's low-income applicants being placed in privately owned or managed units. This procedure does not emerge as grossly unjust in a situation where there is so great a discrepancy between the number of families who need assistance and the number of families to whom assistance can be given. But if and when we embark on a program of sufficient magnitude to provide all families with decent housing, then the question of social exclusion becomes of very great importance, since establishment of a strict set of criteria would exclude a very large proportion of needy families from the benefits of the program. The exact answer to this question must be worked out on the basis of further discussion and debate among those who make public policy and further investigation into the nature of these social problems and how amendable they are to social services and the influence of an improved social environment. If the program is to have any real impact, however, it must be as inclusive as possible; if families are to be excluded at all from the benefits of this program, it must be only on the basis of narrowly defined, clearly pathological patterns that make the family demonstrably unsuited for the kind of social and physical environment being developed under this program. An approach of this sort will necessitate: (1) a comprehensive program of social services for all families who are aided by the program and are in need of this assistance; (2) development of a specific alternative program to assist those families judged to be unsuited for general community living (along the lines of the special services and projects which some European countries have initiated to aid "hard-core" problem families). The program's inclusiveness will, of course, tend to clash with inherent tendencies toward exclusiveness on the part of the pri-

vate sector, and it is clear that public regulation and control will be most needed in this area. To the extent that truly healthy environments can serve to reduce various forms of social pathology (particularly those aspects which are of most concern to landlords and neighbors: property destruction and antisocial behavior)—and this writer firmly believes that this effect will occur, if we will only design the proper kinds of housing and environments—then initial resistance to inclusion of low-income families may, over time, be sharply reduced. But unless the attempt is made, and unless the program can serve those most in need of help, extensive private participation cannot be recommended.

The issue of what sort of population mix to have in these publicly assisted, privately developed units is another matter which must be guided by public policy. If we are sure that low-income families will be served by this program, it will be necessary to establish for each development a certain percentage (or range) of low-rent and "market"-rent units. This will require some overall conception as to whether residential heterogeneity or homogeneity is the more appropriate goal for the community and conformance of the private sector's operations to this goal. It is, of course, possible to produce homogeneous low-income developments under this program, merely by establishing that all of the units should be made available to holders of rental certificates. (This, in fact, is what is happening in many of the present developments which are making use of the rent supplement program.) On the one hand, this will insure that a larger number of the units produced will go to low-income families. On the other hand, it will reproduce one of the more objectionable features of present public housing projects—the concentration of low-income families in a single location, easily identified (and hence stigmatized), isolated from diverse (and presumedly healthier) influences. We haven't sufficient knowledge yet to make a judgment about this specific issue, and some amount of experimentation is called for to answer the following question: To what extent are current public housing projects unhealthy places to live in simply because of this population concentration, and to what extent are they objectionable on other grounds (public ownership and management, oppressive design, lack of amenities, excessive regulations, etc.) which might be eliminated through a market-oriented, privately operated program, thereby making the issue of population concentration irrelevant? We must also have some concrete evidence regarding the question of whether a residential mixture of different socioeconomic groups is inherently more democratic and healthy, or whether, as some persons maintain, this kind of mixing can only exacerbate conflict, cause resentment, and destroy incentive, as well as destroying some valuable forms of cultural vitality and cohesion. We must also know more about what kinds of "mix" people will accept, and under what conditions, so that the market component of the program can be adequately planned for. Thus, the proportion of low-income to moderate-income families might run anywhere from 10:90 to 70:30, depending on different conditions and demands, and middle-income families may find living next to low-income families more acceptable, if they have the assurance that the proportion will not exceed a stipulated maximum.

The question of racial mix must also be determined by public policy, rather than left to private entrepreneurs. Although it goes without saying that discriminatory tenant selection policies will not be permitted in these Government-assisted developments, the more realistic issue has to do with location and site selection, which will to a large extent determine the clientele for the program and the racial composition of the development. Obviously, projects built in nonwhite sections of the city will find few white applicants, while nonwhites may, for a variety of reasons, be reluctant to move into developments located in white areas. The program should plan for a wide range of locational choices and should insure that a suffiicent number of private developments are planned for all areas of the metropolis, in order to reflect the full spectrum of residential demands and options. As the program develops and as the housing demand pattern for moderate- and low-income families manifests itself, the public agency can adjust the location and site selection decisions of private developers accordingly.

The advantages of the program that has been developed in this paper are manifold:

1. Through widespread use (limited only by the total potential demand) of low-interest loans and other inducements to private developers, the private sector is given the tools and incentives needed to participate fully in this newly opened housing market, making maximum use of its own capabilities and motivations.

2. Insofar as possible, this program reproduces for low-income subsidized families the variety, choice, and conditions of occupancy that prevail in the private housing market. A variety of locations, housing types, tenure options and neighborhood patterns become available for the first time to a segment of the population which has traditionally been excluded from exercising any meaningful options in the market. To the extent that free choice results in more satisfactory living conditions and a greater commitment to the home and community, a critical new element has been introduced into the Government's program of housing subsidization.

3. Public controls are kept to a minimum and are exercised only at key points of intervention, as opposed to the all-encompassing system of controls that characterize the present public housing program.

4. A metropolitan approach to solving the Nation's housing problems is possible for the first time.

Clearly, the costs of a program of this scale represent a new concept for public intervention.[1] But at the same time it offers a vast array of new opportunities for the private sector, for the development of new forms of public-private cooperation, and, most important, for the increased satisfaction of the needs and desires of the housing consumer. This single concrete proposal has been developed in such great

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[1] The estimated annual expenditure of $7 to $8 billion is based on calculations derived from 1960 census figures on the incomes of families living in substandard housing and 1959 Bureau of Labor Statistics figures on the costs of obtaining "decent but modest" housing in our metropolitan areas. It is a figure that will be reached incrementally, over the course of a few years; it is an expenditure which is of unknown duration, since we cannot predict when present income distribution patterns will be sufficiently altered so that a greater number of families presently in need of housing subsidies will be able, without assistance, to afford housing on the private market; and it does not assume that housing costs will significantly decrease in the near future due to a technological revolution in the housing industry, brought about by a vast increase in the volume of production (an assumption made by many that this writer, at least, finds highly questionable). In short, it is a rough estimate, but one which in all probability will not be too far off the mark once the detailed investigations necessary for a precise estimate are made.

detail, in part because it seems to offer the most promising solution to one of the two or three most pressing current urban problems, and in part because it illustrates so well the necessary interplay of the public and private sectors, the critical "pressure points" for Government intervention, and the modifications needed in the private sector's usual *modus operandi*, if it is to play a role in meeting the society's most urgent obligations.

