507

REGIONAL PLANNING ISSUES

HEARINGS

BEFORE THE

SUBCOMMITTEE ON URBAN AFFAIRS

OF THE

JOINT ECONOMIC COMMITTEE

CONGRESS OF THE UNITED STATES

NINETY-FIRST CONGRESS

SECOND SESSION

PART 1

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REGIONAL PLANNING ISSUES

TUESDAY, OCTOBER 13, 1970

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON URBAN AFFAIRS
OF THE JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The Subcommittee on Urban Affairs met, pursuant to notice, at 10:05 a.m., in room S-407, the Capitol, Hon. Richard Bolling (chairman of the subcommittee) presiding.

Present: Representatives Bolling, Reuss, and Brown; and Senator Javits.

Also present: James W. Knowles, director of research; and George D. Krumbhaar and Leslie J. Barr, economists for the minority.

Chairman BOLLING. The subcommittee will be in order.

This morning the Subcommittee on Urban Affairs of the Joint Economic Committee begins 3 days of public hearings on issues related to urban planning. This hearing grows out of the subcommittee's attempt to take a long-range look at the forces and issues underlying the widespread dissatisfaction with conditions of life in our urban communities.

We have, of course, also been concerned with the issue of the urban-rural balance.

Running through our studies from the time of our first compendium entitled "Urban America: Goals and Problems," has been the disturbing fact that the problems to be solved do not seem to have the same geographic boundaries as governmental units. Nor were citizens necessarily satisfied to solve the problems by continuously changing political boundaries. Indeed, recent political debate both in the public arena and in professional circles centered around two seemingly, at least two seemingly contradictory ideas.

On the one hand, there is a rising trend of devotion to grassroots democracy, suggesting a reversal of the tendency in the 19th and early 20th centuries toward increasing the size of metropolitan governments. This has led to demands for neighborhood or local community control for schools, police, and other functions.

On the other hand, there are those who find prospects for solving urban problems only by continuing along the line followed in the 19th century of expanding the metropolitan government through the so-called metro or various multijurisdictional authorities. Not merely have trends of thought and aspiration been at odds but many centers of the metropolitan life span; not merely a city and its suburbs but also more than one State. New York City with its over 1,400 jurisdictions over three States is the best known example, although there are many others, and I happen to represent a community which falls into this category.

If this was not bad enough, our studies suggest, too, that a real question can be raised as to whether the optimum scale or size of unit for solving local problems is the same for all functions. Some of the multiplicity of Government units has arisen for this reason.

The area to be covered by a public transportation authority such as one handling airports or similar facilities might be quite a bit larger than one for elementary school. Thus, we are left in the situation that there is widespread agreement that something is wrong at the State and local level of government, but a lack of precision in agreement as to the cure.

The subcommittee, therefore, is looking forward to these hearings in the hope of clarifying the issues at the very least and perhaps before we are through, finding guidelines for progress toward answers. And I would like to make clear at this point that none of the apparent conflicts that I have mentioned seem to me to defy reconciliation and solution. It happens that I grew up in the Tennessee Valley area where there was an overall regional plan that encompassed a number of States and very complicated problems, and yet there was probably the most effective use of so-called roots democracy in the modern experience of the Federal Government. Of course, that came not so much from law as from the rather remarkable leadership of some of the members of the Tennessee Valley Authority Board.

But we are hopeful that we will move toward some kind of a better understanding of the problems and the various points of view of the problems.

We appreciate the willingness and even enthusiasm of potential witnesses to participate in these hearings; and we were in the fortunate situation of being able to select from among many and in the unfortunate situation of having to turn down a good many potential witnesses, all of whom we hope will submit statements.

Today we hear, I hope finally, from three outstanding experts—at the moment I have two in view—from widely different sections of the country. All of them have had extensive training and experience. The one who is not yet here is Dr. Alan Altshuler, professor of political science at the Massachusetts Institute of Technology. We hope he will arrive.

The second, Dr. Alan K. Campbell, dean of the Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University.

And finally for today, Dr. Victor Jones, professor of political science, University of California.

We will hear from each of you to summarize your views in roughly 10 minutes and then we will have a discussion between the subcommittee and the panel to try and clarify the issues that arise.

Just in the instant of time, Dr. Altshuler.

Mr. ALTSHULER. Thank you very much. Sorry for the delayed plane.

Chairman BOLLING. We will go off the record.

(Discussion off the record.)

Chairman BOLLING. I think I will stick to the regular order but give you a little time to prepare yourself. You are our first witness. This will also give Mr. Reuss time to arrive and seat himself.

Dr. Altshuler, we are delighted to have you with us and you will lead off, as I said, with a roughly 10-minute statement and we will put your whole prepared statement in the record and then we will discuss it after each of the three has had his opportunity.

STATEMENT OF ALAN ALTSHULER, PROFESSOR OF POLITICAL SCIENCE, MASSACHUSETTS INSTITUTE OF TECHNOLOGY, CAMBRIDGE, MASS., AND TRANSPORTATION ADVISER TO GOV. FRANCIS W. SARGENT OF MASSACHUSETTS

Mr. ALTSHULER. Thank you very much. Mr. Chairman and Congressman Reuss, thank you very much for inviting me. It is a pleasure to be here today.

I have in my prepared statement described a transportation planning and decision process which we have been developing in the State of Massachusetts over the past year and which I have been very deeply involved in developing. I believe that this decision process is significant for two reasons. One, as an indication of the way in which it is possible to combine regional planning for transportation, in which Federal policy is very deeply involved, with a very great amount of participation from neighborhood and small urban communities within regions. And secondly, I think it is extremely important with respect to the development of urban regional government.

What I would like to do is to focus during these oral remarks on the question of why we have looked to the Governor and to his future Secretary of Transportation, rather than to local and regional officials, to guide the process of transportation policymaking for the Boston region. I might say that this is a governmental process that I am talking about, not simply a planning process, one in which the Governor of the State is acting very self-consciously as the mayor for the Boston metropolitan region.

The reasons for looking to the Governor are simple.

First, some of the key programs (most notably, the highway program) have long been conducted at the State level, and are highly unlikely to be susceptible of devolution in the near future. Second, no regional government exists in Boston.

We have judged that widespread participation by municipalities and interested private groups in the transportation planning process is essential if that process is to achieve a high degree of public support. We have recognized, however, that unanimous agreement is a most unlikely outcome of the planning process. It is at least as important, therefore, that the governmental structure concentrate the authority to decide as that it provide for open and participatory planning.

Boston's existing regional agencies are all either specialized in function or totally lacking in any capacity to make controversial decisions. In the view of the task force on transportation which I chaired, and of the Governor, to assign transportation policymaking to these institutions would be to invite paralysis. Nor, I might add, does the creation of a strong regional government appear likely to become feasible in the near future.

The weakness of regional institutions is a phenomenon common to nearly all American metropolitan areas, the more so as they spill over county and State lines. The Boston region, fortunately, is confined to one State. But county government is extremely weak in New England; the region's cities and towns are extremely numerous—the Metropolitan Area Planning Council at present includes an even

100; and some are more than 300 years old, older than the Commonwealth itself. The central city, moreover, contains little more than one-fifth of the region's population, and thus is in a weak position to exercise metropolitan leadership.

It has proven extremely difficult over the years to mobilize the region's cities and towns for any sort of collective effort. Thus, the region was one of the last in the Nation, among those of substantial size, to establish a metropolitan planning agency. And it still lacks a regional council of governments.

The other side of the coin is that the State government of Massachusetts is unusually well-suited to provide the lead with respect to Boston regional problems. Boston is the State capital, and the Boston region contains about half the State's population. This is a reason, parenthetically, I have noted, why many State officials would be highly reluctant to establish strong regional government for the Boston area. It would tend to supplant State government insofar as that area is concerned.

This State house is right in the heart of downtown Boston, so that all key State officials bear daily witness to the problems of the regional core. They are also, for this reason, highly accountable to local public officials and to associations of concerned private citizens.

There is a long tradition in Massachusetts of establishing regional institutions within the framework of State government. The key existing regional institutions at the moment are the Massachusetts Bay Transportation Authority, which operates the regional transit system; the Metropolitan District Commission, which operates the region's parkways, which provide about half of the limited access highway capacity into downtown Boston, and the Massachusetts Port Authority, which operates Logan Airport and a major bridge that provides motor vehicle access to downtown Boston from the north. The two other major transportation agencies are statewide in jurisdiction. The Massachusetts Department of Public Works is the State highway agency. The Massachusetts Turnpike Authority operates the key highway link (a toll road) between Boston and the west. In addition, it operates two tunnels which, together with the port authority's bridge, carry the vast bulk of traffic to and from the north.

All of the above are organized as State agencies, with their boards appointed by the Governor, and with legislative and/or gubernatorial approval required for nearly all their capital investment activities.

Thus, we currently look to State government to establish a viable transportation planning process for the Boston region, and to supply the capacity for decision, coordination, and mobilization of resources needed to make planning an activity worthy of the attention of serious men in the region.

The expectation for next year is that the executive office of transportation and construction will include in its top echelon two deputy secretaries, one for the Boston region and one for the remainder of the Commonwealth. Both, of course, will report to the secretary and through him to the Governor of the State.

Meanwhile, the Boston Transportation Planning Review is gathering steam. Let me pause for a word about the origins of this review.

In October 1969, Governor Sargent appointed a task force in transportation to examine the State's policies and plans for transportation

in the Boston region. I served as chairman of that task force. Early in 1970, in response to task force recommendations, the Governor suspended planning and design work on most of the projected interstate highways and rail transit extensions within 10 to 12 miles of the regional core. On the whole, the ones that he did not stop were those already under construction.

As he announced these suspensions, the Governor also announced the establishment of a comprehensive transportation planning review to advise him on the transportation needs of the Boston region. This review was to deal with all modes of intrametropolitan transportation, to evaluate options in light of the full range of metropolitan values, and to be as open and particularly as possible.

The Governor subsequently asked me to manage the Boston Transportation Planning Review, operating out of his office and reporting directly to him.

Those currently involved in the review include all of the relevant State agencies (including natural resources and community affairs as well as the transportation agencies), 12 general-purpose local governments, and interested private groups ranging from the Greater Boston Chamber of Commerce to a coalition of neighborhood associations. The review process is defined as advisory to the Governor. He in turn is committed to providing the governmental authority and political energy required to implement either the consensus recommendations of the review participants or, where they cannot agree, his own choices among the options they throw up to him.

For the past several months a wide range of State agency, local government, and private group representatives have been working closely with me (and with consultant staff) to prepare a study design. This study design is currently in a second draft. Within several weeks a polished version should be ready for transmittal to Washington as a formal application for funding. I might say there have been substantial informal consultations and negotiations with the Department of Transportation already.

Federal officials inform me that our study design process has been far and away the most participatory ever conducted in the field of transportation. The agency and group representatives have met collectively with me 6 to 10 hours every week. The State and local agency representatives are very senior within their organizations, yet many have devoted half or more of their time to participating in this process over the past several months. Outside the general meetings, they have prepared written critiques of the consultant's drafts and of each other's memorandums. They have engaged in such interagency liaison. They have kept their agency colleagues informed. And they have sought continuous guidance from their superiors. The private associations have had to rely primarily on volunteer talent, but the interest of Boston area professionals in this process is high, and the quality of private group participation has been likewise.

Needless to say, a planning process can attract this sort of attention only when the issues dealt with are felt to be momentous, and when it is widely believed that the link between planning and decision will be close because of the personal interest and the assurances that Governor Sargent has provided to this process, both of these factors are currently operative in the Boston transportation planning review.

Will the design that we are seeking to implement work? I confess that I do not know. We face an election in a couple of weeks. There are severe uncertainties in any event in that this is an unprecedented process, but given continuity and top political leadership and the Federal decision to help fund the Boston transportation planning review, I hope to be in a much better position to say a year from now.

In conclusion, let me note that although I have written academically more generally about the problems of regional government, and I have appended excerpts to my prepared statement from several of those writings for the printed record, it seemed to me I could make my greatest contribution today by discussing this experiment in limited regional government—through the mechanisms of State government—which has been the deepest involvement of my life over the past year.

Thank you very much.

Chairman BOLLING. Thank you.

(The prepared statement and appended excerpts of Mr. Altshuler follow:)

PREPARED STATEMENT OF ALAN ALTSHULER

Mr. Chairman and members of the Subcommittee, it is a great pleasure and privilege to be here. What I should like to do is describe the current effect by Governor Sargent of Massachusetts, in which I have been deeply involved, to develop a new transportation planning and decision process for the Boston region. I have written elsewhere more generally about the themes of metropolitan government and planning,[1] but I believe that I can make my greatest contribution today by concentrating on this specific recent development, which I believe to be of great national significance.

The background may be reviewed briefly. On taking office in January 1969, Governor Sargent found himself confronted with a host of intense controversies about transportation in the Boston area—having to do most intensely with proposed freeway construction, but also with transit and airport development.

In October 1969, he announced the appointment of a special task force to review the transportation programs of the region, particularly with respect to whether they took adequate account of such values as the following: housing, neighborhood preservation, environmental quality, and economic development.

I served as chairman of that task force. Its other members were transportation professionals from a variety of disciplines relevant to transportation planning—ranging from civil engineering to architecture, finance, operations research, and environmental biology.

Early in 1970, the task force recommended that design work on most of the Interstate highways scheduled for the area within Route 128 (a circumferential freeway running 10–12 miles from the regional core) be halted. Also included in the proposed moratorium were a major scheduled non-Interstate freeway and several important rail transit extensions. The task force urged that a comprehensive planning review, led from the Governor's Office, be inaugurated to advise on where the region should go from here with respect to transportation.

The Governor adopted these recommendations in their entirety. The televised address in which he announced this dramatic revision of state transportation policy is appended as an attachment to this statement.

Subsequently, the Governor asked me to guide the comprehensive planning review. The task of getting that review under way has occupied a large portion of my time for the past seven months.

Meanwhile, the task force continued its work, turning largely this past spring to the kind of planning and decision process that the Commonwealth should establish for transportation over the coming years. Our report on that subject, as well as several others, was submitted to the Governor in June, and published with an endorsement by him about a month later.

The Governor's current aim, following the task force recommendations, is to have the special review of transportation needs within Route 128 serve as a prototype for all regional transportation planning in the Commonwealth.

[1] Excerpts from several of these writings are appended as attachments to this statement.

Our hope is that the review will gradually come under the direction of the state's Secretary of Transportation and Construction during 1971. The legislature has authorized this position, the top one in a new Executive Office of Transportation and Construction, effective April 30, 1971. Eight other Executive Offices will also commence operation that day, as part of a broad reorganization of the Massachusetts executive branch. These will be umbrella agencies on the model of the Federal departments, and it is intended that their Secretaries will constitute a Governor's Cabinet.

For the time being, however, the Boston Transportation Planning Review (as it is formally known) is being led directly from the Office of the Governor. As manager of the Review, I report directly to the Governor.

The key characteristics that have been prescribed for the Review are the following:

1. It will include all facilities intended primarily to accommodate intra-metropolitan travel. In addition to high speed freeways and line-haul transit facilities, these include arterial and local streets, non-radial transit services, and parking facilities.

2. It will be multi-value in orientation. That is, it will give as much consideration to the by-products of transportation investment alternatives as to their intended transportation effects. These by-products will normally include the following:

Effects on the supply of low and moderate income housing;
Effects on the supply of recreational open space;
Air and noise pollution impacts;
Land-use development impacts;
Effects on such social values as racial integration and neighborhood stability;
Local tax base and employment impacts;
Effects on the visual attractiveness and overall congeniality of the urban environment.

The emphasis will not be on assigning dollar values to all identifiable costs and benefits. It will rather be on: (a) describing the likely consequences of each policy option as precisely as possible, whether or not they can be quantified; (b) conducting sensitivity analyses to help evaluate the significance of risks and uncertainties, and (c) designing from the start to achieve an optimal reconciliation of the main values identified—rather than designing initially with narrow values in mind, and then seeking to accommodate other important societal values by "tinkering" at the margins.

3. The process will be participatory but decisive. The aim is to demonstrate that participatory planning can produce results. The participatory aspect, we have said, should infuse the entire process by which options are conceived and analyzed. But its role should be to inform rather than supersede the regular governmental process. We work to facilitate decisiveness by concentrating great authority in the Governor and, beginning next spring, his Secretary of Transportation. Put another way, the process will involve a sustained dialogue among the widest possible range of interested parties; but it will be deadline- and action-oriented.

4. The planning orientation will be incremental—i.e., tied to short-term investment options, favoring investments that can justify themselves within a relatively short period, oriented over the longer term as much toward keeping future options open as toward responding now to problematic forecasts of future need.

Long term planning, we have concluded, should be focused primarily on the future implications of decisions that have to be made soon. It should be acutely alert to the increasing uncertainty of longer and longer range forecasts. It should elaborate the importance of staging options (e.g., highway before transit facilities on a given corridor, or vice versa) and transition costs (e.g., disruption during construction of major facilities). Its basic value priorities should be subject to frequent review and revision.

5. The process will focus on the design and evaluation of program packages. These will be related to major decision situations (e.g., whether to build a proposed Interstate freeway, what to do about the immobility of the inner city poor). Each will include a broad set of proposed projects and policies, ranging from freeway and rail transit construction to policy with respect to jitneys and downtown parking charges.

The aim is to combine concreteness with a broad systems orientation. By focusing on carefully designed program packages, we hope to be able to study and assess the full range of consequences, both intended and unintended, that each is likely to have.

6. The process will analyze the pros and cons of a variety of alternative program packages in each decision situation, so that responsible top officials may be presented at the end with genuine options. They should be in a position to choose with full information about the costs and benefits to all segments of the metropolitan population of each alternative.

7. The process will proceed on several levels more or less simultaneously, and it will be highly iterative. By the first, I mean that studies of regional network needs will proceed more or less simultaneously with those of the desires and needs of subareas, ranging down to the neighborhood scale. We reject the idea that regional interests, however mild, must invariably prevail over neighborhood interests, however critical. The proper balance to be drawn between regional and subarea needs, we judge, is one that must be determined for each decision situation on its own merits. And the difficult decisions should be made by top elected officials or their immediate trusted subordinates.

By 'highly iterative', I mean that the planning process will repeat the cycle of creation several times within a relatively short period. From an intensive period of 'quick and dirty' sketch planning and evaluation, it will move to the relatively careful design and comparison of three or four alternatives in each decision situation. It will reassess these alternatives after six or eight months, however, to see what revisions seem called for before moving to the next level of detailed design and evaluation. A highly deliberate choice has been made to sacrifice some elegance in the studies that shall be performed in order to facilitate frequent iteration.

The Boston Transportation Planning Review, I might note, is scheduled to take about 18 months from the date of Federal funding, and the hope is to achieve three iterations in that time. Most transportation planning studies in the past, by comparison, have taken three to eight years per iteration.

Let us turn now to the question of why we look to the Governor and his future Secretary of Transportation, rather than to local and regional officials, to guide the process of transportation policy-making for the Boston region.

The reasons are simple. First, some of the key programs (most notably, the highway program) have long been conducted at the state level, and are highly unlikely to be susceptible of devolution in the near future. Second, no regional government exists in Boston.

We have judged that widespread participation by municipalities and interested private groups in the transportation planning process is essential if that process is to achieve a high degree of public support. We have recognized, however, that unanimous agreement is a most unlikely outcome of the planning process. It is at least as important, therefore, that the governmental structure concentrate the authority to decide as that it provides for open and participatory planning.

Boston's existing regional agencies are all either specialized in function or totally lacking in any capacity to make controversial decisions. In the view of the task force and of the Governor, to assign transportation policy-making to these institutions would be to invite paralysis. Nor, I might add, does the creation of a strong regional government appear likely to become feasible in the near future.

The weakness of regional institutions is a phenomenon common to nearly all American metropolitan areas, the more so as they spill over county and state lines. The Boston region, fortunately, is confined to one state. But county government is extremely weak in New England; the region's cities and towns are extremely numerous (the Metropolitan Area Planning Council includes an even one hundred); and some are more than 300 years old, older than the Commonwealth itself. The central city, moreover, contains little more than one-fifth of the region's population, and thus is in a weak position to exercise metropolitan leadership.

It has proven extremely difficult over the years to mobilize the region's cities and towns for any sort of collective effort. Thus, the region was one of the last in the nation, among those of substantial size, to establish a metropolitan planning agency. And it istill lacks a regional council of governments.

The other side of the coin is that the state government of Massachusetts is unusually well-suited to provide the lead with respect to Boston regional problems. Boston is the state capital, and the Boston region contains about half the state's population. (This is a reason, parenthetically, why many state

officials would be highly reluctant to establish strong regional government for the Boston area.) The State House is right in the heart of downtown Boston, so that all key state officials bear daily witness to the problems of the regional core. They are also, for this reason, highly accessible to local public officials and associations of concerned private citizens.

There is a long tradition in Massachusetts of establishing regional institutions within the framework of state government. The key existing regional institutions at the moment are the Massachusetts Bay Transportation Authority, which operates the regional transit system; the Metropolitan District Commission, which operates the region's parkways in addition to performing a variety of non-transportation functions; and the Massachusetts Port Authority, which operates Logan Airport and a major bridge that provides motor vehicle access to downtown Boston from the North. The two other major transportation agencies are statewide in jurisdiction. The Massachusetts Department of Public Works is the state highway agency. The Massachusetts Turnpike Authority operates the key highway link (a toll road) between Boston and the West. In addition, it operates two tunnels which, together with the Port Authority's bridge, carry the vast bulk of traffic to and from the North.

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Thus, we currently look to state government to establish a viable transportation planning process for the Boston region, and to supply the capacity for decision, coordination, and mobilization of resources needed to make planning an activity worthy of the attention of serious men.

The expectation for next year is that the Executive Office of Transportation and Construction will include in its top echelon two Deputy Secretaries, one for the Boston region and one for the remainder of the Commonwealth. Both, of course, will report to the Secretary and through him to the Governor. The former Deputy Secretary will have immediate responsibility for guiding the Boston regional transportation planning process, and for relating actual decisions to it. The latter, presumably, will establish and guide regional transportation planning processes for the state's other urban areas.

Meanwhile, the Boston Transportation Planning Review is gathering steam. For the past several months, a wide range of state agency, local government, and private group respresentatives have been working closely with me (and with consultant staff) to prepare a study design. This study design is currently in a second draft. Within several weeks a polished version should be ready for transmittal to Washington as a formal application for funding. The estimated time and cost of the Review are eighteen months and $3.5 million.

Federal officials inform me that our study design process has been far and away the most participatory even conducted in the field of transportation. The agency and group representatives have met collectively with me six to ten hours every week. The state and local agency representatives are very senior within their organizations, yet many have devoted half or more of their time to participating in this process over the past several months. Outside the general meetings, they have prepared written critiques of the consultant's drafts and of each other's memoranda. They have engaged in much inter-agency liaison. They have kept their agency colleagues informed. And they have sought continuous guidance from their superiors. The private associations have had to rely primarily on volunteer talent, but the interest of Boston area professionals in this process is high, and the quality of private group participation has been likewise.

Needless to say, a planning process can attract this sort of attention only when the issues dealt with are momentous, and when it is widely believed that the link between planning and decision will be close. Both these factors are currently operative in the Boston Transportation Planning Review.

Will the design that we are seeking to implement work? I confess that I don't know. Given continuity in top political leadership and a Federal decision to help fund the Boston Transportation Planning Review, I hope to be in a much better position to say a year from now. We may find that, in solving some of the problems of the past, we have created new ones as serious. But Governor Sargent and a great many other people in Massachusetts are firmly committed to making this process work. I have judged that it merited your attention today, and I believe that it warrants continued close monitoring over the next year or so by those with a serious interest in the governance of American urban regions.

GOVERNOR'S PRESS OFFICE—STATE HOUSE, BOSTON

(Release No. FE–53)

FOLLOWING IS THE COMPLETE TEXT OF GOVERNOR SARGENT'S TRANSPORTATION POLICY ANNOUNCEMENT, WEDNESDAY, FEBRUARY 11, 1970, AT 7:30 P.M.

I have asked to speak to you tonight to report one of the most far-reaching and significant decisions I have made during my term as Governor.

I have decided to reverse the transportation policy of the Commonwealth of Massachusetts.

The decision has immediate effect on the metropolitan Boston area, long-range effect on the state as a whole, and, it is my hope, major effect on the entire nation.

Last May, I announced a reappraisal of this state's policy on transportation. I asked a special Task Force to conduct that reappraisal and to answer certain questions. Here are the questions—and the answers.

Are we *really* meeting our transportation needs by spending most of our money building roads? The answer is no.

Are the roads we *are* building too costly—not merely in dollars, but in what they cost us in demolished homes, disrupted communities, dislocated lives, pollution of the air, damage to our environment? The answer is yes—they are too costly.

The most important question is this: what should we do?

I am here tonight to answer that question—clearly, plainly, and without doubletalk, for there has been enough of that.

My answer takes the form of local, state, and national decisions.

First, metropolitan Boston. Today construction is planned for several controversial transportation facilities—all of them highways. Extension of Route 2, the Inner Belt, the Southwest Expressway, and Interstate Route 93 through Charlestown and Somerville.

First, Route 2 and the Inner Belt. Pending today is a five and a half million dollar study of this project. It is called the Task B study and it is scheduled to take 18 months to fix the route of this highway.

I have decided not to approve it. It is too expensive. It would take too long—and, most important, it would consider only *where* and how to build expressways, not whether to build them at all.

And that last point is the critical question—whether to build them at all.

Instead of the Task B study, I have decided on a new approach. I call it the Balanced Transportation Development Program and I will ask approval of it from the United States Department of Transportation.

This program will cost not five and a half, but three and a half million dollars, 90% of which will be federal money. It will operate for 12 months instead of 18. And, most important, its considerations will be far more relevant *to our real needs* than the Task B study would have been.

This new program will be a first in the nation.

For the first time a metropolitan transportation plan will be developed that is free of outdated ideas and obsolete myths.

The plan will be based on an answer to the question I called critical a moment ago—not *where* an expressway should be built, but *whether* an expressway should be built. It will integrate road-building with mass transit—and it will study some of these other, imaginative means of moving goods and people: park and ride system, metered traffic on expressways, special bus-lanes, and the host of other space-age approaches now available to the transportation planners.

We must plan for tomorrow, not for yesterday.

My new Balanced Transportation Development Program will also embrace the Southwest Expressway Corridor. The state now owns three-quarters of the land in that Corridor. We are committed to use of that Corridor. Plans now call for highway construction there—massive highway construction: an eight-lane highway, plus four extra breakdown lanes.

The *old* plan does call for rapid transit in this Corridor. But it does not consider its proper integration, or other innovative transportation alternatives now avalable to us. And it emphatically does not consider the impact on the environment—on housing, on land-use, on people.

I have decided that it must.

My new program will be broad in scope and will consider all aspects of development of a transportation system in the Corridor, for, I repeat, a transportation line *must* be constructed there.

And, it may well be that a highway will be part of that system.

But before we go further, let us know certainly *where* we are going, *how* we are going.

One important footnote. While we consider a new plan for use of the Southwest Corridor, Boston faces a major housing shortage. Today, there are 475 livable housing units standing in the Corridor.

I have ordered a halt to their demolition.

The houses and industries not yet acquired by the Commonwealth will *not* be acquired, unless their owners ask that they be, or unsafe conditions demand that they be.

Those housing units unfit for habitation in the Corridor will be demolished immediately.

I turn now to Route 93. There are those who say *all* highway construction within Route 128 should stop. They clamor for what they call a moratorium, and they include Route 93 in this unrealistic idea. The result of their proposals would be not a moratorium on construction, but a moratorium on movement within the Route 1228 area. I cannot agree to so irresponsible a plan.

I have decided to order the immediate completion of Route 93 from its present terminus in Medford to the proposed link with the Central Artery. That project makes sense. It shall go forward.

It should be clear by now that the Balanced Transportation Development Program I announce tonight is a totally new concept, not only for Massachusetts, but for the nation.

I envision this program altering the nation's transportation thinking for decades to come. It will affect San Frnacisco and Atlanta as well as Springfield and New Bedford, Worcester and Fall River, Lowell and Lawrence.

Every state, Massachusetts included, is afflicted today by a national transportation policy that is out of date, out of touch with today's realities.

Federal aid to states for transportation today consists mainly of money for highways—ninety cents on every dollar spent by a state.

But most metropolitan areas need rapid transit systems and federal money for them is skimpy. In the Boston area, as an example, 79 cities and towns must use tax dollars to finance MBTA growth—and that burden is increasing to unbearable levels.

Further, major federal money for highways, but only minor federal money for mass transit denies cities and towns the right to choose what kind of transportation is best for them. They are left with either building highways or building nothing.

I have decided to do something about that. I will attempt to change national transportation policy. I will go to the Congress with these plans to amend federal law.

First, that the Federal Highway Act of 1970 permit states to use Interstate Highway Funds for mass transit systems of all kinds, not just highways.

Second, that that same act permit use of such funds for building and improving arterial streets in cities, not just for expressways.

Third, that that same act permit use of such funds to build houses replacing those demolished for transportation construction. We have in Massachusetts today a good plan for relocating families dispossessed by highway construction. We compensate some. We underwrite rents for others. We protect individuals. But we don't meet community housing needs generally. Last year, Boston built only 109 low income housing units, only 1200 moderate income housing units. Yet the present Southwest Expressway plan would wipe out a thousand units—with no plan to replace them, no funds to finance a plan.

That doesn't make sense.

And so, I will appeal to Congress. And I will propose an amendment to our own state constitution to permit broader use of our own highway money.

Proposals, of course, are not enough. They must be backed by action.

I shall go to Washington to work for these plans. I shall ask the help of our Congressmen, the help of our Mayors of major American cities, the help of Governors in states with major urban areas.

I shall ask the help of the President of the United States.

Most of all, I shall ask and I shall need *your* help.

Four years ago, I was the Commissioner of the Department of Public Works—our road building agency. Then, nearly everyone was sure highways were the only answer to transportation problems for years to come.

We were wrong.

Today *we* know more clearly what our real needs are—what our environment means to us—what a community means to us—what is valuable to us as a people.

Today, I know, as Governor of this state, that the errors of the past will cost us dearly if we do not correct them immediately.

We must move quickly.

I mean to do so. Thank you.

[Excerpts from "Community Control: The Black Demand for Participation in Large American Cities," by Alan A. Altshuler, Pegasus—New York, 1970]

WOULD COMMUNITY CONTROL REDUCE THE CAPACITY OF LOCAL GOVERNMENTS FOR VIGOROUS ACTION, AND FOR ACTION BASED ON CITYWIDE RATHER THAN MORE PAROCHIAL CONSIDERATIONS?

Some who maintain that it would are primarily fearful of excessive citizen participation, others of excessive fragmentation of authority among organized political units.

Those in the first category emphasize the difficulty of getting large numbers of citizens to agree, particularly on programs that might inconvenience some of them. In any group of men, it is charged, the capacity to act falls off sharply as the number of people who have to agree increases. But groups of laymen—and especially groups of poorly educated laymen with little or no administrative experience—have particular handicaps as decision makers. They have little time to devote to consideration of the issues; their concerns are selfish and immediate; they lack technical competence; they are both timid and suspicious—which is to say, they are easily frightened of anything unfamiliar; they are unwilling to delegate any responsibility to staff; and they are unable to make hard choices. Their deliberations tend to be endless. If policies are ever adopted, they tend to be extremely short run and conservative—giving each interest a little bit more of what it already knows and values. As the typical citizen values effective government much more than he values participation, however, the result of trying to involve and please everyone may be to please no one.