THE ROLE OF THE PRIVATE SECTOR
IN URBAN PROBLEMS

Prepared by URBAN AMERICA, INC.[*]

Violence in the ghetto, for all the anger and shame that it must inspire, may present this Nation with the option to reexamine all the workings of the city—not merely the inner core, blighted area, or whatever fashionable phrase describes the festering sores on the face of the Nation. Here is the chance to test, in the middle age of our cities, many assumptions on which we build for the future.

Both the public and private sectors have unwittingly contributed to urban crisis. The public sector, traditionally slow to react to change, has not anticipated the impact of new residential, commercial, and industrial developments. Even in such obvious matters as water supply, highways, and schools, action has lagged far behind need. Among those local governments which have attempted to plan ahead, few have built into their decisions factors of beauty, recreation, and cultural endeavor. Despite dynamic changes, the public sector at every level has failed to use, and to create if necessary, the tools to guide orderly growth. Private developers and industries have largely been just as shortsighted.

Until now, the private sector has found it unnecessary to relate its own behavior with society at large. Using yardsticks of cost, it was relatively easy to justify air and water pollution, denuding the landscape, and jobs empty of personal satisfaction. But the black clouds of busy industry are no longer seen as a happy sign; the economic toll of pollution is to be reckoned with.

The limitations of outlook and interest inherent in our traditions have resulted in today's physical and psychic crisis. To come to grips with it, we must effectively relate the urban activities of the private sector and government.

The private sector and government, of course, have always worked together in the creation of cities. It may be argued that the relationship could not have been otherwise. For it was the economic surplus generated by urban trading centers which was transmuted through kings and the court into the arts and activities of civilization. The economic surplus of the modern city, as tax revenue, supports our civilization in somewhat similar fashion.

Tax collections aside, the alliance persists in countless ways often overlooked. The private sector provides many essential services to government, from transporting mail between cities and constructing public buildings to training highway engineers and developing aerospace systems. Likewise, government purchases from private suppliers vast volumes of commodities rather than seeking to produce them internally. All this takes place simply, normally, efficiently.

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[*]Staff paper transmitted by James Rouse, president, Urban America, Inc.

Why should the job of city rebuilding and establishment of a national urban strategy not be a part of this tradition? Only in complexity of problems and magnitude of effort is it more difficult. As a first step, however, let us discard the view that the fundamental interests of the public and private sectors are significantly different. There are many routes to public-private cooperation in our urban areas, from the slums to our as-yet-undeveloped-suburban fringes.

The growth of governmental programs directed to urban areas has, unfortunately, been accompanied by a growth in bureaucracy. Not limited to big government, big business, big labor, or big universities, bureaucracy is a fact of the modern world. But the urban situation cries out for the governmental bureaucracy to scrutinize carefully the assumptions which underlie its decisions about urban matters. While we call upon all segments of American life to participate in the rebirth of cities, it rests with the public institutions to lay the foundation for action. They must be much more vigorous in defining policies and developing the scope of programs. They must be more thoughtful in considering the benefits of both old and new programs. They must always be sensitively aware to the kinds of support which should be cultivated among all who constitute the private sphere.

If the involvement of the poor themselves has contributed to the qualitative improvement of the war on poverty, it is a lesson for all in government who consider outside opinions as merely nuisances. The techniques arising from this program might be freely extended to many other areas including welfare, education, recreation, housing, and highways.

But given the most dedicated program and policy effort within government, the bulk of the Nation's resources rest, in private hands. The private sector must do more than advise and contract with government. It must support its own investigations into worthwhile avenues of participation in the urban problem. Some of these efforts will be in terms of investment return, ways to make it profitable for business to become involved, Others will be broader, in terms of manpower development, technology, and long-term market development.

A feasible way must be found by industry to develop new products and technology to serve urban needs while reducing present high costs. This may require intensive market development. But some elaborate computerized law enforcement communications systems came about this way: by industrial competition. Can we do something also to serve the less obvious needs of urban governments?

The private sector needs the support and direction of government; government needs the highly developed tools and management approaches. A most promising means of coordinating efforts to achieve urban goals is through application of the private sector's successful problem solving and management tool, systems analysis. On a nationwide basis, such system management would look into all the components of our urban life—schools, water, utilities, transportation, government structure and operation, industrial development and business location, social patterns and services, relation of one metropolitan area to another, and so forth.

Systems analysis inventories all resources and maps a coordinated plan of component subsystems to be developed as part of the achievement of specific goal. It has urban relevance only as goals are set.

The possibilities for the contribution of private knowledge and technique have precedents in national programs as immense as the kind we contemplate for our urban areas. Perhaps the moon, defense, and interstate highway programs also show the precedent for financing such a large scale endeavor. But, instead of producing rockets and boosters along the way to a moon goal, we would produce new priorities for action, and as yet unknown and innovative technical components on the way to our goal.

While shaping a new and unique social and economic structure we might witness rather drastic changes within a short period of time. Prefabrication. Shorter workweek. Individual rocket-powered helicopters. More homes within walking distance of work. These are but some of the offshoots we might have from a systematic approach to our cities.

One that is already here is large-scale building prefabrication. This could make better housing possible at lower costs, through mass production. Prebuilt building components are sufficiently developed so that we need have no fears regarding quality and durability. The requirements placed on manufacturing plants to make these building systems ready for shipping and fast assembly would open the way to many less skilled jobs, perhaps even location of plants in slum areas. Present building union members would shift the emphasis of their work and perhaps be guaranteed more even year-round incomes. The unions themselves might find it to their advantage to revamp their approach to training and membership. The public seems ready to accept anything better, faster and cheaper in its shelter. Private industry seems anxious to begin development and manufacture of such building systems. Builders large and small are willing to use such systems. What remains is to make all this possible, profitable.

The model cities program offers a major opportunity for the private sector to apply systems management to our worst urban problem. General Electric's Tempo Division and MacDonnell Aircraft are already doing that under contract to cities to help plan for model cities programs. With adequate funding and incentives, here is an excellent opportunity to see what the private sector can do.

In trying to fight blight and slum conditions, business can voluntarily contribute its brainpower and capital in development funds. Several of these funds are in existence, both as profit and nonprofit corporations. They are successfully helping to underwrite poor risk but needed projects in many cities, including Boston, Cleveland, Detroit, East Chicago, Kansas City, Oklahoma City, Meadville, and Pittsburgh.

A development fund uses and invests privately subscribed revolving funds to provide initial impetus and supplemental aid not otherwise available for the physical improvement and renewal of urban communities. Most development funds are multipurpose and aid industrial, commercial and/or residential development. The funds' membership may be composed of solely business and commercial interests or may include local government officials, union leaders and the general public. Most are run by an executive board. In nonprofit funds, capital is generally provided by outright grants or loans from business and civic interests. In the profit funds, capital is often exchanged for stock or debentures. In many cases, lending institutions make credit available

on a loan basis under state enabling legislation permitting it within a defined ratio of loan to capital value of the development fund.

One of the most important aspects of a development fund is its ability to provide technical assistance not available through other community channels. Fund leaders are often respected, successful businessmen who help the developer, lender and community in problem areas. The fund administration is in contact with all levels of labor, commerce, industry and government. This facilitates technical assistance in all phases of the program including the legal, financial, planning, construction and social aspects, as well as public relations.

Some funds act as land banks. Another function of nonprofit development funds is their ability to act as sponsors or local agencies eligible for higher mortgage commitments, up to 100 percent, especially as indicated in sections 221(d)(3) and 231 of the National Housing Act. These sections provide incentives for low-income housing.

In Pittsburgh, the nonprofit organization ACTION-Housing, Inc., obtained below-market 3-percent interest mortgage financing available under 221(d)(3). Through its development fund, an interest bearing revolving loan was made to purchase 22 detoriorated houses, to plan for their rehabilitation and cover fees related to the Federal loan. This was undertaken as a prototype or feasibility study to see what could be done before attacking blighted areas on a large scale.

The homes cost about $4,000 each and approximately $6,000 was spent on rehabilitation per unit. Construction was done by a private firm. Interim financing was provided by a bank under a participation agreement with the development fund. The deteriorated houses had rented for $85 to $90 a month including utilities. The completely rehabilitated ones now rent for $89 including all utilities except electricity. This rent charge includes reserve funds for maintenance during the life of the mortgage, up to 40 years. A reasonable profit was made by all those providing services such as the architect, contractor, lender, attorney, realtor. Similar projects are being undertaken in several major cities.

This project worked so well, that ACTION-Housing, Inc. began to meet with business and industry representatives to see if a national development fund could be set up to carry on large scale rehabilitation on a limited profit basis. This new corporation would be capitalized at $3 to $4 million for work in the Pittsburgh metropolitan area on a profit-motivated basis. Should further experience prove such an endeavor profitable, it might be expanded by the corporation to other cities. Present plans call for rehabilitation of 500 Pittsburgh units of housing.

Private industry has stepped into rehabilitation of deteriorated housing in an attempt to see just what kind of market and problems this might present for expansion. Rehabilitation costs considerably less per family unit than construction of new housing. It also offers social advantages. It is faster and can much more easily facilitate moving original tenants back in, thus preserving the neighborhood.

The firms of Smith, Kline & French Laboratories in Philadelphia and Warner & Swasey in Cleveland have found it good business to be "good neighbors" and help rehabilitate the areas in which their plants are located and through which employees walk to work.

Smith, Kline & French is located in the Spring Garden area of Philadelphia, with the highest concentration of substandard housing in the city. The firm formed an *ad hoc* committee to focus company executive talent and money on the area. In partnership with the Philadelphia Housing Authority, the company stimulated the rehabilitation of 70 houses by agreeing to pay 40 percent of the interest charges on construction loans to the contractor. An arrangement was made to have the construction firm work under contract to the housing authority with a 6 percent profit.

Because of tenants' apparent objections to living in a third floor walkup, the three story buildings were divided uniquely. The first floor was a single apartment; the second and third floors combined were split vertically to create two duplex apartments. The renovated three bedroom apartments rent for $65 per month, in most cases a decrease from former rental in decaying flats. The company has gone a step further to help the people in the neighborhood get jobs, food and clothing. It provides quarters for an Opportunities Industrialization Center branch serving the entire Spring Garden community.

One most interesting result has showed up. Since the first three families moved in to the first renovated building, vandalism has ceased. Neighborhood self-policing has been so effective that guards hired to protect the job sites have been released.

Warner & Swasey's plant is near the edge of Cleveland's Hough district which was the scene of serious rioting last summer. The company has invested $100,000 in the rehabilitation of a brick apartment building in the center of the district. When finished, the building will be turned over to a nonprofit corporation to operate.

Other companies are investing in the slums as living laboratories in order to determine exactly what the problems of rehabilitation are, what existing products of theirs can be used, what products should be developed and the profitability of rehabilitation endeavor.

The U.S. Gypsum Co. is spending $1.25 million to rebuild a square block in Harlem and intends to start similar projects in other cities. It has successfully worked with all levels of government and individual citizens. The original tenants have come back to the rehabilitated buildings despite higher rents. In the process, the company has learned much about the techniques of large-scale renovation and the use of its products and others in this work.

Armstrong Cork is engaged in a similar project with a tenement in North Philadelphia.

Conrad Engineering in New York spent a year working with other private enterprise in development of new products potentially useful for "instant rehabilitation." On New York's Lower East Side they recently rehabilitated two buildings in 48 hours through unorthodox technical and construction methods.

Such examples are evidence of the private sector's interest in helping erase slums. It has begun to experiment and investigate the market possibilities of these areas and has produced some innovation in the process. But this effort must be a cooperative one with Government. It cannot be done by business or labor alone, and it seems equally apparent that Government cannot end slums without the technical capacities, streamlined methods, administrative ability, and new jobs industry has to offer.

Industrial rehabilitation or redevelopment in some areas could eventually turn a profit. So might some moderate-income rehabilitated housing with the help of below-market-rate mortgages and local agencies to help acquire the buildings. It appears entirely unlikely, however, that the private sector alone can provide low-income housing for families with an income of less than $3,000 a year. It can build or rehabilitate housing for this group under Government contract or it can approach it as is being done with moderate income housing to be rented to low-income families with the addition of a broad rent supplement program.

There are many ideas now before this Nation which boldly tackle the rebuilding of slums by upgrading housing, providing jobs and their training, bringing in industry and small business to round out the communities. This is kind of a new town within a town approach. With the confidence and trust of those to be helped and the aid of business and industry, this can be done. But there is no economically feasible way for business and industry to physically move into existing slum areas now without definite financial support, incentives, or guarantees from the public sector.

A large or small industrial manufacturing concern risks much to build and attempt to operate a plant in a slum area. Although many of its jobs could be filled by retrained and currently unemployed people from the neighborhood, there would still be many important and necessary jobs that would have to be filled by people from outside the immediate community. It is one thing to try to retrain employees who have been with a company many years. It is another thing to recruit skilled labor and managerial help by inviting them to risk looted cars and physical danger on their way to and from work.

Then, there are stockholders who demand to know why such a risky additional plant is needed and what this means to their pockets.