Sidney Verba, for example, writes that the greatest dilemma of participation is its apparent conflict with the efficient attainment of other social goals:

> Effective governmental programs may require slow and careful planning, technical control, and a willingness to defer gratification. Programs based on widespread participation are likely to represent greater compromise and less careful planning and technical control, and to be aimed at relatively rapid gratification. The best calculated plans of urban developers are shattered in clashes with the residents whom the development displaces; the calculations of educators for curriculum-reform are often thrown off by complaints from parents' groups. . . . It will not do to ignore the "irrationalities" introduced into planning that come from widespread participation: the intrusion of uninformed opinions, the need to satisfy a widespread clientele which dilutes the major purpose of programs, and so forth.[51]

Those critics who emphasize the need for large geographic scale tend also to favor high concentrations of power within local jurisdictions. Many argue that excessive fragmentation is already the Achilles heel of our local government system. The typical urban region, they note, consists of scores or hundreds of overlapping general and specific purpose governments; and the typical big city general purpose government is fragmented into hosts of semi-autonomous functional fiefdoms. The system's characteristic response to new problems, moreover, has been to proliferate autonomous single purpose authorities.[52] There has been a trend toward strengthening chief executives in recent decades, but this has been more than offset by the movement of population to independent suburbs, the multiplication of functional authorities, and the decline of political parties.[53]

Yet the great problems of our urban areas—ranging from poverty and segregation to air pollution, the protection of open space, and transportation—call for regional solutions, and for solutions predicated upon the full range of metro-

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[51] Sidney Verba, "Democratic Participation," *The Annals*, September 1963, pp. 53–78. The quotation is from p. 75.

[52] I have considered the logic, within the present framework, of so responding in my book, *The City Planning Process: A Political Analysis* (Cornell, 1965), pp. 409–411.

[53] On the balance between the strengthening of chief executives and the weakening of parties within cities, cf. Edward C. Banfield and James Q. Wilson, *City Politics* (Harvard, 1963), pp. 78–81, 335–336.

politan values rather than narrow functional assignments. As Robert Wood has noted, the primary consequence of fragmentation is to leave the private sector dominant in metropolitan affairs.[54] Its secondary effect is to weaken local by comparison with state and national governments.

Neighborhood control advocates tend to counter the above arguments as follows.

Community control would further fragment and incapacitate local government. To the extent that it does so, most city residents, black as well as white, will feel more frustrated than they do now. Their tendency, already marked, to look toward state and national authorities for solutions to local problems will become more accentuated. The upshot will be a diminished local role rather than the enhancement of participation in American politics viewed whole. Even at this stage, moreover, the residents of large and tightly organized jurisdictions will benefit, because these will perform most effectively as lobbyists and grant applicants.[55]

First, there is no question but that decision making is slower, and that many large projects cannot secure approval at all, in a system that allows for widespread participation. In part, this is a cost that supporters of democracy and strong local government have always had to consider. But in the present circumstance it is also a benefit. The block sense of grievance in the cities has been produced significantly by large projects that would have been better left undone. Fewer highway and slum clearance projects are exactly what the cities need. They have inconvenienced the poor to benefit the affluent. The whole purpose of the participation movement is to redirect public policy so that at least such outrages are impossible. This is not to say that no highways should ever be built or slums cleared. But it is to say that the proponents of such projects should have to persuade the neighborhoods most affected before calling out the bulldozers. This will take time; it will cost money; and it may often prove unfeasible. So be it. (Some take a softer line, and are willing to consider the use of extraordinary procedures to override recalitrant communities. Where there is unanimity is on the desirability of greater community power to hinder large projects than currently prevails.)

Second, it is true that citizen participation tends to reduce the weight placed upon long-run and technical considerations, not to mention the values of consistency and comprehensiveness, in decision making. In return, however, participation prevents technicians from spinning out their designs in blatant disregard of their consequences for ordinary citizens. Participation increases feedback; it encourages learning and adjustment as experience is gained with new policies; it compels the recognition of diversity. As Sidney Verba has written:

> Widespread participation may lead into something resembling chaos, but it is chaotic because there are many different values operating at the same time, and there are many different people involved with many different goals. Under such circumstances, clear-cut policies are difficult to achieve. But such are the circumstances of democracy.[56]

What is vital to keep in mind, moreover, is that the planners have never been able to impose their conception of rationality on the major participants in American politics.[57] Logrolling, inconsistency, shortsightedness, neglect of complexity: these have always characterized the process and its policy outputs. Only the powerless have been left to the tender mercies of technicians—within limits, of course, set by the objectives and the reluctance to pay taxes of the powerful.

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[54] Having reviewed the various policies pursued by local governments in the New York region. Wood concludes as follows: "Not one . . . has important implications for the private sector of the Region taken as an entity. An industry barred from one locality can in all probability find a hospitable reception in another with equivalent economic advantages. . . . With so many different constituencies, many opinions are open for firms and households alike, and though the process of industrial and population diffusion may occasionally be skewed, the forces are not, in general, thwarted, turned aside, or guided.

"[The policies] engender a pattern of behavior more closely approximating rivalries in world economic affairs than a domestic system of government intent on aiding the processes of economic development. Because particular combinations of strategies may be effective for any one jurisdiction, there is a strong tendency for each to 'go it alone.' . . . The development of hundreds of separate policies, in various combinations, among hundreds of jurisdictions engenders a spirit of contentiousness and competition. . . . The management of the political economy goes forward in ways localized, limited, and largely negative in character."*

*Robert C. Wood, *1400 Governments* (Harvard, 1961), pp. 112–113.

[55] For suggestive evidence tending to support the latter point, cf. J. David Greenstone and Paul E. Peterson, "Reformers, Machines, and the War on Poverty," in Wilson, *City Politics and Public Policy*, pp. 267–292.

[56] Verba, *op. cit.*, p. 75.

[57] Cf. Altshuler, *op. cit.*, chs. 6–8.

Now at least some of the powerless, those who are black, are determined to get into the game on equal terms.

Third, disaggregation need not strengthen the status quo. Although stronger governments are in a better position to force change, they are also in a better position to prevent it. As the status quo has many dimensions, they may do both at the same time. In Chicago, for example, where influence is more tightly centralized than in any other large American city, the government is remarkably effective at securing federal grants. When these are for combatting poverty, the poor benefit. When they can be utilized to serve the rich and powerful, the poor often get buffeted around.

The machine is benevolent, but in the manner of a padrone. It gives the poor what *it* judges they should want. What it will not do, or permit others to do, is to challenge the fundamental pattern of segregation and inequality. Its leaders have been enormously successful in the existing environment; they tend to consider it good, and to fear change. The machine is a coalition of groups that despise and fear one another. Its counterparts nearly everywhere else have gone into oblivion. How long can their own balancing act go on? They are not sure, but anyone who wants to rearrange the underpinnings is a threat.

The power they have concentrated enables them to be remarkable effective in protecting the fundamental status quo. James Q. Wilson has described, for example, how the Dawson machine kept the local NAACP on "safe" paths during the 1950's. On the one occasion when it felt threatened, it simply took out 400 memberships for its precinct workers, enough to control the annual election. It did not elect one of its own people president, but merely ensured that the successful candidate was someone it considered acceptable.[58] The machine's capacity to block reform was illustrated much more grandly in 1965, when the U.S. Office of Education froze $32 million in federal aid that had been earmarked for the Chicago public schools. The funds were to be withheld pending further investigation of charges that the Chicago Board of Education had gerrymandered district boundaries to maximize *de facto* segregation. Mayor Daley phoned President Johnson, the funds were "thawed" with dispatch, and the federal investigation was abruptly discontinued.[59]

Fourth, let us suppose that breaking up the large cities led to an increase in federal relative to local power. Blacks would benefit doubly. Income redistribution is almost exclusively a federal function in the American system, and the federal government is the major force for integration in American politics. Thus, the enhanced federal role would probably benefit Negroes, as would the increase in their share of surviving local power.

Fifth, the tradeoff between concentration and disaggregation within the local arena need not be as harsh as the critics suggest. The policy realms over which black (and some white) communities are demanding control are quite different from those that urban intellectuals believe require metropolitan solutions. Nor do the partisans of community control hold any brief for functional fragmentation, which prevents mayors from ruling their own houses.

What is most striking, then, is that the arguments in apparent conflict do not meet. They point in opposite directions, but they are in different policy dimensions. If the advocates of each wished to forge an alliance, they might do so without compromising the key objectives of either. Their joint program might consist of the following: (a) elimination of all special districts, leaving a simple two- or three-tier system of general purpose governments within each urban region; (b) the top tier, regional in scale, to exercise responsibility for such functions as pollution control, general land use and transportation planning, the equalization of public services (via grants-in-aid), and securing integration opportunities for those who wished to exploit them; (c) the bottom tier to

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[58] James Q. Wilson, *Negro Politics* (Free Press, 1960), pp. 63–4.

[59] The Nixon Administration announced that it was reviving this investigation in mid-1969. At the same time, it accused the Chicago School Board of maintaining an illegal system of faculty segregation.*

**New York Times,* July 10, 1969, p. 1. Leading scholarly analyses of the Chicago machine and its products are the following: Edward C. Banfield, *Political Influence* (Free Press, 1961); Harold F. Gosnell, *Machine Politics: Chicago Model* (2nd ed., with a foreword by Theodore J. Lowi and a Postscript by Gosnell, University of Chicago Press, 1968); James Q. Wilson, *Negro Politics op. cit.;* Harold M. Baron, "Black Powerlessness in Chicago," *Trans-Action,* November 1968, pp. 27–33; Charles and Bonnie Remsberg, "Chicago Voices: Tales Out of School," in Raymond W. Mack, ed., *Our Children's Burden: Studies of Desegregation in Nine American Communities* (Vintage, 1968); and Greenstone and Peterson, in Wilson, *City Politics and Public Policy.*

exercise the kinds of responsibility that suburbs now exercise;[60] (d) each tier, or at least the top two, to be organized along strong mayor lines, with all agency heads serving at the pleasure of the mayor; and (e) civil service regulations to be made far more flexible, so as to enable chief executives to combat the three bureaucratic diseases of stagnation, unresponsiveness, and racial imbalance.

This is not to deny that there are genuine sources of potential conflict between the two camps. Where blacks hoped to achieve a central city majority within the foreseeable future, they would be likely to oppose any transfer of its functions to the metropolitan level.[61] (As the prospect became imminent, Negroes would probably lose interest in community control itself. By the same token, white central city residents would be likely to acquire some.[62]) Even aside from this source of dispute, the coalition partners would have numerous disagreements on priorities and details. Their personal differences of style and outlook would make continued cooperation difficult. And their alliance would be strained severely whenever an opportunity arose to move toward one of the twin goal sets—i.e., concentration and community control—unaccompanied by any assurance that it would soon be balanced with equivalent moves toward the other.

The maintenance of our hypothetical coalition, then, would require a strong determination on both sides to avoid a break. Life within the family would be far from tranquil. To note this, however, is not to suggest that remarkable ingeniuty would be required to conceive acceptable compromises. Far from it. Those most dissatisfied with the suburban and functions fragmentation of existing local institutions tend also to be appalled by the ravages that the urban renewal and highway programs were permitted to perpetrate in the late fifties and early sixties. They are not at all inclined to say that city and regional authorities should be empowered to run roughshod over minority interests. As for the blacks, they will need white liberal allies if community control is ever to become a reality; and it is hard to conceive of a program at once more compatible with community control and more likely to attract them. Politics has made far stranger bedfellows in the past.

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[60] Where a middle tier—the central city—persisted, neighborhoods within it would continue to exercise less authority than suburbs. Thus, the neatest and most equitable arrangement would be two tiers if it were feasible. A two-tier system, of course, might be one in which the suburbs themselves had substantially less power—e.g., to exclude low income housing, to maintain lily-white schools—than at present.

[61] Even where this prospect has not existed, Negroes have invariably provided heavy majorities against metropolitan government in referenda to date. But metropolitan government was not part of a package that included community control in any of these referenda.*

*Cf. Scott Greer, *Mertopolitics* (Wiley, 1963), pp. 30, 52, 80, 94–95; and Edward Sofen, *The Miami Metropolitan Experiment* (2nd ed., Anchor, 1966), pp. 77–78.

It should be noted that among Negro activists of all stripes at present, there is virtual unanimity that whites favor metropolitan government only when it serves to dilute Negro power. If one states the thesis a bit less strongly—that in most large urban areas white *majorities* for metropolitan government will be available (if ever) only when the issue is black control of the central city—it is difficult indeed to dispute.

To date, it should be noted, metropolitan government has come in America only to single-county urban areas, where it could be achieved by transfers of authority from one existing unit of government to another. Normally, state legislatures have required referenda to bring the change about. Majorities have been rare, and none has ever been achieved in a county whose population at the time exceeded one million.

There remain the possibilities (a) that federal aid might change the balance of inducements, (b) that state legislatures, confronted by severe urban unrest, might impose "package" solutions, and (c) that new program packages might produce new voting configurations.

In practice, federal aid has produced the recent proliferation of metropolitan councils of governments (see below, pp. 183–84), and the strategy of those metropolitan government movements that remain active has shifted to securing direct legislative enactment. This approach bore fruit in the Indianapolis area in 1969 (one county, population 900,000), and has produced important steps toward metropolitan government in the Minneapolis-St. Paul area over the past several years (seven counties, combined population 1.8 million).

[62] Research bearing on this double-edged hypothesis would shed very useful light on the degree to which the demand for community control is a simple manifestation of the racial distribution of power.

It bears mention, incidentally, that a white neighborhood of 36,000 in Gary (which, became, in 1968, one of the nation's first two major cities to elect a Negro mayor) has already taken several steps toward secession from the city. It secured state legislation in 1969 that would permit it to "disaffiliate" from the city on petition by 51 per cent of its property owners or the owners of 51 percent of its property (by assessed value). No referendum would be required, and no counter-petitions have legal standing. The disaffiliation petitions are actively circulating at this writing. If the requisite number of signatures are acquired, a court battle over the constitutionality of the state law is expected.

The Federal Role

For some years now the federal government has been manipulating grant-in-aid incentives to encourage broadly oriented metropolitan decision making.[63] The proponents of community control would have it deploy at least equivalent incentives to encourage neighborhood participation in large city government.

Put forward as an objective for white and black neighborhoods alike, this idea might rather appeal to Congress. Organized labor would be hostile, and so would most big city politicians, but many of the latter might be mollified by careful drafting to preserve their "ultimate" authority and by the promise of large grants-in-aid. As noted previously, moreover, fewer than one-quarter of all Americans live in cities with populations over 250,000. The typical congressman is quite capable of waxing sentimental about the virtues of small-scale local government, and he has no other type within his constituency. The tradition of legislative courtesy, not to mention his interest in logrolling, will normally prevent him from overriding the wishes of his big city colleagues on matters of real interest only to them. Let them divide on the issue, however, at a time when the President, the relevant federal bureaucracies, and the communications media are pressing for passage of bills that include strong participation requirements (or inducements), and a good deal might become feasible that is not currently so.

Indeed, one can cite more than future possibilities. The whole current movement for neighborhood control was largely set in motion by the "maximum feasible participation" provision of the Economic Opportunity Act of 1964. It is true that the administration itself had no clear idea of what this phrase meant, that Congress endorsed it in a fit of oversight, and that both were rather horrified as it revealed its "revoluntary" potential.[64] But it has not been repealed. In fact, John Wofford has noted that in the year (1966) that Congress established a floor of one-third for representation of the poor on each CAA governing board, only 30 per cent of the current governing board members nationally were in fact such representatives.[65]

The Model Cities Program is perhaps a more relevant example. Congress authorized it after two years experience with "maximum feasible participation"

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[63] I have reviewed this story through 1964 in an earlier book.* The most important recent developments are the following:

(i) The Housing and Urban Development Act of 1965 (Section 701g) authorized federal grants to support the activities of metropolitan councils of governments. In consequence, between mid-1965 and mid-1969 the number of such councils in the nation increased from 8 to 142.**

(ii) The Demonstration Cities and Metropolitan Development Act of 1966 (Section 204) included a requirement for areawide review—by a single general purpose planning agency—of nearly all applications for federal public works aid by jurisdictions lying within metropolitan areas. Each application must be accompanied (a) by the areawide planning agency's comments and recommendations, and (b) by a statement on the part of the applicant that such comments and recommendations have been considered prior to formal submission of the application. The legislation provides that the areawide planning agency should, wherever possible, be part of a general purpose metropolitan government or of a regional council of governments.

As of June 1968, 62 of the 209 designated review agencies were councils of governments. A high proportion of the others, however, were state governments or county governments in single-county SMSA's. (The reason why there were only 209 review agencies for the 233 SMSA's was that the state government agencies frequently handled more than one SMSA.)