There is hope, however, if the moral booster of housing rehabilitation can be combined with the concrete facts of new jobs and the ability to purchase new goods. This cannot happen overnight and the high risks remain at present. Even in the fringe "gray areas" on the edges of blight, where new investment can help restore the neighborhood and start it on an upward path, it is a very high risk for investment.

What may be needed is a system of Government incentives for business. Perhaps tax credits, perhaps below-market interest development loans, perhaps normal insurance rates backed by Government guarantees to the insuring companies, and Government "riot insurance." Perhaps fully guaranteed direct development loans such as those available for AID for investment in underdeveloped, and often revolution prone, countries. Such development loans by AID cover residential development communities as well as industrial development.

Incentives to encourage the flow of private capital and talent to the slums should have an immediate goal: to make urban poor the kind of consumers that will attract the private sector in the normal workings of the marketplace. This means considering direct income subsidies, rent supplement programs, vigorous education efforts, and many other means to provide the poor with sufficient social and economic mobility to be promoted in jobs, to move to any neighborhood they wish.

There is good evidence that the urban poor share the desire of average Americans to live in single-family detached homes with a yard

for the children to play. If not a private home, they see at least release from the stigma of poverty which is attached to living in a decaying building or public housing. Anthropologist Dr. Rhoda Metraux says, "The American residence is a principal indicator of the individual's and the small family's social identity, of who people think they are and how they wish to be seen in the eyes of others. As an open society with no aristocracy and no enduring placement in a specific social category, Americans require a whole variety of social indicators—clothing, ownership of cars, display of certain interests and, above all, residence * * * Markers of social identity are far less subtle (than in Europe) and, as a rule, external."

Viewed in this light, it is no wonder our urban poor see themselves as so far down in society that they are virtually not members of it at all. They see themselves as poor, and minorities who are poor see little hope of achieving the social mobility and right to move upward in housing as they move upward economically. Encouragement is needed, and rent supplements can help.

A meaningful rent supplement program would have to be one with ample funds and along the lines of the original proposal to Congress in 1965. The housing should not be so stark as to repel middle income families. This could assure assimilation of the very poor into the community to which they aspire and stop the ghettoizing process. A rent supplements program should not perpetuate the fallacious past congressional policy of "lesser amenities." This means wood or tile floors, enough light and windows, a sufficient number of rooms of adequate size, modern fixtures, and all the other things that will make a stable middle class family want to live there, too.

This program would benefit the society as a whole over the long run by strengthening the normal market forces in real estate. It would expand the private housing market, help the poor identify with the whole urban community because they could become part of it. It would also lend stability and security to these families because they would not be forced to move as their incomes rose beyond a certain point; they would simply pay more rent until, perhaps, they required no subsidy at all.

A significant step has been taken by the FHA this summer to make it possible for many lower income families to go a step farther than renting and achieve an American dream—private home ownership. The Agency has declared all inner city blighted area "potential riot spots." In accordance with a congressional directive, homes for sale in such areas may be financed without application of the usual economic soundness test as long as they are structurally sound standard housing. Studies indicate that owner-occupied buildings in such areas tend to be better maintained, and the owners are more inclined to rehabilitate.

In addition to incentives for private investment in inner city areas, the private sector should be encouraged to develop whole new cities. Industry is interested and is actively searching for ways to assure economic feasibility. New cities are considered a very valuable testing place for new building products and methods; technological innovations for major services such as sewerage, transportation, and communications; and even city management and administration techniques

or methods. Among the most specific in the discussion of new cities is the General Electric Co. which speaks of communities housing 1 million residents eventually. Such communities would be sited in terms of accessibility, much as the early cities of 5,000 years ago. But jet field and freeway would be as significant as the ancient waterway.

"New cities" is as big and attractive a field to private business as rehabilitation. Both have large problems related to financing, risk, and profit now, but both could become enormous markets. It is certain that both are needed in our overall urban strategy. New cities planned and built to provide maximum services, spiritual and physical comfort, convenience and beauty would be infinitely better than our present uninspired suburban sprawl which only adds to our problems of traffic congestion and isolation of peoples within the same metropolitan area.

There is disagreement as to how much, if any, incentive is needed. All are agreed, however, that new cities seem to promise good profits because they offer more for the money to prospective residents. Some envision a Comsat-type quasi-Government corporation with general objectives to purchase, develop, and manage land for new cities. Others see the Government role as only the national planning of locations and assembly, of the large landholdings for sale to the private sector for development. Some see nonprofit community development corporations to finance new cities by the ability to float securities in the tax-exempt bond market. Others see little need for Government help other than the usual FHA involvement.

The talk of new cities by industry today includes the concern that such cities would house and employ a social and economically balanced population. There will, of course, be jobs in all ability and pay ranges from high-level executive to janitorial and building service. The more affluent are used to moving great distances for the benefit of job betterment or a nicer home. The unskilled urban poor, however, may not be so easy to attract into the new cities and away from surroundings they know, especially if their housing would be no better. Rent supplements could be a great help to new cities trying to secure blue-collar labor supply they will need.

What all private interest points up, however, is the urgency of a national urban commitment. Clearly stated and widely understood, it would help stabilize land speculation, reinforce local and State governmental policies, recast attitudes among private institutions of all kinds, invigorate community life, and bring a degree of hope to this increasingly desperate situation. It would help determine the priorities of the various factors and steps involved in attaining the goal of a livable, safe, and nourishing urban environment. The problems of central city renewal, rebuilding of slum and older suburb, creation of new cities, and meshing the whole in a viable system of communications, utilities, and public facilities pose an immense national agenda. The effort to reassess our national priorities to cope with such an enormous responsibility can, at a minimum, serve to document the level of investments that will be necessary.

To guarantee a full range of choice, in a humane environment, for a future generation calls for such an urban commitment. The public sector must provide the broad policies and more specific areas of incentive within which the private market's mechanisms may work to the fullest good.

Some of the things to be considered:

How should national revenues be allocated to urban problems?

What kind of metropolitan governmental structure is needed?

What response by State governments should be required?

How can governmental manpower be sufficient to the task?

What means can business, labor, and others in the private sector employ to reinforce communitywide goals?

What kind of new taxation methods are needed to be fair and suitable to our purpose? More of the general taxes such as income and property? Or more use taxes such as a school tax per child in school; pollution control taxes based on the workload an industry adds to the public effort?

Where do we want to keep natural preserves such as forest and lakes? Where and how many new forests do we want, how many new lakes?

What large undeveloped land areas, whether privately or federally owned, do we want to use for new cities?

How can we achieve a new and flexible school system? A floor or two in every residential skyscraper flexibly arranged to accommodate varying numbers of elementary, high school, college and, perhaps, management retraining classes? A multistructured high complex per 100,000 persons?

These are but some of the kinds of things that must enter into formulation of national urban strategy.

At the same time, we must not forestall all decisions and actions for the next decade while we try to arrive at all the answers. We must continue to cope with all our problems in the most logical and long-term ways while we pool our resources to do just that within a national framework.

To begin, we can educate and stimulate our people to reappraise traditional views on individual right and public responsibility. We can encourage discussion and reappraisal of the tools of governing. We may examine our taxation methods which are a collection of ad hoc legislation, often created to effect only fragments of the full urban need.

We can expand and further develop such programs as rent supplements and rehabilitation which encourage the private sector to get deeply involved in city problems.

We can create sound legislation to offer tax credits, better depreciation schedules, and some form of low-priced riot insurance to our private investor in slum areas.

We can actively encourage new industries which will specialize in rehabilitation, new cities, and other urban problem solving.

As has been said, "We are not helpless victims before a flood of urban decay. We are a dynamic society with the tools and resources to shape our future. All we need now is the will."

RESPONSIBILITIES OF THE PRIVATE SECTOR

BY ROBERT B. CHOATE*

THE PRIVATE SECTOR

The private sector has two faces: Profitmaking and not for profit. The former, it must be remembered, is an outgrowth of the latter. The power of massive amounts of corporate wealth, holding the rights of an individual, is a legal trusteeship granted by government in relatively recent times. The original corporations were formed to benefit the common weal and were not considered to be merely self-rewarding enterprises. Benefiting the common weal was, for example, the announced purpose of the Massachusetts Bay Co. A carryover from this era is still found in the declaration of purposes which must accompany the request for incorporation filed with the State.

Within the last 75 years, profitmaking corporations have blossomed. Today they represent the greatest economic force on the urban scene. America can throw accolades to them for its material improvement, but it can also blame them for many of its continuing urban problems. Their faults have been ameliorated somewhat by the continued presence and activities of not-for-profit corporations, many of which receive individual and corporate funds. But society must cope with the excesses of a freely operating enterprise system. When the compensations of the not-for-profit sector are inadequate, Government must inevitably move in to pick up the social pieces.

Today we witness great urban distress. The challenge is enough to tax the resources of all our establishments, public and private, profit and not-for-profit. Past experience has shown that none of these has the exclusive wisdom to cope with a complex society. Recognizing obvious attributes, we are now faced with the persistent question of how to involve the power, the managerial skill, and the resources of the profitmaking sector in facing urban problems?

THE PROBLEMS—THE RESOURCES

Smog, pollution, education, traffic, waste, poverty, race—the list is long, the subjects complicated. Some are technical problems and involve mechanics and finances; others have to do more with the human being and are of a more undefineable nature. To both types of problems, modern technology can bring new tools. Data processing, systematic analysis, new technological innovations—all can drastically improve current methods of coping with an urban area's problems.

Business and industry have already pioneered many of these techniques. It is reasonable to assume that they can be effective users of their new tools in new urban directions. They can thus seek a profit in urban service, thereby filling a social vacuum into which government would otherwise move if no progress were taking place. As never before, business and industry are now challenged to take the initiative in suggesting urban remedies and in helping to implement them—perhaps relying on governmental cooperation. Moving into this field might be compared to increasing the advertising dollar: The expenditure is warranted by the opening of a wholly new public service market. This market will be served, either by the private sectors' risks or the public sector's taxes.

But where does business start? How does it initiate programs to cope with urban ills? Most important, what type of executive is currently available to shape a company's entry into this brand new field? We address ourselves to these fundamental questions below.

TRANSLATING BUSINESS ECONOMIC THEORY TO COMMUNITY ECONOMIC HEALTH

Corporate vigor is measured in economic terms. A good corporation man returns manifold his cost. Thus, one finds a man measured by his salary, his expenses, his hours worked. He is compared with his revenue production, his sales, his contract volume. Within the corporate society, there is a profit and loss basis upon which to judge the individual, the department, the plant and the enterprise. They are subject to economic indicators. Perhaps the antipathy between corporations and government has prevented the development of a comparable measuring stick for a community, a county, a State, or a region.

One wonders if such devices might not be developed to tell a community how it fares in measuring up to national standards. If it is correct to ask of each individual that he be productive, why should this not also be asked of groups of individuals and their communities? We do have one type of economic measuring stick for cities: the Moody's ratings. This, however, applies only to indebtedness.

Social indicators can complement economic indicators. Also applied on a community, county, State, or regional basis, they can point to the needed priorities for overcoming social shortages. Their design and their use is a subject unto itself. We refer you to Raymond A. Bauer's *Social Indicators.*

An economic indicator would have little significance during the first few years. One needs a base against which to measure economic progress. Most of the Nation's favorite reference posts for economic health—GNP, housing starts, bank deposits—are of value only when compared wtih other years. Were one to have a geographically defined economic measuring stick, it should include negative factors much as a loss sheet modifies an income statement. Thus, one might develop a measuring device which weighed per capita income, monthly payroll volumes, housing starts, auto purchases, and gross wholesale food sales with welfare payments, unemployment compensation, housing closures, Salvation Army expenditures, the local poverty war, and agricultural subsidies. It is conceivable that the economic indicators might

be adjusted for seasons, regions, and climate, but not for cost of living or prevailing wages. They should give us a "net" reading on our economic health, not a "gross" reading.

Modern computer technology could greatly aid the development of an economic indicator. Each month, factors relating to employment, retirement, health, education, housing, clothing, food, recreation, transportion, and the like could be analyzed. Inputs could be given for regions of the country, for States, and for counties and census tracts. After several years of observing comparative data, bases could be established which would provoke greater private and public interest in the adversely affected areas. One would then be able to plan for a citizenship good without depending on the positive-slanted chamber of commerce assessments or the similarly limited bank analyses currently in use. Any such indicators should be carefully designed so that those challenged to remedy a condition would be directed by the indicator to priority targets.

What Then?

Let us assume that solid economic indices are available to an area. They include measurements of the negative aspects—of tax consumption, dilapidated housing, and business failures—as well as of growth and positive achievements. What would be the reaction of the private sector? One might hope for a marshalling of private enterprise forces.

In all probability, selected businesses would seek a market in some adversely affected areas because their activities or their products were oriented toward that type of market. Or, because some top executives sought to serve that market. But the vast majority would regard such an area in a negative context, and would avoid that contact unless a governmental guarantee made secure their involvement. This is happening today. Companies are fleeing that which they do not understand or do not find attractive. Those companies facing up to the realities of a troubled urban area seem to be doing so chiefly because they are led by exceptional people. What separates the rare executive from the average?