(iii) The Intergovernmental Cooperation Act of 1968 (Section 402) provided that, wherever both special and general purpose units of local government are eligible to receive federal aid, federal agencies shall, in the absence of substantial reasons to the contrary, favor the general purpose units.

*Altshuler, *The City Planning Process: A Political Analysis*, pp. 419–429.

**Cf. Royce Hanson, *Metropolitan Councils of Governments*, an Information Report of the Advisory Commission on Intergovernmental Relations (USGPO, August 1966); and B. Douglas Harman, *Councils of Governments: Trends and Issues* (International City Management Association, Urban Data Service, August 1969).

[64] The original HUD guidelines confined the program to 10 per cent of any city. This was altered by the Nixon Administration in April 1969 to give city governments local option in determining what portion of their jurisdiction to include. The focus of the program is still to be on "poor and blighted neighborhoods," however. In cities where the Model Neighborhood is sufficiently comprehensive, HUD will favor the use of the Model Cities administrative system to administer all federal, state, and local programs for the poor.*

*The quotation is that of HUD Secretary George Romney, at a news conference called to explain the revised Model Cities guidelines. Cf. *New York Times*, April 29, 1969, pp. 1, 20.

[65] John G. Wofford, "The Politics of Local Responsibility: Administration of the Community Action Program—1964–1966," in Sundquist, *op. cit.*, pp. 70–102. The point cited appears at p. 82.

in the poverty program, and has continued to treat it sympathetically (within the context of general budgetary stringency for domestic programs) through mid-1969. The legislation[66] provides for "comprehensive city demonstration programs . . . to rebuild or revitalize large slum or blighted areas." These areas are elsewhere defined as "entire sections or neighborhoods."[67] One of the listed criteria by which local applications for assistance are to be judged is "widespread citizen participation in the program."

In the legislative history, the phrase "widespread citizen participation" represented a retreat from "maximum feasible participation." In fact both phrases are equally vague and sweeping, however. And in practice the role of citizen participation has been comparable in the two programs. HUD's "Minimum Performance Standards for Citizen Participation in Model Cities," issued in 1967, provide that:

> (i) . . . there must be some form of organizational structure which embodies neighborhood residents in the process of policy and program planning . . .
>
> (ii) The leadership of that structure must consist of persons whom neighborhood residents accept as representing their interests.
>
> (iii) That structure must have sufficient information about any matter to be decided . . . so that it can initiate proposals and react knowledgeably to proposals from others.
>
> (iv) . . . the structure must have the technical capacity for making knowledgeable decisions. . . . Some form of professional technical assistance in a manner agreed to by neighborhood representatives shall be provided.

In 1968 the HUD Model Cities staff began to press hard for the use of elections to select the "representatives of the poor" on Model Neighborhood governing boards. Arnstein and Fox report that about two-thirds of the 75 localities which had received Model Cities planning grants through July 1968 either had held or were planning to hold neighborhood elections. Most of the others had sought to achieve representativeness by other means, such as inviting neighborhood organizations to designate governing board members. A few had gotten by so

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[66] Title I of the Demonstration Cities and Metropolitan Development Act of 1966. The quotations are from Sections 101 and 103.

[67] Richard Blumenthal and Daniel Moynihan have identified four interpretations that had adherents within the administration in 1964:

One group, led by Paul Ylvisaker of the Ford Foundation and David Hackett, director of the President's Committee on Juvenile Delinquency, envisaged community action as a mechanism for enabling federal officials to exert leverage on city officials. They believed that institutional change at the local level would depend upon federal officials making such change a condition of grants-in-aid. They did not expect the poor to participate in policy making.

A second group, led by Richard Boone, formerly of the Ford Foundation and currently (1964) of the White House Special Projects Office, emphasized hiring the poor to help implement anti-poverty programs. Some of its members simply wanted to create employment, "new careers for the poor." Others emphasized that the subcultures of the public bureaucracies had to be transformed if an effective war on poverty was to be mounted. They judged that these subcultures were impervious to formal policy directives. But they hoped that the injection of large numbers of poor people into them would have a greater impact. Working alongside poor people, they theorized, the middle class bureaucrats might be infected with empathy for the poor.

A third group, centered in the Bureau of the Budget, emphasized the potential of community action as a mechanism of coordination. Coordination of federal activities from the "top down" had failed. The members of this group hoped that coordination from the "bottom up" might succeed. They envisaged each Community Action Agency as a council of the interested public agencies, intended to forge a consensus on local anti-poverty priorities and methods.

A fourth group, headed by Richard Cloward, a professor of social work at Columbia, believed that the need was to organize the poor, to help them become a potent pressure group up in American society. Its model was the labor movement (through it perceived the current labor movement as a reactionary force). Its motto was "creative conflict." The administration's top decision makers were apparently unaware of this group's aims, and were certainly unaware of the extent to which the bill incorporated them, as the Economic Opportunity Act moved toward passage.**

**Cf. Blumenthal, "Antipoverty and the Community Action Program," in Sindler, *op. cit.*, pp. 129–179, esp. pp. 137–140; and Moynihan, "What is Community Action?", pp. 3–8. Moynihan deals with only two of these conceptions (the third and fourth), and he identifies one that I have not included: the "peace corps" approach, which emphasized sending idealistic young people into America's "underdeveloped" areas. Though significant, particularly in view of Sargent Shriver's background, this concept seems more relevant to other aspects of the "war" on poverty than the Community Action Program.

For other treatments of the Community Action Program's political history, see Donovan, *The Politics of Poverty*, pp. 33–41, 59–80, 136–138; and James L. Sundquist, ed., *On Fighting Poverty: Perspectives from Experience* (Basic Books, 1969), articles by Sundquist, Adam Yarmolinsky, and William C. Selover.

far with groups of neighborhood residents appointed as "representatives" by the mayor or City Demonstration Agency director.[68]

The Nixon Administration, like the Johnson Administration before it, has emphasized that ultimate local control of Model Neighborhood programs would rest with city governments. It has not let up the pressure for citizen participation, however. The most visible illustration of this has been the settlement of a long-standing dispute with the city government of Chicago. The city's plans submitted to Washington in 1968 called for the mayor to appoint all the members of Chicago's four Model Neighborhood governing boards. The Johnson and Nixon Administrations both balked at this proposal. In June 1969 the city agreed to election of half of the governing board members, and HUD announced a $38 million Model Cities grant to it.

There has also been a growing trend, in response to demands by governing board members, for local applications to provide for dollar grants to the boards for the hiring of staff and professional consultants. In at least several recent cases, moreover, OEO has made supplementary grants to Model Neighborhood governing boards for this purpose.

To recapitulate: the Model Cities Program does not give final authority to neighborhood bodies, nor does it require them to be elected. It is a competitive program, however; and the word has been communicated that programs which provide a large role for elected neighborhood representatives will be viewed most favorably. In elaborating and stressing this criterion, federal bureaucrats may well have gone beyond the congressional intent. But this is quite common. What is more important is that in doing so they have remained (it appears) within Congress's zone of indifference. And this in the midst of a rising conservative tide.

The next step would be for federal policy to encourage the establishment of representative, general purpose neighborhood authorities throughout large cities, rather than just in "poor and blighted neighborhood." Congress would be most unlikely to make the existence of such authorities an absolute condition of federal aid. Quite conceivably, however, it might: (a) authorize grants-in-aid to help support neighborhood staff services (on the model of Section 701 grants to support local planning services);[69] (b) permit federal administrators to favor cities that have established such authorities in a wide variety of federal aid programs; and (c) require that, where neighborhood authorities exist, they should be given an opportunity to file advisory opinions (on the model of Section 204 areawide review opinions) before policy departures and public works projects likely to have a significant effect on their constituents are approved. All of these elements, it should be noted, are already present to one degree or another in the Model Cities Program. And it has been officially billed a pilot program.

More generally, of course, federal authorities have the primary roles to play in making resources available to low income communities, in establishing the tone of American responsiveness to black demands, in spurring program innovation, and in structuring incentives to encourage the flow of private resources (credit, investment, employment) to the nation's ghettos. These roles are critical to every aspect of the nation's poverty and racial crises, but they lie outside the concentrated scope of this book.

[Excerpt from "The City Planning Process—A Political Analysis," by Alan A. Altshuler, Cornell University Press, 1966, Ithaca, New York]

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(2) *Trends in American metropolitan area planning.* The second part of our survey would no doubt conclude, first, that the planning function is currently far stronger in large central cities than it is anywhere else on the contemporary American urban scene and, second, that the apparent direction of movement is toward a more influential role for general metropolitan planning agencies.

The former of these generalizations is hardly controversial. Planning has rarely gathered political strength in America before the onset of serious blight in at least large portions of the jurisdictions concerned. This means that it has

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[68] Arnstein and Fox, "Developments, Dynamics, and Dilemmas," p. 9.

[69] This section (of the 1954 Housing Act, as amended), it should be noted, does not confine eligibility to state and municipal agencies. Also eligible, if approved by the governor, are (i) metropolitan and regional planning agencies, (ii) Indian tribal planning councils, and (iii) the Appalachian Regional Commission. Moreover, planning grants to state agencies can be channeled to "any group of adjacent communities, either incorporated or unincorporated, having a total population of less than 50,000" as well as to counties and municipalities.

only infrequently been able to guide the original development of vacant land; its impact has for the most part been confined to ordering the processes of transition and redevelopment in later periods. On the urban fringes, where the great bulk of new development is taking place, planning controls are even today generally very weak and often virtually nonexistent. Prior to the development and the subsequent maturation of community life in the newly developed areas, there are generally no significant forces with a major stake in restraining developers. Even thereafter, as local governments take shape, each unit is likely to be so anxious to outbid other units for "desirable" kinds of development that it is unwilling to risk antagonizing investors. In any event, each is likely to be too weak to deal effectively with major metropolitan forces,[8] and each is likely to develop a highly articulated consciousness of its own special interests which might be threatened by concessions of power to a metropolitan government.

Metropolitan planning agencies are likely to be perceived as harbingers of metropolitan government. Indeed, to a certain extent they are, since they are bound to articulate and publicize the desirability of metropolitan solutions to many problems. In time, they are likely to acquire at least limited vetoes over some local proposals, even if only by informal means, such as their influence with the federal and state officials responsible for approving public works aid applications. To the extent that they fulfill the former potential, they may strengthen local groups favorable to metropolitan government. To the extent that they fulfill the latter, they will actually *become* metropolitan governments, though very weak ones. Even central city officials tend to fear having metropolitan planning agencies come between them and the higher levels of government on which they count heavily for aid.[9] Suburbanites and their representatives tend to have more specific fears. Residents of wealthy suburbs typically fear being taxed to support services for the central city poor.[10] Property owners in nearly all suburbs fear

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[8] Robert Wood has written as follows: "It may not be too far-fetched—though it is certainly an oversimplification—to think of local governments as players at a roulette wheel, waiting to see what number will come up as a result of decisions beyond their direct control" (*1400 Governments* [Cambridge: Harvard University Press, 1961], p. 62).

[9] This fear has been most clearly expressed to date in their opposition to proposals that local applications for federal aid be routed through metropolitan or state planning agencies. Hearings were held in 1963, on S. 855, a bill providing that, effective July 1, 1965, applications for grants-in-aid under seven major federal programs should be accompanied by comments and recommendations from a metropolitan planning agency. The state or local jurisdiction applying for the grant was to be required only to state that it had taken these comments and recommendations into account in preparing its final version of the application. The only significant opposition to the bill came from the American Municipal Association and the U.S. Conference of Mayors (*Metropolitan Planning,* Hearings before the Subcommittee on Intergovernmental Relations, Committee on Government Operations, U.S. Senate, May 21, 22, and 23, 1963).

Similarly, the U.S. Advisory Commission on Intergovernmental Relations recommended in 1964 that "federal grants-in-aid to local governments for urban development be channeled through the states in cases where a state (a) provides appropriate administrative machinery to carry out relevant responsibilities, and (b) provides significant financial contributions." All three mayors on the Commission vigorously opposed this recommendation. They were joined by the Housing and Home Finance Administrator, who tends to be the primary representative of urban (and particularly big city) interests in the federal government (Advisory Commission on Intergovernmental Relations, *Impact of Federal Urban Development Programs on Local Government Organization and Planning* [Washington: U.S. Government Printing Office, January 1964], pp. 30–31).

Nor is it clear that central city officials can be counted on to support thoroughgoing metropolitan government schemes. Scott Greer has recently reported on metropolitan reform campaigns in three major cities: St. Louis, Cleveland, and Miami. In St. Louis and Cleveland, where metropolitan government was rejected, the central city mayors and bureaucracies had opposed it. In Miami, city officials had been badly frightened by a 1953 referendum in which the voters had come within 800 votes of completely abolishing the city government. They had apparently become convinced as a result of this experience that the alternative to supporting a compromise "federal" scheme was eventual total absorption by the higher level (Dade County) government (*Metropolitics* [New York: John Wiley and Sons, 1963], pp. 39–40).

[10] Robert Wood pointed out that the municipalities of Teaneck and Teterboro in Bergen County, New Jersey, were quite close physically, but that assessed valuation per school child was $33,000 in the former and $5.5 million in the latter. (It should be noted that the latter, a haven for industry, had a school enrollment of only two.) This was an extreme disparity, but Wood contended that it was indicative of a general pattern that prevailed throughout the New York metropolitan region. The most striking feature of this pattern was that total wealth (measured by business and residential property values per capita) tended to decrease as one went from less densely populated to more densely populated communities. Public service needs appeared to vary in the opposite direction (*1400 Governments,* pp. 50–57).

Scott Greer found in his study of the 1959 St. Louis referendum on a metropolitan government plan that fears of higher taxes worked against the plan in the city as well as the suburbs. The plan was defeated by two to one in the city and by three to one in the suburban areas. In a sample survey carried out immediately after the election, the argument against the plan most frequently cited by both city and suburban residents was that it would result in higher taxes. The organized opponents who obtained publicity for this argument, however, were predominantly suburbanites (*Metropolitics,* pp. 74–78, 126).

being compelled to accept minority group tenants and neighbors. (The other side of the coin is that minority group leaders are likely to feel that their influence will be far less in a metropolitan than in a central city political system.)[11] Suburban officials and newspaper publishers are likely to doubt their capacity to survive in a centrally governed metropolitan system; if so, they will be highly motivated to stimulate their constituents to become aware of whatever suburban interests might be threatened by metropolitan institutions.[12] When problems become so pressing that metropolitan solutions can no longer be avoided, these groups have a stake in pressing for the narrowest possible solutions. Even though some may resist the temptation, it is likely that enough will not to veto most broadly oriented proposals. Once created, metropolitan agencies with narrow responsibilities and constituencies tend to satisfy some of the demand for metropolitan planning and at the same time to provide institutional nuclei of resistance to more comprehensive schemes which might reduce their autonomy.[13]

For all these reasons and more, although two-thirds of the nation's 212 Standard Metropolitan Statistical Areas (SMSA's) supported some general metropolitan planning activity by 1963, most of that activity was, according to a recent authoritative study, "severely handicapped by small and uncertain budgets, insufficient legal power to permit active participation in development decisions, and lack of clear statutory direction."[14] The authors of the study in question found no evidence that metropolitan planning agencies had yet had any significant impact on urban development. They did find, however, that by a variety of expedients the American governmental system had "indeed responded to the most serious challenges of urban growth. . . . As a result, the most pressing needs have been met, and few real crises have been allowed to develop."[15]

Nonetheless, a trend in the direction of a more influential role for general metropolitan planning is discernible. Several reasons for it may be suggested. First, as noted previously, the values of coordination as opposed to those of laissez faire have for many years been in the ascendant in our society. Second, as I have argued in Chapter VII, planners and planning agencies have apparently become increasingly adept at cultivating and working with powerful organized constituencies. Third, and of greatest immediate importance, federal aid programs have expanded rapidly and federal officials have become more and more willing to manipulate the incentives at their command so as to encourage general planning in recent years. Total federal grants-in-aid to state

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[11] Greer has reported on the responses of the St. Louis and Cleveland Negro communities to metropolitan government schemes. Both opposed vigorously. See *Metropolitics,* pp. 80, 90, 94–95.