What Makes The Businessman Tick?

In a vigorous economy, the businessman has been insufficiently studied for the factors which make him behave as he does. Could it be that this very visible and powerful individual has been overimbued with the power of positive thinking? Looking up at the executive suites on the 42d floor, seeking an ever-increasing profit curve upturn, he may never have contemplated the drain of negative aspects of today's society. In many cases, the average businessman has never contemplated his neighbors who are depressed. He has insulated himself from them. He may, consciously or subconsciously, have expected government to handle such matters and to leave the profitmaking to the private sector. He justifes such thoughts with knowledge of the taxes that his firm and his family must pay.

The insulation of such a leader—for he is recognized as a leader as he rises in the business world—tends to reinforce his ignorance and apathy of social conditions. As he grows older on his business island, it is commonplace for him to think contemptuously of welfare

projects, of the unemployed, of the shiftlessness of the poor and their illegitimate children. He may or may not display his contempt publicly, but in either event, he is not likely to acknowledge that such social problems are his concern, his responsibility. This lack of gesture, this lack of recognition, is usually seen by the businessman watcher as a negative vote, and thus the businessman's playing no role comes to be thought an active role of commission, of negative commission. By his inaction, he influences all levels of government. He influences political decisions and he influences the character of national private programs to cope with negative aspects of a competitive society.

Insulation alone does not explain why the businessman's playing no role is an active role of commission. He may be downright bored by talk of pollution and housing. He may be constrained from involvement in a negative issue or "controversial civic decision" (like civil rights or the poverty program) by many of the following factors:

Fear of hurting the corporate image;

Fear of disapproval of high company authorities;

Concern over the corporate bureaucracy reaction;

Fear of customer reactions;

Fear of unfavorable publicity in community groups;

Ignorance of the issue and its background;

Insufficient time—time being committed to lesser issue;

Prejudice;

Lack of having been formally and intelligently approached;

Feeling that this is a job for someone else—an agency, a professional, the United Fund;

Feeling that this responsibility is fulfilled through contributions to the church;

Feeling that this is a socialistic idea;

Unwillingness to be identified with what seems a Democratic Party idea;

Fundamental belief that more jobs—which is his line—will solve the problems;

Fundamental belief that government, any government, weakens individual initiative, and thus social planning is evil.

Yet this same businessman is part of the important people. Considered as a community leader, an important taxpayer, an advertiser in major media, a board member of religious groups and private agencies, he stands at many points of the community compass, affecting the direction of city policy.

Thus, the important people perform an active role of commission by indicating their disinterest in poverty and civil rights, in pollution and waste control. The community, weighing its future, balances this large negative vote on its civic scale.

There are other ways in which business affects social programing. Though some businessmen can be involved in a particular issue, one finds the majority of them slow and careful when it comes to large social programs. In some cases, such programs are new to them, and caution is their watchword. They want research, discussion, pilot projects, demonstrations. These may last for years. Meanwhile, the executives move on to some other involvement. They are replaced. And the new man wants to go through the same cautious steps. During

this period, problems spiral; children grow; slums decay. The characteristics of the pilot and demonstration issues themselves may well change.

The current emphasis on consensus produces a weak community leadership posture on social issues. Today's community decisions are made in highly selective committees and seldom stem, as in business, from the dynamic force of one or two men. Erosion of the democratic process has produced an "Establishment" which feels itself capable of making decisions for the general good of the community. Wealth, business prestige, dependability, social status, and geographical location are usually recognized in the selection of a decisionmaking body. (In some circles, religion and ethnic identification are also used, but only as an adjunct to the former classifications.) The consensus thus represents the selected, and not the community at large. Recognizing what American society respects as being successful in life, we usually find the decisionmaking body more conservative than progressive, more conformist than innovative. Remote from the issues, even in times of crisis, it generally endorses minimal change. Such a group seldom reflects that the democratic process has, of late, bypassed the poor, the uneducated, and the minority communities. Such a group seldom realizes that *the lack of resident participation in the decisionmaking process is a major concern of those who work in slum and ghetto problems.* On less dramatic issues, such a group may feel it is someone else's responsibility to worry over general or regional problems.

Individual actions of city leaders also greatly influence a city's course. Businessmen and their wives live in the right parts of town, have a healthy income, and are recognized and awarded civic posts. They have the time to perform and see such positions as a way up the social ladder. Good works identify the executive to the boss outside the office, and to general society. Newspapers and their social pages are a useful tool in this whole exercise. But those who are climbing generally don't shake the ladder. The ground rules become particularly rigid in the Nation's second sized cities—the cities which claim few corporate headquarters.

In a sense, business has its own network. Rotary, Kiwanis, Lions, Downtown Businessmen, the city club, the lawyers' club—these are the media for facile, immediate communication among a city's business and professional elite. They are an orderly meeting ground for those who would move together without friction. The social interaction welds together a fixed, difficult to change communal attitude, or point of view. The group slaps itself on the back Tuesday at the club. It thinks alike at noon on Fridays. It can talk to its members by phone on sudden emergency issues. Such organizations become identified with the right influences in town. Many individuals seriously fear ostracism from such a group. It becomes a powerful force binding the local business world to frequently outmoded patterns of action.

Another uniting force often slows a community's progress. Strangely, this is the Red Feather-Community Chest-United Fund complex. Once an effort to make efficient the myriad charitable drives of a city, the grouping of do-good agencies now has become, in the eyes of many socially involved critics, an excellent example of half-

baked middle class socialism. The critics point out that money is raised by sentimental descriptions of the plight of widows and children, the crippled and the troubled, and that the money is divided by a budget review board comprised of the socially elite and their handpicked fellows. One result is that agencies serving predominantly middle class areas and middle class people—Boy Scouts, Campfire Girls, YMCA, YWCA, et cetera—receive the majority of the funds. Another result is that the businessman's participation in such agency planning simply insulates him from ghetto reality instead of permitting him new insights into his city's problems.

(This is not to say that public agency policies are wholly directed toward those that need the services. Even in public social service agencies, it is usually the vocal and the powerful most like the decision-makers who attract most of the services. Those who work in slum and ghetto problems regularly are aghast at the discrepancy between high level public policy pronouncements and the ghetto resident's meager receipt of services.)

In sum, we have the tacit "no" vote of businessmen to social involvement. Even in their consensus "yesses," we see overly cautious endorsement for minimal change. Social fears retard imaginative innovation. Tight ingroup policies and communications in conservative groups yield little support for dynamic, large-scale change.