[12] Greer writes of the suburban opposition to the St. Louis metropolitan government plan: "The mayors of small suburban municipalities, their councilmen, and their attorneys constituted the cadres that spoke against the plan and debated with its protagonists. Municipal employees were panicked at the notice that they might lose their job security in a new and unknown government. Small businessmen suspected that, should control of streets and zoning be ceded to a larger government, their own ability to appeal and influence decisions would wither away. They sensed the loss of 'community integrity,' which they defined as an asset to their business district—and business. . . . The suburban community newspapers . . . had both a vested interest in the campaign and an interest in its defeat. . . . Here . . . was a major issue which could be used to integrate the paper with the community, against such easy targets as the wicked city politicians, the dying and bankrupt central city, the multitudinous and dangerous strangers who roamed outside the local bailiwick. Furthermore the community newspapers, insofar as the local shopping district and the committed homeowners of the community were their source of revenue and readership, had nothing to gain with the blurring of municipal boundaries. Quite the contrary. The fiction of community autonomy in the suburbs is a powerful legitimizer of the local community press" (*ibid.*, p. 31; see also pp. 74–75).

[13] According to the U.S. Advisory Commission on Intergovernmental Relations, even the federal government, in the course of seeking to assure professional quality performance of specific functions, has frequently encouraged creation of special purpose metropolitan agencies as the most obvious way of achieving its objective (*Impact of Federal Urban Development Programs on Local Government Organization and Planning*, pp. 24, 25).

Five reasons for the recent increase in the popularity of "special districts" are discussed in Advisory Commission on Intergovernmental Relations, *Governmental Structure, Organization, and Planning in Metropolitan Areas* (Washington: U.S. Government Printing Office, July 1961), pp. 27, 28.

See also Robert Wood, "A Division of Powers in Metropolitan Areas," in Arthur Maass, ed., *Area and Power* (Glencoe: The Free Press, 1959); and John C. Bollens, *Special District Governments in the United States* (Berkeley: University of California Press, 1957).

[14] Joint Center for Urban Studies of the Massachusetts Institute of Technology and Harvard University (Charles M. Haar, Project Director), *The Effectiveness of Metropolitan Planning,* committee print, Subcommittee on Intergovernmental Relations, Committee on Government Operations, U.S. Senate, June 30, 1964, p. 2.

[15] *Ibid.*, p. 18.

and local governments quadrupled between fiscal years 1954 and 1964[16]—rising from $2.7 to $10.5 billion. Although it is not known with any certainty what proportion of federal grant aid goes to support activities in uran areas, the chairman of the Senate Subcommittee on Intergovernmental Relations has estimated that the total may have been over five billion dollars in fiscal 1963.[17]

The U.S. Advisory Commission on Intergovernmental Relations has recently identified forty-three separate programs of federal financial aid for urban development, administered by a variety of bureaus and divisions in five departments and eight independent agencies. Until very recently, it reports, virtually no attention was paid to coordinating the impacts of these programs. Nonetheless, conflicts between programs were minimized by the large gaps between them (due to their highly specialized objectives) and the tendency on the part of administering agencies to expand away from, rather than toward, each other. In recent years, on the other hand, programs—some of which have had rather general objectives (like urban renewal)—have been proliferating and techniques for analyzing the complex ramifications of specialized programs have been improving rapidly.[18]

Federal officials have frequently been criticized for failing to coordinate their programs with each other and with related local programs. In response, many of them have vigorously supported recent efforts to force public officials in each metropolitan area to create institutions able to speak authoritatively for it as a whole in dealing with federal agencies. Most of the top federal officials are, in any case, professionals committed to regional planning of their own functions and identification of as many side effects as possible. Those around the Housing and Home Finance Administrator have, particularly since 1961, been strongly committed to the ideal of comprehensive planning for each metropolitan area. Speaking the language of hostility to waste, and often (though not always) supported by the large-city mayors who tend to personify urban America in Washington—small-city and suburban officials appearing generally to consider federal activity well beyond their range of influence—they have acquired a good deal of Congressional support.

The most tangible evidence of this support has been the urban planning assistance program originally authorized by Section 701 of the Housing Act of 1954. Cumulative appropriations for this program totaled only $16.4 million through fiscal year 1961, but rose to $72.7 million in the following three years.[19] Sections 701(c) and 701(d) of the act as amended make the establishment of metropolitan and regional planning agencies a major objective of the program, and Section 701(a) declares that "the Administrator shall encourage cooperation in preparing and carrying out plans among all interested municipalities, political subdivisions, public agencies, and other parties in order to achieve coordinated development of entire areas."[20] A 1963 survey revealed that 39 per cent of the total revenue available for metropolitan planning in the nation's SMSA's came from federal grants. Even this figure seriously understated the importance of federal aid in spurring planning for those metropolitan areas that spread beyond the confines of a single county. Under one-third of the metropolitan planning agencies served multi-county constituencies, but on the average they served six

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[16] *The Federal System as Seen by State and Local Officials,* committee print, Subcommittee on Intergovernmental Relations (staff study), Committee on Governmental Operations, U.S. Senate, 1963, p. 85; and Legislative Reference Service of the Library of Congress, Supplement, January 4, 1965, to *Catalog of Federal Aids to State and Local Governments,* committee print, Subcommittee on Intergovernmental Relations, Committee on Government Operations, U.S. Senate, May 17, 1965, p. 53.

[17] Senator Edmund S. Muskie, in *Metropolitan Planning,* p. 2.

[18] See Advisory Committee on Intergovernmental Relations, *Impact of Federal Urban Development Programs,* pp. 2–4, 11–12.

[19] *Independent Offices Appropriations for 1963,* Hearings before a Subcommittee of the Committee on Appropriations, U.S. House of Representatives, 87th Congress, Second Session, Part II, p. 1165; and *Independent Offices Appropriations for 1965,* Hearings before a Subcommittee of the Committee on Appropriations, U.S. House of Representatives, 88th Congress, Second Session, Part II, p. 498.

[20] Quoted, U.S. Advisory Commission on Intergovernmental Relations, *Impact of Federal Urban Development Programs,* p. 62. Only state, metropolitan, and regional planning agencies can receive grants directly from the federal government under this program. Most grants to state agencies are destined for communities of under 50,000 population. Applications for such grants must include a statement indicating that the community's work program has been reviewed by the metropolitan, regional, or county planning agency (if any) serving its area. The state planning agency is charged with supervising and coordinating the use of planning grants channeled through it. For a brief description of the program, and bibliography concerning it, see *ibid.,* pp. 60–64.

and one-half times as many people as the others.[21] These agencies received 60 per cent of their revenues from the federal government, mostly in Section 701 grants, and another 25 per cent from the states. Those serving more than one million people received 95 per cent of their revenues from federal and state sources. Despite these grants from higher levels of government, the mean expenditure per metropolitan planning agency serving more than one million people was less than one-quarter of the mean expenditure per city planning agency serving a comparable constituency.[22] Another indication of the lack of local initiative on behalf of metropolitan planning was the average age of the multi-county agencies; only 5.6 years. Most of them, in other words, had come into being *after* the enactment of Section 701.[23]

The trend in federal policy remains clear, however. The Advisory Commission on Intergovernmental Relations reported in May 1964 that only seven of the forty-three federal programs of financial aid for urban development positively encouraged comprehensive city and/or metropolitan area planning. All of these had been enacted since 1949, however, whereas only half of all the federal aid programs had come into being that recently. Of the four which encouraged metropolitan planning, three had come into being since 1961 and the fourth had had its budget quadrupled in the same period. The most important of all federal development programs, highways, was one of these.[24] Since 1934 highway legislation has provided that one and one-half per cent of highway grants-in-aid might be used for planning and research activities. Legislation enacted in 1961 provided that highway research and planning grants might in future be merged with Section 701 planning assistance grants. It also provided that beginning in fiscal 1964 one and one-half per cent of highway aid would be available *only* for research and planning, and that another 0.5 per cent could also be used for these purposes.[25] The Highway Act of 1962 provided that, effective July 1, 1965, no highway aid should be approved for projects in SMSA's unless they had emerged from comprehensive area-wide transportation planning processes. The extent to which comprehensive transportation planning and comprehensive development planning more generally conceived will be merged, and carried on in met-

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[21] U.S. Housing and Home Finance Agency, *National Survey of Metropolitan Planning,* committee print, Subcommittee on Intergovernmental Relations, Committee on Government Operations, U.S. Senate, December 16, 1963, p. 6. Data were available for 125 of the nation's 126 metropolitan planning agencies. (The 126 agencies covered all or part of 142 of the nation's 212 SMSA's.) The average multi-county agency, of which there were thirty-eight, served 1,880,000 people. The average county or city-county agency—the other two categories—served 287,000 people.

[22] *Ibid.*, pp. 8–11. The figures (for 1962) were $260,000 for metropolitan planning agencies serving over one million people and $1,074,000 for city planning agencies in the same category.

[23] *Ibid.*, p. 4. The county and city-county agencies had an average age of 10.6 years. It was probable, however, that many of them had begun simply as county planning agencies, only later, as the term had become fashionable, beginning to think of themselves as "metropolitan" planning agencies. The county agencies, of which there were forty-seven were apparently so categorized (vis-à-vis city-county agencies) because they still did not cover their central cities.

[24] The highway program is included as a post-1961 program in this listing because the relevant provisions of it having to do with urban planning have been enacted since 1961. The other three programs referred to are the open space, mass transit demonstration grant, and urban planning assistance programs. In the open space program, the federal share of any project's total cost is increased by 10 per cent if the project conforms to an officially adopted areawide open-space program (Advisory Commission on Intergovernmental Relations, *Impact of Federal Urban Development Programs,* pp. 16, 17, 20). The regular mass-transit grant program, adopted by Congress in 1964, after three years as a high priority Administration bill, should certainly now be added to the list.

[25] Several points should be noted:

(1) The 1961 amendment permitting point administration of Section 701 and highway planning grants was preceded by an interagency agreement of November 1960 providing for the same thing on an "experimental" basis. The agreement is reproduced in Advisory Commission on Intergovernmental Relations, *Governmental Structure, Organization and Planning in Metropolitan Areas,* pp. 81–83.

(2) Highway research and planning grants go mainly to support highly technical studies of no particular interest to urban planners. For a list of the kinds of studies supported, see U.S. Bureau of the Budget, *Urban Research Under Federal Auspices,* committee print, Subcommittee on Intergovernmental Relations, Committee on Government Operations., U.S. Senate, April 15, 1964, p. 18.

(3) The study just cited was the first survey ever made of the nature and extent of federally supported urban research activities. *Ibid.*, p. 5. Similarly, the first study of the impact of federal development programs on local government organization, coordination and planning appeared in 1964. That study was: Advisory Commission on Intergovernmental Relations, *Impact of Federal Urban Development Programs.* See esp. p. 4.

ropolitan planning agencies, remains to be seen.[26] One can say with confidence only that federal officials have received a clear mandate to coordinate highway and other forms of transportation planning at the areawide level in each SMSA; and that a similar mandate with respect to all forms of urban development planning may be emerging.[27] At the very least, then, the second part of our study would have to conclude that metropolitan planning processes, whether locally initiated or not, appear likely to have a greater impact on urban development in the foreseeable future than they have had in the past.

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[Excerpt from "The State's Biggest Business—Local and Regional Problems," policy papers for the Connecticut Commission To Study the Necessity and Feasibility of Metropolitan Government, January 1967]

Reflections on Regional Reform

Alan Altshuler

The task Dr. Conant has assigned me is to comment on the papers previously submitted by Professors Long and Bebout. At the outset, let it be clear that I consider these papers highly impressive documents, and that I strongly endorse their basic recommendations. This said, I shall concentrate henceforth on ways in which I believe they might have been improved.

The plan of this essay is simple. I shall endeavor to separate the wheat from the chaff among the reasons that have been advanced for contemplating reorganization of the state and local government structure. I shall identify and discuss what appear to me to be the fundamental deficiencies of the existing structure that we should concentrate on correcting. I shall explain why I consider Professor Long's specific proposals for the establishment of regional institutions insufficiently bold; and endeavor to supplement his discourse on tactics with one on fundamental strategic goals. I shall then return from Utopia (as some may label it), and advance a few concrete tactical suggestions of my own. The four parts which follow correspond to the four preceding sentences.

I

Why contemplate fundamental reform of Connecticut's state and local government structure at this time?

The papers under consideration speak articulately to this subject, but they do not always distinguish the most fundamental and politically appealing reasons from those of lesser significance. This is unfortunate, because the reform issue will soon move out of quiet committee rooms populated by highly sophisticated men into the rough-and-tumble of the press and crowded meeting halls. Only

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[26] According to one authoritative analysis of the 1962 Highway Act planning provision (sec. 9):

"Comprehensive planning for urban development, apart from that done by transportation planners, is not required. However, the comprehensive transportation plans required in metropolitan areas must assure that highways are 'properly coordinated with plans for improvements in other affected forms of transportation and . . . are formulated with due consideration to their probable effect on the future development of urban areas.' . . .

"The continuing comprehensive transportation planning process requires either direct participation or adequate representation of each local 'jurisdiction having authority and responsibility for actions of regionwide significance.' The Bureau of Public Roads' regional engineers are authorized to determine what constitutes adequate representation of local government for each urban area. This planning process can meet all federal requirements without official urban development plans necessarily being prepared, adopted or adhered to. . . . Clarification of the role of official urban planning agencies in transportation planning might . . . be beneficial." (*Impact of Federal Urban Development Programs*, pp. 106, 107. The first internal quotation is from a U.S. Bureau of Public Roads Instructional memorandum dated September 13, 1963.)

[27] Readers may wish to consider the significance of S. 855 again at this point. See above, footnote 9. The bill received Administration support, and the Democratic members of the subcommittee that conducted the hearings seemed to be favorably inclined. (The only Republican who showed up at any of the sessions was Senator Jack Miller of Iowa. His concern was the highway program. He appeared to believe that the Bureau of Public Roads and the various state highway departments were planning well enough as it was.)

It should be noted that since 1952 Congress has required that all federal agency proposals for construction in the Washington metropolitan region be reviewed on an advisory basis by the National Capital Planning Commission. President Kennedy sent a memorandum to all federal agency heads in November 1962 directing them to coordinate their activities with the aim of implementing the general plan for development of the Washington metropolitan region. *Ibid.*, pp. 37–38.

those arguments which combine simplicity with a sensitivity to what the people really worry (or can quickly be induced to worry) about are likely to rise in politically meaningful terms above the din. It is important that we get straight in our minds, therefore, just what value or values *of great importance to the citizens, and to the state and local officials, of Connecticut* dictate pressing the issue of reform at this time.

To begin at the beginning: the reasons to forget about reform are rather awe-inspiring. No popular outcry against the present system has been heard. Professionals and academics can cite numerous "problems" that are not being solved, and "needs" that are not being met. They have little basis for saying, however, that structural reform will produce a willingness on the part of the people and their representatives to pay for the level of services that they, the professionals, believe desirable. Any evidence that substantial numbers of voters or politicians (other than chief executives) can be moved by calls for more coordination and planning has similarly been kept well-concealed.

On the other hand, resistance to any reorganization worth getting excited about will certainly be intense. For those politicians who grab the football and run with it, the reward will more likely be injury than glory. If the choice were put to the people, the chances are overwhelming (if one goes by the record) that unless total consensus among those taking part in the referendum campaign could be achieved—a rather unlikely prospect the people would vote "No."

I do not conclude from this dismal litany that reform should be put aside. As will appear presently, I shall even urge the Commission to take a bolder line than it seems to be considering at this moment. But I do conclude that reform should not be "sold" primarily in terms of unmet needs, the value of coordination, the importance of planning, or the money to be saved by exploiting economies of scale.* As a citizen, I am favorable inclined toward all these arguments (though my passions, like those of most people, are aroused by only a number of specific unmet needs). As a normative theorist, however, I am enough of a democrat to feel embarrassed about telling the people of Connecticut what their substantive policy demands ought to be.