Superb exceptions to this dreary picture do exist. The superexecutives—those who plot long-range policy on a national or worldwide basis—include many who see the problems of American urban areas as the problem of this quarter century. Time and again, this elite group is asked to advise and steer governmental decisions. They prepare policy statements and occasional white papers. That some national progress is being made is evidenced by the fact that all four major national business organizations have recently focused attention on urban areas and poverty. Several of the major business publications are focusing on the horribly complex problems of the Nation's ghettos and their residents. With good reason, they are also pointing to the immense markets represented by uplifting the impoverished poor. (The housing rehabilitation market in New York City alone is estimated at $8 billion.)

The influence of these exceptions is somewhat diluted by the growing corporate practice of establishing public affairs officers. Such individuals and their offices originated, in the main, during the Eisenhower years. They were politically motivated in the beginning. Top executives soon found out that their public affairs junior executives could not eliminate government, and the responsibilities then became one of governmental liaison and voter stimulation. Recently, there has seemed to be a great expansion of public affairs departments. Most seem primarily concerned with who in government makes the decisions, not what problems the decisions affect. In only rare instances are the public affairs officers of the caliber of the top officials, and the assignment of a social consideration to the public affairs officer generally can be considered to be a setback and a step down. It can be hoped that the national business organizations which endorse public affairs departments will soon ask for less politics and more performance from these delegatees of social conscience.

What Forces Might Change This Insulation?

There is no doubt that the country today is more aware of urban issues than it was 10 years ago. Social problems, general environmental problems have infiltrated the businessman's world. Slowly, the employer is analyzing the impact of his corporate decisions on the surrounding areas. Part of the credit should go to business journalism, business schools, and national business organizations.

Business journalism is a force in the private sector's daily conduct of its affairs. Major influences are the *Wall Street Journal, Business Week,* the daily and Sunday business section of the local newspaper, *Fortune, Forbes, Barrons,* and the more newsy *Time* and *Newsweek.* Only recently have the major publications stressed the need for business involvement in urban crisis issues, and then generally on the premise that the sums of money to be expended can only be properly handled by the experienced business mind. The subject of computer technology has intrigued many. The complexity of urban decision-making, and the failure of past blocks of power to head off the urban crises, has made computer approaches seem attractive. Business journalism seems confident that with such things as computers the businessman can once again control his city's future. Others, recognizing the difficulty of programing humanist approaches, are less confident. While stressing the new technology, business journalism has started to awaken the average businessman to the negative aspects of competitive society.

The national business organizations present an even more hopeful picture. The U.S. Chamber of Commerce, the National Industrial Conference Board, the National Association of Manufacturers, and the Committee for Economic Development all have shown recent interest in solving today's social and urban problems. Their approach differs and varies in substance. But the Nation's super executives have spoken through these media to their business brethren and have made it quite obvious to what degree business must involve itself in solving the situations most affecting the poor and the weak, as well as the rich and the powerful. To our knowledge, however, only the NAM has an action program with money appropriated to work on specific demonstration projects.

A study of today's business schools presents a different picture. As enunciated by several school deans, the schools are caught in a vise. Largely unendowed, the schools' existence depends on their ability to attract not only graduate students, but middle management and senior executives who feel the need of refresher courses and instruction in modern technology and economics. The character of the students and the executives becomes the stature of the school. Business schools thus pride themselves on the firms which send them enrollees. Such firms also may constitute the endowment.

The best of the schools rely heavily on case histories, case studies. In the main, these record past events which may or may not have been satisfactorily resolved. Few, if any, of such studies anticipate the 5- or 10-year future.

Most courses are elective—particularly those that adventure out beyond economics, management theory, and corporation issues. The further afield a course is judged by the enrollees, the lower the attendance.

Business school faculties seldom include aggressive social scientists. Seniority allows long term historical perspectives to dominate "crystal ball" gazers.

A dynamic business school dean thus is hamstrung when it comes to imbuing a sense of community conscience in his curriculum. If he persists, the enrollees may elect to shun the course. More important, the business clients may shun the school.

One can hope that the modern-day student will demand, as he has done in other schools, far better preparation in facing up to the problems of pollution, traffic, race, poverty, and the like as part of business' greater responsibility as a community management leader. The student may be the only hope for breaking the present cycle.

One other major resource is at hand: The management consulting firms. They have regular contact with many major employers. Unfortunately, their comprehension of today's urban needs seems minute; it is hard to find a management consultant firm with time to think ahead of society's needs. There is a recognition outside of their offices that human service—service to the individual in our society—may represent the major growth field for many an American corporation. It also may represent the major employment market for many of the Nation's less well educated people. Corporate attention thus would bring society a dual benefit. But among the Nation's management consulting firms, such terms bring a semantics problem: They don't understand the words.

Without a doubt, the best advocate of improved business involvement in urban and depressed area problems is the top executive who has come to realize that our great material wealth, and our fanatical pursuit of the dollar, have not convinced the world of the righteousness of our society. Such top leaders, all too rare, are now inundated with requests for their wisdom and their advice and their participation in social planning.

They may go down in history as ending up dollar-a-year men, but their true wealth will be measured in the quality of life they sought for even the least of their fellow men. One might do well to give these individuals the eminence of a Bernard Baruch or an Alfred P. Sloan. They are worthy of many more followers.

HAVING A BUSINESS LEADER, WHAT THEN?

Were one to develop these thoughts and stimulate a new generation of civic entrepreneurs, new tools would be needed to make the businessman effective in his urban problem solving. He would need to understand the degree to which other citizens, less well endowed, have been excluded from local decisionmaking.

The first corporations were of a not-for-personal-profit nature. We referred to the Massachusetts Bay Co. as an example. Perhaps we are far enough into the "era of the corporation—profitmaking version" to recognize that such a version has a certain effluence which pollutes a portion of the society much as industrial waste pollutes a stream and the atmosphere. This effluence may take the form of prematurely retired workers, nonemployed minority groups, or remotely taxed profits which cannot be used for locally generated costs. Such recognition then could lead us to develop new economic entities which permitted, under certain conditions, businesses to share their profits with the communi-

ties they adversely affect. Termed a "community corporation," such an economic entity falls somewhere between a kibbutzim and a company town.

In effect, the neighbors and the enterprise combine their goals to seek a common economic health. In counties and census tracts having low per capita incomes, and in such areas as are marked for special consideration by the new economic indices, a joint venture approach of Government and business which permits business profits seems in order. The private sector does have drive and initiative (though not as much as is generally allocated to it), does have money sense and a desire for economical performance. The Government does have a national perspective and a responsibility for a minimum national standard of living. Cannot the two be combined through new types of economic entities?

Such an entity must have active participation of all the parties concerned. Only thus can the frustrations of the nondecisionmakers be blunted. This means that the super efficient business decisionmaker will have to moderate his tactics and his views to compromise with the perhaps more sensitive, less talented urban dweller. We may be describing economic democracy as yet untried in this world. The success of such a concern may be measured as much in quality of participation as in piece rate per hour. The usual accounting of production per manday also may be in for a change. Businessmen can be expected to resist this; business schools will search futilely for case histories upon which to preach this. Yet this new accounting may be more honest than our present one.

TODAY'S BALANCE SHEET

Our Nation frequently is inclined to be gullible. A case in point concerns the poor. There are those that say that we are too beneficent because we are pouring out $40 billion per year in welfare. Few stop to think that such a figure is compiled from summing up all welfare, all social security, all medicare and medicaid plans, all unemployment compensation, all old-age and blindness assistance, all public clinics and many education efforts—in effect, all of our public programs. Those who thus compute our "welfare cost" seldom stop to realize that the Nation's poor—30 million—are computed *after* the expenditure of the $40 billion. Were it not for that expenditure, it is possible that the number of poor might amount to 100 million in our country. Our social accounting, our economic accounting, is often a superficial tool to prove certain predetermined points. An economic entity which judges its success in democratic participation, in steady employment, and in profits to those concerned has more inherent honesty in its accounting than the above figures.

Following any such financial accounting is tax reform. Taxes are the least used of the Nation's social working tools. Every high dollar earner shapes his life and his business practices in reaction to tax procedures. Yet this influence is seldom used to promote social understanding or to remedy economic inequities. Job openings can be facilitated by tax credits; housing rehabilitation and reconstruction can be facilitated by shunting tax depreciation to remodeling and rebuilding accounts.

The returning of capital money on an investment benefits society little when one enters into the social accounting the negative costs of a building no longer of beneficial service. Today's tax policy on tenements returns the capital invested, while ignoring the rapid deterioration of the structure. Today's tax policies also ignore the fact that much of today's housing for the poor has a shell life of 40 to 60 years, while the interior may have a life of 5 to 8 years.

REFORMS OVERDUE

Were the present nonsensical practices to have injured business, there would have been a hue and cry decades ago. One must remember that business frequently consults with those who shape the Government's guidelines. The business world can suggest to those whom they help elect that certain practices will work to the benefit or to the detriment of their segments of the society. For a long time, there was no such advocate for the poor in our society. Harry Truman once proclaimed that he was the lobbyist for 150 million nonspecial interests. He was not too far off. This is a Nation of pressure groups, and those that are not heard both frequently and well seem to be less considered than those that are loud and persistent. A study such as that which this joint committee is undertaking must seek out the unusual voices in such matters. There is sufficient evidence of economic dislocation in this country this summer to warrant a determined analysis of alternate answers to slum economics. The rapidly degenerating urban environment demands greater recognition of the individual's rights in city living. As this committee knows well, it is almost impossible to write a law which will be carried out with the full intentions of the Congress when the act is considered. It is particularly difficult to do so when there are not equal adversaries helping to shape the bill. It is almost inevitable that you will hear weak arguments from the private sector on the need for their greater involvement in social programing. There are but a few foundations—very few—and a few nonprofit corporations which will speak forthrightly and intelligently on the need for updated private sector involvement.

A side issue to be addressed by these deliberations is how to shape urban policy in a better manner than has gone before. Corporations have profits. They can buy lobbyists and legal advisers who can work with, and on, Government issues. They can make their presence known. Every nonprofit corporation fears being too dynamic in the shaping of legislation, lest the organization's opponents mount a campaign to cancel the corporation's tax-exempt classification. A clear definition of the role of nonprofit corporations vis-a-vis the shaping of social legislation would permit the nonprofit, private sector to know better where it stands.

SUMMARY

The corporation should not be considered the perfect economic vehicle—we speak of both morals and efficiency. Perhaps there need be other vehicles for tackling the economy of a depressed or troubled urban area.

The profit-and-loss mentality of a corporation might be applied to a census tract or a community, to a county or a region. As with a corporation, there are many ways to do the accounting.

An economic measuring stick for our society, which encompasses both positive and negative elements, can be valuable. It can provide a community with a better analysis of its economic health, its social well being, than exists to date. Computers can make the measuring sticks reflective of changes for good and for evil.

Business which adversely affects a community should be asked to participate in economic entities which compensate for the adverse effects. The decisionmaking for such entities should be shared with the community. The rationale is simple: it will cost dollars either way, but the private approach may well be cheaper.

The forces which have prevented full business understanding of depressed economic issues must be recognized; the businessman is often a captive of outdated philosophies and facts. He should be invited to the social programing table with an equal portion of esteem to that given the teacher, the ethnic group leader, and the social activist. He can bring to that table certain special expertise, but he, too, is limited to certain fields.

The multiple nature of a businessman's influence should be noted. Perhaps it is comparable to the six witnesses who reported on six snipers in the recent Detroit riots: they all saw the same event. Similarly, if a businessman makes a decision, and publicly states it, it may be repeated through his firm, his legal advisers, his trade organization, his advertising medium, his customers, his bankers, and his service or professional clubs. The opinion is still only one man's opinion, but it gains force through repetition.

The improved education of businessmen is to be sought. They, as civic leaders, must comprehend more of their society than that which can be seen through a United Fund board. They, as businessmen, should be shown the potential market in facing up to the urban condition of today.

The public affairs responsibility must be better directed and more forthrightly implemented.

Business schools and business journalists must be urged to broaden their viewpoints and to better prepare businessmen who will become major community decisionmakers.

Someone had better start advising businesses on the present unfulfilled leadership roles in today's society, and on the future markets which will need new types of executive understanding. Management consulting firms are not playing that role today.

The businessmen who today understand the total picture of our competitive society must be given more recognition of their talents, and ways must be found to stimulate others to follow in the steps of the few.

When new economic entities are developed for depressed areas, the economic wealth and the decisionmaking need to be shared in such areas.

We need to be more honest in our social and economic accounting. Our whole Nation benefits from many of our common welfare approaches.

Our tax laws can be a social working tool; they can be revised to stop rewarding those that drag down the portions of our society.

Legislation for distressed urban conditions must seek out proponents of new ideas, for they are usually ill financed and afraid of risking their tax-exempt status.

In closing, one might point out that great private wealth is a product of a relatively free society. Many generators of such wealth have formed foundations to benefit mankind and to reduce their taxes. These foundations should be the "point of the lance" in finding new solutions to a troubled Nation's problems. Sadly, the number of foundations aggressively seeking new social answers is few, and the spirit of almost all seems weak.

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