I feel on much firmer ground warning them that power is slipping away from the institutions they are best able to control, and it will continue to do so, unless they cultivate the capacity of these institutions to meet changing effective political demands. As a strategist, moreover, I am aware that the voters respond with skepticism to cries of "unmet needs" in campaigns for governmental reorganization. They may be uninformed. On the other hand, they may correctly sense that powerfully expressed demands do have a way of getting met in the American system. (The average citizen—who may, of course, have moved from South to North, or city to suburb, in the meantime—has, after all, experienced a constantly rising level of public services since World War II. State and local general-purpose governments have accounted for some of the improvement, special districts for some of the rest, and the federal government for the remainder. Frequently, all have contributed to the provision of what most citizens consider a single service.) To the argument that the present structure discourages expression of some demands that would otherwise receive satisfaction, the typical voter is likely to respond, in effect: "aha! I suspected as much. Reform will mean less private disposable income, higher taxes."

Will the argument that reform is an answer (admittedly quite partial) to the nationalization of our politics, that state and local governments must adapt if they are to survive as more than administrative instruments of the national government, evoke a more positive reaction?

It is difficult to say, because campaigns for reform have rarely (if ever) been built around it. All I can maintain with conviction is that it *deserves* to have a greater appeal, because the survival of grass roots democracy is indeed the great issue at stake. The federal government is competent to meet any service demands that can generate national political movements. Its resources base is great; its capacty to deal with the preeminent issues of race and redistribution is unparalleled (for all that it is severely limited); on both the legislative and administrative sides; its personnel are the most competent to be found in the American system of government; its chief executive is strong, well-staffed, able to

*The last of these has served as a centerpiece of some successful campaigns—but mainly for the establishment of special districts or the transfer of specific responsibilities to higher levels of government. Each of these solutions permits intense pressures for the alleviation of specific problems to be satisfied with minimal disturbance to the governments which have proved incompetent.

command the attention of his constituency, and gilded with prestige; it is immune from taxpayer suits and the hobbling influence of a detailed constitution.

What the federal government *cannot* provide is the degree of responsiveness to local conditions and demands, the degree of opportunity for citizen participation and education-by-doing, and the degree of support for a pluralistic distribution of power in American society than we associate with state and local institutions.

II

What characteristics should the designers of reform give top priority to cultivating in the Connecticut system of state and local government?

The two that I would emphasize are: (1) ability to deal in timely and effective fashion with intensely felt citizen demands, and (2) high political visibility of that competence.

Taking account of the excesses of the past (which will inevitably be strongly manifested in any scheme of reform that survives the political process), I would worry little about such otherwise reasonable objectives as guarding against undue concentrations of power, protecting against excesses of partisanships and patronage, and ensuring that officialdom does not act without providing all interested groups with ample opportunity to be heard. For reasons to be discussed presently, although I accord top priority to enhancing the attention paid to the interests of Negroes and poor people by public officials, I do not consider reorganization an important mechanism for achieving this objectve.

(1) As noted previously, the public responds tepidly to explicit campaigns for greater planning, coordination, and attention (in the abstract) to unmet needs. On the other hand, when specific groups mount effective campaigns for concrete improvements, they instinctively turn to those whom they believe can give them satisfaction. If they judge regularly that state and local institutions cannot, their general interest as well as specific dependence upon state and local government is bound to decline. Similarly, if national decision makers and opinion leaders perceive governmental competency as virtually a federal monopoly, their concern about cultivating pluralism and grass roots democracy may be expected to fall to the level of empty ritual. In the long run, then, perceived competence to deal with politically effective demands is the absolute key to the vigor of governmental institutions. The people don't care much about how it is done—thus their disinterest in talk of planning, coordination, etc. The people are following the most advanced management practice, it should be noted, when they concentrate on results rather than processes. Most of us do likewise when we support a relatively unplanned and uncoordinated competitive economic system. The meaningful test of a governmental or economic system is not the degree to which it is planned or coordinated but the degree to which it produces valued outputs.

(2) The concept "high political visibility" as here employed refers to the capacity of leaders and institutions to attract high levels of citizen interest, attention, and participation. What, in particular, follows from postulating "high political visibility" as a fundamental goal of the reorganization effort? My inclination is to respond in terms of the value of simplification, and the decisiveness of the ordinary citizen's perspective in determining what changes are in fact simplifying ones. The latter point is crucial. From the viewpoint of most well-organized interests, it is simpler to organize the state administration on functional than on regional lines. For politicians, administrators, and many people who have regular dealings with public agencies, the simplest thing would be to leave familiar procedures and assignments of responsibility alone. The special district, well-insulated from general political influences, produces well-nigh optimal simplicity for the interest and officials who run it. The problem is that others affected by its activities—typically in tangential, indirect, or sporadic fashion—may have little opportunity to protect their interest when government is broken up in this way. And these "others" very often have more *collectively* at stake in what goes on within one of these specialized governments than the "regulars" who dominate it.

More generally, even those citizens who are most conscientious about their community obligations can devote only small portions of their time to observing and participating in politics. Unless there are leaders who are constantly in the eye of political storms (even as these storms move from one functional area to another), and who can concentrate the energies of the political process on a limited agenda of top priority issues in any time period, public attention is

bound to be extremely weak. Similarly, unless any political system is regularly the focus of important political demands, and provides constant opportunity for significant (and, perhaps equally important, well-publicized) accomplishment, relatively few people are going to bother to participate in it. This applies particularly to the men of talent who might, over time, greatly improve the quality of government and the status of politics as an occupation.

The specific kinds of simplification that seem called for are: First, all state agencies should be brought within the full orbit of gubernatorial supervision.

Second, all local functions should be consolidated in general purpose jurisdictions at one or two levels below that of the state.

Third, the structure of authority within each general purpose jurisdiction should be organized so as to provide a high degree of leadership opportunity to the chief executive, along with an easily understood set of formal relationships between him and his council or legislature.

Fourth, a major effort should be made to decentralize state administration along regional lines. In making this effort, high priority should be accorded the following criteria: having the boundaries of the field office "regions" correspond with each other and with those of regional local institutions; providing for meaningful local participation in state policy-making for each region; and enabling individual citizens to conduct their business with the state in ways that minimize their confusion, sense of intimidation, and lost time. The last of these criteria suggests the desirability of clustering state (and, if possible, local and federal) government offices at one place in each region, and establishing a staff in each governmental center to help citizens find their way around.

What, it may be asked, is the relationship between simplification and decentralization? The answer is clear if the underlying reasons for endeavoring to simplify—citizen interest, satisfaction, and participation—are kept in mind. Most people are extremely interested in the affairs of their own neighborhoods. Nearly everyone resents having to travel long distances to deal with public agencies—especially when the result of the first trip is an appointment to return. Quite obviously, local institutions provide the greatest opportunities for the average citizen to participate in governmental affairs. There would be a kind of simplicity, of course, in concentrating all public authority in a single individual at the national level. As anyone who has ever wished he might influence the President (let alone be an absolute dictator) has realized, however, this is not the kind of simplification that maximizes the ordinary citizen's opportunity to experience self-government.

How vulnerable, by the same token, are recommendations to enhance the leadership and coordinative capacities of chief executives at the state and local levels? In answer, one must admit that compromises among criteria are necessary; and one must emphasize that the recommendations that have been made are for incremental change, not the establishment of dictatorial regimes. A difficult judgement is involved in determining that executive weakness has been excessive, and that American state and local institutions are more in need of well-focused leadership than of still more checks and balances. Just about all of the Commission's consultants, myself included, however, appear to concur in this judgment. I would stress that a strengthening of executive capacity is desirable not to further the abstract administrative values of coordination and planning—these are means, not ends—but rather to enhance the popular sense that state and local institutions are competent, capable of decision, and worthy of attention.

At the same time, I would prescribe with far less conviction if I thought that strong political leadership and vigorous citizen participation were conflicting objectives. On the contrary, it is administrative insulation from political control—such as the typical special district provides—that frustrates citizens efforts to participate effectively. Administrators, particularly those of agencies with a highly technical orientation, are prone to emphasize "getting the job done" over dealing equitably with the "victims of progress." Elected officials tread much more gingerly. Chief executives are less accessible to the individual citizen than legislators, of course, but they also find it much more difficult to deny responsibility, they are far more visible, and they tend to be less secure in their reelection prospects.

Moreover, no structural reorganization is going to make the typical state or local chief executive leader of a discipline party which can dominate the legislative process. Pluralism will survive and prosper in the state legislature and local councils. Today's special districts are often free of regular accountability to any legislature, let alone an elected executive. Perhaps more important,

they (along with some agencies formally supervised in more orthodox fashion) typically possess a high degree of fiscal independence, either because they support themselves from user charges or because they benefit from grants-in-aid. Vigorously-led general-purpose governments might bring self-supporting agencies under more effective "political" supervision, and might successfully lobby for greater federal reliance on "block" grants or tax credits as a partial alternative to special purpose grants-in-aid.

Having said the above, I hasten to add that enhanced citizen participation in the affairs of functional agencies (those dealing with education, public order, welfare, and urban renewal in particular) should be considered a high-priority objective. To strengthen political leadership would not obstruct this objective, but neither would it necessarily further it. There are many policy objectives that do not easily lend themselves to fulfillment by structural reorganization. Meaningful citizen participation, if I judge correctly, is an affair of the spirit rather than the legal structure of government. Strong elected leaders like Mayors Lee of New Haven and Lindsay of New York are likely to favor it more than career administrators, but even they are unlikely to accord it high priority unless public demand is intense. On occasion, even a structural reformer does well to note explicity that "good structures can only enhance opportunities, and some of these in only minor ways. The most important qualities of the system depend on the morality, alertness, far-sightedness, and political energy of the citizenry rather than on formal organizational relationships.

III

The establishment of regional institutions with political life in them is potentially the most significant outcome of the Commission's work. Professor Long has authored the specific proposal for regionalization that is currently being considered. It is to this proposal that I shall address myself in the following paragraphs.

As a specific way round the most serious political obstacles in regionalization, it is remarkably ingenious. As far as it goes, I endorse it whole-heartedly.

As it stands, however, it is little more than a proposal for state administrative decentralization. As Professor Long noted when I raised this issue at a subcommittee meeting on October 3, he leaves the way open for evolution toward genuine regional government. His paper does not bring out the importance of such evolution, however, nor does it reveal that he has applied his tactical inventiveness to the subject of how it might be hastened.

In brief, his specific proposal and the discourse surrounding it avoids the subject of local political change. I understand the basis for this avoidance, and I am prepared to concede that Professor Long has taken a relatively bold position by the standard of apparent feasibility. I doubt that he has gone far enough by other relevant standards, however, and it is these that I wish to explore here.

Is there any purpose to be served by my doing so? All I can say is: perhaps. The pessimism about the feasibility of local government reorganization that we political scientists have acquired from reading about failed efforts may be excessive when applied to the Connecticut of this moment. Even if not, campaigners for immediate objectives do well to keep long-range goals in mind, so that they are alert to unexpected opportunities and sophisticated about where to compromise. Finally, it is at least possible that political feasibilities may be transformed over time if leading members of the community conclude that fundamental values and interests are at stake.

Unless I am mistaken, it was dissatisfaction with local institutions which gave rise to the establishment of this Commission. It is quite appropriate that state institutions have come in for a large share of the Commission's attention. Nonetheless, the problems of reinvigorating local government and breathing political significance into state decentralization remain. What is more, these two problems are inextricably linked.

As far as I can see, the scheme of formal administrative decentralization that has been proposed is likely to have only a minor impact in real policy output terms unless local leaders with substantial political followings arise to dramatize the issue of its being more and keep it alive continuously. Members of the councils of regional elected officials might perform this function, but such councils tend to be like interdepartmental committees whose members are preoccupied with their separate, rather than their common, responsibilities and loyalties. They find it virtually impossible to develop leadership, or to speak with a common voice.

If the governor appoints regional coordinators (as Professor Long proposes), the question will still remain: how vigorously will he back them when the functional agencies disregard them? In 1961, the President of the United States conferred formal power to coordinate the activities of all federal employees in each foreign country upon the American ambassador. This order has had little impact, because it had little political "clout" behind it. The way to give decentralization political clout in the present instance, I suggest, is to have the field office districts correspond in their boundaries both to each other and to "general" purpose local governments whose top officials are elected. I shall consider ways of hastening the development of such governments in due course. For the moment, however, let us stick to goals.

The long term objective, I suggest, should be to create genuine regional governments in the state of Connecticut, capable of (a) taking over many local functions currently performed inadequately by the towns and cities, (b) responding effectively to many future demands that would otherwise focus on the state and federal governments, (c) impressing state and federal officials with their worthiness to receive "block" grants delegated authority, (d) attracting a high level of public interest, and (e) giving powerful expression to regional interests in the state and federal political processes.

Having stated these criteria, permit me to anticipate several obvious quotations about how regional governments able to satisfy them in high degree might be designed.

How should authority be divided between the regional governments and the existing towns and cities? Quite frankly, I would not consider it desirable, even if it were feasible, to enact a detailed "constitution" setting forth the division of authority in detail. Out entire political system is one in which authority is shared among all levels of government, and dominance tends to accrue to those who possess resources, unity, imagination, and simple administrative competence. It is by no means clear that much would be gained if local functions were transferred wholesale from today's local authorities to the regional governments. I would rather concentrate on avoiding provisions that might hobble the regional governments' capacity to enhance their relative importance over time. Even as a Utopian theorist, I recognize the desirability of compelling governments to prove their worthiness in the political arena.

At the same time, there is a need at the start to assign the new governments some important specific responsibilities. When the initial political decision to establish regional governments is made, it should be accompanied by specific assignments of responsibility sufficient to attract a high degree of immediate public interest in their work. The early life of an institution tends to be decisive in establishing its character and image. Fundamental changes are possible in later periods, but they are far more difficult to effect. If regional politics is perceived as a trivial exercise at the start, therefore, firm foundations for future growth may never be laid.

I would like to be able to specify just what substantive assignments should be made to the new regional governments of Connecticut. I am reluctant to prescribe, however, because the fundamental issues seem to me to be political rather than technical. Land-use regulation, the police function, transportation, education, and welfare are examples of functions that many analysts would consider in need of regionalization. But not one of these functions is an indivisible whole, and popular feelings about keeping them very close to home can run extremely high. It would be far easier if only technical economies of scale were involved (though these, too, change constantly). As it is, the need is for value judgments of the kind that can best be made by men who (a) know Connecticut intimately, and (b) have some claim to representativeness.

How many regions should there be? Here again, I offer no specific proposal, but rather a criterion. It would be highly desirable, I submit, for the regional governments to correspond in their boundaries with as many federal and state agency district offices as possible. Although technical considerations suggest different sized districts for nearly every federal and state function, political considerations suggest that the various district boundaries should be harmonized. The establishment of regional boundaries, therefore, should probably be conceived as a matter for negotiation between federal, state, and local representatives. In the end, local representatives are likely to consider the negotiated regions too large. That would seem a reasonable price to pay for an enhanced opportunity to bring local political influence to bear on federal and state administration.

It should be pointed out, lest this approach be dismissed as Procrustean, that it would leave a good deal of flexibility for variations in administrative district sizes. Some federal administrative districts would correspond with state rather than regional boundaries. In other cases, *federal* regions would encompass several states, federal and state administrative districts would encompass several *state* regions. In other words, *administrative* districts would frequently encompass a number of *political* jurisdictions, but in all except the most extraordinary cases there would be a simple correspondence.

Should present local (sub-regional) boundaries be retained? This is so academic a question that perhaps it should be by-passed even in such a discussion as this. I merely wish to mention two points—which, unfortunately lead in different directions. First, there is an enormous amount to be said in favor of building on what already exists, and avoiding great battles for trivial benefits. Moreover, if citizens identify with existing governments, if they are familiar with their rules and procedures, and if they accord them a high degree of "legitimacy" as colletcive decision makers, the chances are that change—even if it could be imposed without difficulty—would *not* be beneficial.

This raises the qeustion of whether present relationships between the local governments of Connecticut and their constituents satisfy these criteria in high degree. Some recent research indicates that the average American has far stronger neighborhood than local government identifications and loyalties. This possibility would appear to merit further study. If it turned out that most people would prefer a combination of neighborhood and regional institutions to town and regional institutions, and that they feel little sense of identity with the towns, there might be a strong case for even more comprehensive local government reorganization than has been considered thus far.

How should the political decision-makers of the regional government be chosen? Professor Long notes the possibility that councils of regional elected officials might become the regional legislatures. He adds that state legislators from the region might sit on these councils. In principle, this is quite a reasonable proposal (though subject to such criticisms as those advanced earlier). It overlooks the fact, however, that regional councils possessing genuine decision-making authority would probably be constitutionally subject to the one-man, one-vote requirement. If the regional governments were portrayed in court as mere confederations, there is some possibility that fractional voting might be deemed to satisfy the requirement.

Suppose, however, that fractional voting will not suffice? What then? I would raise the possibility of state legislators taking on the regional legislative function. The legislature will be fairly apportioned; the legislators have a high degree of perceived "legitimacy"; assigning them this function would enhance their political visibility; they would be highly effective spokesmen for the regionalization of state administration; their combination of roles might enhance the competence with which both would be performed; and their use would help answer the charge that a wholly new layer of complexity was being added to the governmental picture.

Mr. Dwelley has noted in a written comment (appended to the transcript of October 3 hearing) that state legislators are currently part-time, overworked officials. Perhaps the development of regional institutions might provide an opportunity to secure adequate full-time pay for state legislators. The objective of full-time legislators may be excessive, but even legislators who averaged 25 or 30 hours a week devoted to politics over the course of each year would infuse the legislative function with a high degree of professionalization. Professionalization is not, in this case, a technical or impersonal aim. What is at stake is the capacity of legislatures to play vital roles in the government process, and to raise the quality of all political discussion.

A further word is in order about the need for regional executive leadership. It follows from the rest of my argument that I favor an elected regional chief executive, and preferably one on the directly elected "presidential" model rather than the "prime ministerial" model. Professor Long calls for gubernatorial appointment of a regional executive. I heartily endorse this proposal, but do not see that it obviates the need for an elected regional executive. The governor's appointee will essentially be an administrator. He will have less capacity for policy leadership than a city manager, because his career will ride on the governor's (rather than the region's) favor. Given the ways of American politics, of course, the governor will expect him to cultivate the good will of his regional "constituency". He will certainly be unable to champion regional interests against

gubernatorial policies (or legislative policies that the governor himself would hesitate to criticize), however; and he is unlikely to be an effective mobilizer of regional interests against the tendencies of functional agencies to go their own ways. The region needs its own focus of political attention and mobilization. In short, both a state coordinator and an elected executive at the regional level are needed. If it is only feasible to create the former at this point, the importance of looking toward creation of the latter over time should not be ignored.

Should referenda be required before regional governments are established? The American system (at the state and local levels only) makes far greater use of the referendum device than any other in the world. Invariably to date, it has been employed as a test of American metropolitan government proposals, and almost invariably the proposals have failed it. The exceptions have involved transfers of functions in each case to a single existing county. I have little doubt that Professor Long confined himself to proposing state decentralization in order to avert the need for referenda. Perhaps it is unfeasible to establish genuine regional governments without referenda in Connecticut. I do not know. I wish simply to address the question: would it be less democratic to establish them by state legislative action?

Quite clearly, of course, the referendum is about as democratic as a procedure can be. However, its policy outputs tend to differ substantially from those of representative institutions. There is a "simple" case to be made, therefore, that representative institutions are less democratic. This case is inadequate, for the following reasons:

First, democracy involves more than the mere counting of heads. It also involves cultivating the long-term "legitimacy" of the governmental system. Wise representatives do this in the following ways: (a) they consider the varying intensities with which different groups in the community view each issue, (b) they consider what citizens will think in future as well as what they think today, and (c) they distinguish between citizen demands based on mere interest and those which correspond to citizen conceptions of what is just (i.e., what a "good" government would do).

Second, democracy involves the maximization of citizen satisfaction as well as the use of democratic procedures. Representatives can "package" large number of issues. This greatly enhances their capacity to satisfy nearly all groups simultaneously, or at least to keep any from harboring deep grievances against the governmental process. The referendum device frequently fails on these counts. When whites vote down civil rights laws in referenda, thus ignoring the deep grievances of a large minority and the moral foundations of the political system, but at the same time reelect representatives who have passed such laws as part of a "package" I cannot see that the first procedure is clearly more democratic.

Third, democracy requires cultivation if it is to survive over the long run. The virtue of representative institutions is that they provide for combining democracy with careful discussion. In the present case, if the alternative to local government reform is the rapid centralization of American politics, it may plausibly be argued that referenda are not providing for the long-term cultivation of democratic institutions themselves.

The trouble with the referndum is that it disaggregates issues, that it presents the citizen with an all-or-nothing choice, and that it assumes he will inform himself carefully before voting. In fact, we know that the average citizen pays virtually no attention to referendum campaigns, and that perhaps as a result he responds more readily to crude scare tactics than to any other form of appeal. The history of floridation and metropolitan government campaigns are the two most obvious cases in point. What is not at all clear, however, is that the typical voter would mind if representative institutions decided such matters, that he would feel less satisfaction with the political system if it did so (and, e.g., enacted more floridation and "metro" proposals), or that he would end up exercising less influence over the long run. Put simply, the typical voter is a complex figure, and it is by no means clear that referendum government "represents" him better than representative government.

IV

Let us turn now from objectives to tactics. The purpose of the following discussion is to build modestly upon Professor Long's proposal, accepting for the moment his basic feasiblity estimates. I shall assume, in other words, that the legislature cannot be persuaded to mandate the establishment of general purpose

regional governments, and that proposals to establish such governments will continue to be subject to the referendum test in each region.

These premises about constraints leave open the prospect that a system of regional institutions will shortly come into being, consisting of: (a) state administrative centers, organized along the lines outlined in Professor Long's paper, (b) regional councils of elected officials, and (c) regional planning staffs oriented toward serving the councils.

The question to which I shall address myself is how the built-in capacity of these institutions to grow—in significance, representativeness, and political "visibility"—can be maximized. I shall confine myself to mentioning the few approaches among those that have occurred to me which appear to combine leverage and feasibility in the highest degree. This is not to say that all are immediately feasible. Perhaps none are; but, given my ignorance of Connecticut politics, I have considered it just as well to let the Commission judge.

First, as noted previously, I suggest that an effort be made to negotiate a harmonization of federal administrative boundaries in the state with one another and with the boundaries of the state regions. These negotiations would be difficult but by no means hopeless. The President and numerous key Congressmen (among those specializing in executive reorganization and intergovernmental relations) have manifested substantial interest in coordinating the impact of federal programs upon urban regions, and in encouraging the growth of locally controlled regional planning processes to help guide the coordinative effort.

Suppose that these negotiations led to abandonment of the current regional planning districts. I would consider this unfortunate (considering the effort that has been invested in their cultivation), but a minor price to pay for the potential gain. Insofar as I can see, regional planning has barely gotten off the ground to date. Five of the fifteen districts have not yet organized themselves, and most of the others have failed to interest more than a handful of citizens in their work. This is not said in criticism; the regional planning agencies have had little time, money, or authority on which to build. It does suggest, however, that opportunities for fresh starts need not be dismissed out of hand quite yet. (Parenthetically, fifteen does strike an outsider as an excessive number of "regions" for a state the size and population of Connecticut. Being unfamiliar with the background of the decision to establish the present boundaries, however, I hesitate to say more.)

Second, also as noted previously, I suggest that attention be paid to constituting the regional councils so that they can take on real decisionmaking (as contrasted with advisory) responsibilities without running afoul of the one-man, one-vote requirement in the courts. I have no idea whether satisfaction of this criterion will prove feasible, but the argument of constitutional necessity carries sufficient political weight, and the growth capacity of regional institutions rides so decisively on this issue, that a top priority effort to *make* it feasible would appear worthy of the Commission's most serious consideration. (My fuller discussion of this subject appears earlier).

Third, the creation of new special districts might be prohibited, so that future demands for the provision of services on a larger-than-town (and smaller-than-state) scale would be channeled to the regional councils. Even if a referendum were required each time a council proposed to provide a new service, this provision would be a great boon. The people may be unwilling to transfer local functions to the regions all at once, but specific demands of the kind that today produce special districts will periodically arise.*

Even more would be accomplished, of course, if some or most of today's special districts could be brought under the supervision of the regional councils. Assuming that a simple hierarchical relationship between the councils and most of the existing special districts is beyond the realm of current possibility, perhaps what should be sought is a veto power on the part of each council with respect to special district taxation, spending, and user charge increases within its (the council's) jurisdiction.

Fourth, the possibility of requiring state agencies to refer some of their plans (including budget requests) to the regional councils for comment and approval should be explored. To the extent that the council's gradually acquired authority to veto as well as to comment upon certain types of proposals, their significance and visibility would further be enhanced.

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*The number of special districts in Connecticut rose by 23 per cent, from 166 to 204, between 1952 and 1962.

Fifth, a continuing effort should be made to infuse state grant-in-aid programs with incentives to regional cooperation. A number of federal programs already provide bonuses for aided local projects that accord with metropolitan or regional plans. The state should adopt this approach, and give the councils of elected officials ultimate authority to determine whether any local project does in fact further regional objectives. Some programs, furthermore, might include bonus provisions designed to encourage local electorates to assign overall responsibility for the local functions concerned to the regional councils. Such bonuses might even be graded, to stimulate partial beginnings within each region on a "Lakewood Plan" basis, but even more strongly (where appropriate) to encourage region-wide participation.

Sixth, the state might provide general incentives to local electorates to approve the establishment of full-blown regional governments. These incentives would be made available to regional governments meeting specified criteria—e.g., (a) the possession of certain organizational characteristics, (b) adequate legal authority to provide specified services, and (c) responsibility for a given proportion of total local spending and taxation in the region. One attractive inducement might be a state offer to substitute block grants or tax credits for a given list of special purpose grant programs when asked to do so by such regional governments. Another would be an offer to transfer certain state functions (and the resources or resource bases needed to finance them) en toto to regional governments meeting specified criteria. The justification for these offers would be expected high competence of the regional governments by comparison with existing local institutions. Over the long run, Connecticut might hope to persuade the federal government to build similar incentives into some of its own programs.

Quite obviously, the ideas outlined in this section are susceptible of numerous permutations and combinations. As noted previously, moreover, some of them probably lie outside the realm of current feasibility. The task of the Commission, however, does not lend itself to simple blueprints or accomplishment at single blow. Asked to sum up this essay's theme in a single sentence, I would respond:

Really significant improvement of the Connecticut state and local government structure will be the product (if it comes about at all) of much more than tactical inventiveness; it will also require clear strategic vision, continuous attention, and enormous effort—all applied over the course of many years. The time factor can hardly be overemphasized. It suggests that the proponents of fundamental change should be thinking well beyond passing a bill—to creating a political movement. Not necessarily (or even probably) a mass movement, to be sure, but one involving political and opinion leaders throughout the state.

My purpose in stressing the theme of "political visibility" throughout this paper has been to highlight the importance of building such a movement into the governmental structure itself. The best of structures merely facilitate, however, people determine the uses to which they will be put. And in democratic politics, determination follows success in mobilization.

Chairman BOLLING. Next, Mr. Campbell.

Senator JAVITS. Mr. Chairman, before the witness starts, may I just make a very brief statement?

Chairman BOLLING. Certainly.

Senator JAVITS. I would like to join with the Chair in thanking the witnesses for their appearance. I would like especially to greet Dr. Campbell of Syracuse University and to say to the Chair that I think this is a critically important set of hearings. To add one point to what the Chair has made, I am very interested in the thinking of witnesses regarding the corporation idea.

For example, in New York I believe the initiative of the Governor in the urban development corporation is a very signal achievement. I would like to find out whether this kind of State organized corporation with very broad powers enabling it to deal with the problems of overlapping government departments may be a solution, though not necessarily the solution.

The Chair mentioned authorities, public authorities, like our port authority in New York. But I think the corporation idea also deserves

to be considered, both the public corporation and the mixed corporation like Comsat or any one of the others.

I thank the Chair.

Chairman BOLLING. I thank the Senator from New York.

Mr. Campbell, you may proceed.

STATEMENT OF ALAN K. CAMPBELL, DEAN, MAXWELL GRADUATE SCHOOL OF CITIZENSHIP AND PUBLIC AFFAIRS, SYRACUSE UNIVERSITY, SYRACUSE, N.Y.

Mr. CAMPBELL. Mr. Chairman, Congressman Reuss, and Senator Javits, it is a pleasure to be here and I join my colleague, Mr. Altshuler, and I am sure Mr. Jones, in congratulating the committee on holding these hearings because it seems to me, too much of the political debate in this country revolves around substantive issues without sufficient concern about whether we have the governmental machinery capable of making choices and implementing policies once they are adopted.

I would like to also express my pleasure at being on a panel with Mr. Altshuler and Mr. Jones, both of whom have made very substantial contributions over the years to this field, and the recognition which these hearings are giving to those of us who have concerned ourselves with governmental organization. I hope this is indicative of a Federal Government concern in this field.

I do not intend to read my prepared statement. I think the description given by the chairman in his opening remarks about the nature of the problems produced by fragmented and overlapping government is a good one. It is one that those of us who operate on the State and local level are made aware of every day in trying to get relevant decisions from the system.

I think the comments by Mr. Altshuler which point to the role of the State and what Senator Javits asked about New York's urban development corporation, suggests bringing the States into the center of the urban action, a role that they have been notably reluctant to play until very recently. I am not sure we have reached the point where that has changed, but if we have, perhaps the States of New York and Massachusetts can lead the way.

I would like particularly to comment today on a report with which I have been deeply involved over the course of the last 2 years on reshaping government in metropolitan areas. That is the report of the Committee for Economic Development for which I served as project director. I think that this report is perhaps the first report to bring together the contrary tendencies of centralization of government normally going under the term "metropolitan government," and the more recent demands for decentralization or community control.

As the chairman pointed out, it is often suggested by some students in this field that metropolitan government and community control are contradictory. I would like to suggest to you that they are not, that they can be combined to produce a viable governmental process with would be superior to the current process.

I think the newness of the idea suggested by the CED report is not based upon its advocacy of regional government—an advocacy which has existed for a long time—but rather on its effort to combine centralization with decentralization and its emphasis, and this, is par-

ticularly important, on sharing power over functions rather than attempting to divide functions among levels of government.

For too long we have attempted to decide at which level of government a function belongs, police at the local level, something else at the State level, national defense at the Federal level, without realizing that our system does not operate that way at all. What we do is give relative amounts of power over specific functions to the different parts of the governmental system.

As the policy statement of the CED points out, and I am now turning to my prepared statement beginning with the following paragraph:

> While the American Federal system has been dividing responsibility and power among many layers of government, the gradual evolution of an American administrative doctrine has produced a set of theories and practices that tend to reduce citizen influence on many aspects of government. In part a result of the reform movement of the 1920's and 1930's, these practices were primarily designed to increase efficiency and to reduce political influence. However, concepts about separation of policy and administration, about professionalism and heirarchical control have all worked in the direction of excluding the average citizen from participation in the delivery of government services.
>
> The kind of participation which has been encouraged has been only at the policymaking level, where blue ribbon citizens advisory committees are frequenly employed. But below this level administrative expertise is supposed to take over. The parent of the public school child, the welfare recipient, the hospital patient, and all others whose lives are affected by government are supposed to accept as final the decisions of professional 'experts.' Citizens with greater political weight normally ignore these claims to expertise and effectively influence the operation of the system, be it a school system or some other public activity. Citizens with less influence—and those lacking sophistication in dealing with the political process—find it more difficult to gain access to the system.
>
> It is in part the frustrations produced by this administrative ideology that have led to demands for decentralization and community control. For the average citizen, exerting an influence on the delivery of services is much more important than having a vague, distant impact on high-level policy deliberations.

On the basis of this analysis, done by the CED Committee, the report calls for a new form of metropolitan government which combines centralization and decentralization. This recommendation is not a political compromise resulting from the view that while metropolitanwide government is considered best, the demands of citizens for small-scale government are obstacles be overcome in achieving centralization. Rather, the report recognizes that the decentralization case is as strong as the one for centralization, and points out that the support for both is based on the same goals: better, more responsive government, and more humane social policies.

The CED, therefore, concludes:

> To gain the advantages of both centralization and decentralization, we recommend as an ultimate solution a governmental system of two levels. Some functions should be assigned in their entirety to the areawide government, others to the local level, but most would be assigned in part to each level. More important than the division of functions is the sharing of power. Local communities will be assigned some power over functions placed, for example, at the areawide level of government.

Until now, scholars and other reformers have concentrated their recommendations on the assignment of functions according to the level of Government at which they would be most efficiently performed. This effort often ignored the reality of the present system, which does divide power widely.

However, the report recognizes, and I think it is important that all of us who concern ourselves with structural questions recognize this, that structure does not solve substantive problems, rather, substantive problems are often discussed in isolation from structure and structure in isolation from substantive problems. The purpose of the CED statement is to "build a governmental system capable of responding to the substantive problems which plague metropolitan America." And in order to demonstrate the interrelationship between substantive problems and structural reorganization, the report selects a number of functional areas for separate analysis to demonstrate how the two-tier system would work in practice.

We examined, for example, planning, transportation, water supply and sewage disposal, rubbish and garbage collection, education, welfare, public health, housing and police, and in each case made suggestions as to how power relative to those functions in each case might be assigned to different parts of the governmental system.

Now, I think taken together, these recommendations do represent a sharp break with past reform suggestions. What is advocated is much more than simply a federation of local governments. We are advocating both a new system for subregional governments, and the extension of current city and county boundaries to include entire metropolitan areas.

I might say to this committee that within the CED subcommittee, and I am sure the committee members are aware of the CED process, there was great difference of opinion as to where this system left the central city. If you are designing a new governmental system and establish a regional unit and below it neighborhood units, is there a place within this for units that fit in between these two levels?

May I say that I wanted very much for the statement to argue that central city boundaries were the least meaningful boundaries left in our governmental system and might well be removed. I was unable to get the subcommittee to accept that statement but the report does state that city boundaries would become less important than they now are and that there would be instead a boundary surrounding each metropolitan area as well as boundaries surrounding community districts within each metropolitan area.

Now, one of the central political questions about metropolitan government is the attitude of the black community to this movement in the direction of metropolitanwide government. There are members of the black community who suggest with some justice, that the recommendation of extending the boundaries outward to include within the regional unit large parts of the suburban areas is but a way of diluting black power which is about to accomplish political control in many cities.

Therefore, it is described by them as another trick by "Whitey" to thwart their efforts to obtain power.

On the CED subcommittee we had three members of the black community and a great deal of time was taken in discussing this issue. Those representatives accepted the proposition that a coalition of neighborhood or community governments within the system suggested by the policy statement would give minorities greater influence on public policy than inheriting today's bankrupt central cities would.

It was quite one thing for the Italians and the Irish to capture

American central cities in the 1920's and 1930's when they are going concerns. It seems to me it is quite another thing to capture those cities today when, in the case of most of them the spoils of victory are simply not there to be had.

The kind of reorganization suggested in the CED report has received a good deal of public comment since that report was issued. Most editorial writers have taken the position that it is a good idea, considering particularly its very respectable source, but that politically it cannot be accomplished. As one who served as the chairman of the committee on home rule and local government at the New York State Constitutional Convention I share such pessimism. When it was announced that I had been appointed chairman it became obvious my views on metropolitan government were fairly well known—I felt the full blast of all the village mayors across the State of New York. I know, therefore, something about the political strength and the very deep feelings that suburbanites have about their villages.

Perhaps what is being tried through community control in neighborhood government is an effort to give some of that same feeling to people within central cities and, therefore, has that kind of support behind it.

But it would seem to me that the Federal Government, with its vast aid programs and its involvement in the substantive issue, has a real obligation, and certainly Congressman Reuss has played a role in attempting to get the National Government to accept this responsibility, of concerning itself with the organization of State and local government.

We were able to accomplish school consolidation by the carrot of State aid. There is no reason to assume that if the Federal Government could agree on the kind of reorganization it wanted that it could not use the aid carrot in the same way.

I would suggest to you that a step exactly in the wrong direction are the present plans on revenue sharing, not that I am against revenue sharing, but the pass-through provision would simply provide to each local government a proportionate share of the aid which would tend to build into the system more solidily than ever many local governmental jurisdictions, many of which have no jurisdiction for continuing to exist.

Senator JAVITS. Mr. Chairman, could we ask one question at that point? Are you not presupposing, Dr. Campbell, a certain kind of revenue sharing with that pass-through provision locked in in a rigid way? In other words, I do not think it would be fair to revenue sharing if you were against it because of that provision because that is not the essence of revenue sharing. The essence of revenue sharing is that some percentage of the increase in Federal revenues coming by virtue of the increase in the gross national product should be made available to the local units of government.

Now, how that is to be handled at the local unit of government, at the level below the State, is a very open question. I have a bill myself which handles it one way. There are other bills which handle it very differently. So, I just wanted to be sure whether you are against revenue sharing because you do not like the idea of the Federal Government distributing any part of its revenues in a bloc grant to States whether you are simply against the particular provision of a revenue

sharing plan which would lock in a certain distribution to units of government below those of the State?

Mr. CAMPBELL. I am a long time champion of revenue sharing as a concept. I am much bothered by the question of the conditions which surround the distribution of that aid. If it is to be simply passed on to the States with the States then allocating it according to their present pattern of aid distribution the outcome will be the same pattern we now have of underaiding cities and overaiding suburban jurisdictions.

If there is a hard, fixed pass-through provision in the revenue-sharing, then what you will get is a pass-through to local governmental jurisdictions such as the towns and villages in New York State. This would tend to solidify present local government systems. I therefore suggest that it is an abdication of responsibility by the Federal level if it has not thought hard about the impact of revenue sharing on the local and State governmental systems of the country, and that this requires much more than a simple laissez faire response.

The fact is, in terms of the political culture at the State and local level, that unless the Federal Government is willing to direct its aid to also encouraging necessary reorganization, it will mean continual passage upward of more and more substantive responsibility to the Federal level.

In other words, what I am saying is the Federal Government does not fulfill its responsibility by simply providing financial assistance.

Thank you very much, Mr. Chairman.

Chairman BOLLING. Thank you.

(The prepared statement of Mr. Campbell follows:)

PREPARED STATEMENT OF ALAN K. CAMPBELL

The rhetoric of today's political marketplace insists that the country's priorities must be reordered, resources reallocated, and power redistributed. Politicians all across the ideological spectrum tend to use the same language. Agreement does not exist on what should have priority or how resources should be reallocated or to whom power should be redistributed, but there is agreement that the present system is not dividing America's resources correctly.

That politics is, in part, a contest over resources is not surprising nor is it new. What may be new is the frustration which many are experiencing in their attempts to influence the allocation. The machinery of government and of politics is sluggish, slow to change, and often unresponsive.

Although debate tends to center on the substantive issues of what activities should receive more or fewer resources, the fact is that the present machinery of government makes it almost impossible for such decisions to be made or, if made, implemented. The present governmental system does not permit relative costs and benefits among a variety of possible uses of the communities, or the states, or the nation's resources to be compared.

For example, during this past month my own city of Syracuse and its surrounding metropolitan area has been struggling over a number of significant pending decisions—the construction of a 48 million dollar sewage disposal plant, the erection of a cultural center, the drawing of a city school budget, and the provision of higher pay for municipal employees, particularly policemen and firemen. Although each of these decisions will draw on the tax base on all or part of the community, the system by which the decisions are made does not permit either the voters or budget officials to compare their relative usefulness.

The decisions, made by overlapping units of government, will be influenced by different patterns of federal and/or state aid and will be approved and supported by groups with very different amounts of political power. It is not possible for the question of whether the rebuilding of the school's educational plant, for example, should have priority over a new sewage plant or a new cultural center, to be asked. Such comparisons cannot be made.

Or to take another example—the eastern seaboard and particularly New York City has been suffering these past several months from air contamination, power shortage, and mass transit breakdowns. Intertwined in causes of these problems are the automobile, the City's fiscal squeeze, the threat to the area's competitive industrial position if pollution ordinances are vigorously enforced, and the conservationist's apparent determination that Con Edison shall build no new generating capacity. There is no governmental unit, be it the City, any of the metropolitan arrangements within the area, the State, or even the Federal Government which is capable of designing and carrying out a set of public policies which can untangle the pattern of causation or impose upon it a set of relevant policies.

Criticisms of this type of the American governmental system are not new. In fact, drafting plans for and advocating government reorganization has been a favorite past-time of American reformers, academics and civic leaders for at least a half a century and probably longer. Such reform demands have been particularly persistent at the local level and have over the years resulted in substantial reform—particularly reform of the internal structure of urban governmental units with the City Manager Plan being the most visible product.

The same traditional wisdom which led to these internal reforms of urban governments has been used for at least thirty years to support the adoption of some form of metropolitan government, that is, the creation of a governmental unit at the local level which will cover the area of intense social and economic interdependence.

In a few instances—Miami—Dade County, Florida; Nashville, Tennessee; Indianapolis, Indiana; Jacksonville—Duval County, Florida; and Minneapolis—St. Paul, Minnesota—some form of "Metro" has been established. In many more instances, voters within American metropolitan areas have rejected this kind of reform. Opposition has often been particularly intense in suburban communities surrounding central cities.

The most recent general statement advocating reorganization of local government comes from the Committee for Economic Development. I served as Project Director for this CED policy statement "Reshaping Government in Metropolitan Areas", and I believe that it goes beyond and perhaps even corrects the traditional reform recommendations in this area.

The newness is not based upon the advocacy of regional government for metropolitan areas but rather on combining centralization with decentraliaztion and the emphasis on sharing power over functions rather than attempting to divide functions among levels of government.

Traditional proposals for reform of local government have been based on a set of doctrines developed during the first quarter of this century and designed to eliminate the primary problems of inefficiency, corruption, and political manipulation. These doctrines, thought to be relevant to the problems of their time, are specifically and consciously rejected as the underlying philosophy for the CED policy statement.

They have been rejected because the doctrines tend to reduce the role of citizen participation in local government, particularly citizen influence over the administration of the great public services.

As the policy statement points out:

"While the American federal system has been dividing responsibility and power among many layers of government, the gradual evolution of an American administrative doctrine has produced a set of theories and practices that tend to reduce citizen influence on many aspects of government. In part a result of the reform movement of the 1920's and 1930's, these practices were primarily designed to increase efficiency and to reduce poltical influence. However, concepts about separation of policy and administration, about professionalism and hierarchical control have all worked in the direction of excluding the average citizen from participation in the delivery of government services.

"The kind of participation which has been encouraged has been only at the policy-making level, where blue-ribbon citizens advisory committees are frequently employed. But below this level administrative expertise is supposed to take over. The parent of the public school child, the welfare recipient, the hospital patient, and all others whose lives are affected by government are supposed to accept as final the decisions of professional 'experts.' Citizens with greater political weight normally ignore these claims to expertise and effectively influence the operation of the system, be it a school system or some other public activity. Citizens with less influence—and those lacking sophistication in dealing with the political process—find it more difficult to gain access to the system.

"It is in part the frustration produced by this administrative ideology that have led to demands for decentralization and community control. For the average citizen, exerting an influence on the delivery of services is much more important than making a vague, distant impact on high-level policy deliberations."

On the basis of this analysis, the report calls for a new form of metropolitan government which combines centralization and decentralization. This recommendation is not a political compromise resulting from the view that while metropolitanwide government is considered best, the demands of citizens for small-scale government are strong obstacles to achieving centralization. Rather, the report recognizes that the decentralization case is as strong as the need for centralization and points out that the support for both is based on the same assumptions, which "lead to better, more responsive government, and we hope more humane social policies."

The CED therefore concludes:

"To gain the advantages of both centralization and decentralization, we recommend as an ultimate solution a governmental system of two levels. Some functions should be assigned to their entirety to the areawide government, others to the local level, but most would be assigned in part to each level. More important than the division of functions as I already suggested is the sharing of power. Local communities will be assigned some power over functions placed, for example, at the areawide level of government."

Until now, scholars and other reformers have concentrated their recommendations on the assignment of functions according to the level of government at which they would be most efficiently performed. This effort often ignored the reality of the present system which clearly recognizes that nearly every part of the governmental system is involved in nearly every function, an arrangement the CED accepts as quite appropriate. As the report states, "the American federal system permits a much wider choice than a clear-cut division would imply."

The report also recognizes, however, that structural changes do not automatically solve substantive problems. It argues that very often substantive problems are discussed in isolation from the issues of structural reform, while just the opposite is usually the case in discussions of need for structural change. "The result is that the connection between the substantive problems and governmental structure is only vaguely understood."

The purpose of the CED statement "is to build a governmental system capable of responding to the substantive problems that plague metropolitan America." "The present governmental system," the report argues, "often stands in the way of applying new policies, and in some instances is a significant cause of the problems."

To demonstrate the interrelationships between substantive problems and structural reorganization, the report selects a number of functional areas for separate analysis to demonstrate how the two-tier system would work in practice. Among the functions treated are planning, transportation, water supply and sewage disposal, rubbish and garbage collection, education, welfare, public health, housing, and police.

For example, in discussing the transportation function in relation to the concept, the report says:

"This function must be assigned in large part to the metropolitanwide unit because of its stignificance to the development of the entire area. However, the federal and state governments must assume greater responsibility for designing and financing comprehensive transportation policies. By its very nature, transportation cannot be planned solely on an intrametropolitan basis. Fortunately, in this regard the Nixon Administration has announced its intention to develop a federal transportation policy which not only will assign priorities among modes of transportation but also will design an aid system which reflects these priorities.

"Because of its importance to community development, the formulation of areawide transportation policies must involve community participation, for, metropolitan transportation systems must facilitate the journey to work, expedite the shipment of goods, and speed the flow of traffic without adversely affecting local residents. The more than 20 interstate expressway controversies now raging indicate the degree to which highway plans can upset neighborhoods and communities. Current federal regulations requiring two hearings well in advance of interstate highway land acquisitions are a meaningful step in the direction of community participation. They must be strengthened, however, by provisions mandating community involvement in the overall highway planning process."

Taken together, these recommendations in this report do represent a sharp break with past reform suggestions. What is advocated is much more than simply a federation of local governments, because the areawide government under the proposal would have real power. Further, the report does not recommend simply the continuation of the present fragmented system at the local level, but, rather, suggests that that fragmenation be raionalized into a one-level system, and, further, that this most local level be extended into central cities.

By extending boundaries to include the entire metropolitan area, while simultaneously creating small unit boundaries within this total area, the unit of government currently existing which will be most substantially reduced in influence is that of the current central city. As the policy statement points out, "It is important to underline the full significance of the changes advocated here. City boundaries would become less important than they now are. There would be a boundary surrounding each metropolitan area, as well as boundaries surrounding community districts within each metropolitan area."

As project director, I thought that the logic of the argument for the new system called for the complete elimination of city boundaries. While the CED subcommittee was unwilling to go that far, it is clear that of all the governmental boundary lines existing within metropolitan areas these days, the least logical is the one surrounding the central city. Incorporated within this boundary is a vast set of social problems which much be met with a tax base which is at best holding its own, and in some instances declining.

Another way of perceiving the changes recommended here is an extension of city boundaries to encompass the entire metropolitan area, while simultaneously creating at the local level a series of community governments to protect the interests and concerns of citizens about their own immediate needs.

This recommendation for decentralization will create the greatest controversy. As the report points out, the pattern over the last two centuries in the United States has been toward increasingly centralized governments. "Cities have expanded their boundaries by annexation. States have assumed new functions or have taken more responsibility for old ones. The national government has broadened its role in domestic affairs."

This pattern of centralization, it is suggested here, should be at least to some degree reversed, or perhaps, better rationalized. Actually, the increasing demands in central cities for decentralized community governments, and the tenacity with which suburban jurisdictions fight for continued autonomy under the banner of home rule, is illustrative of the felt need for a government of human scale.

As the report says, "The dialogue over black community control has focused public attention on many legitimate grievances of black citizens. The issue of decentralization, however, is not limited to the black community. White citizens, too, are impelled toward decentralized government (witness the surburban village) by some of the same factors that are motivating blacks: a desire for greater separatism and a stronger sense of local pride and community identity. Indeed, decentralization goes beyond questions of black and white. Its advocates see it as a means of humanizing government, giving the voter greater access to public services, more control over the bureaucracy which manages his affairs. and a more important role in decisions in which he has a stake."

Since its publication the policy statement has evoked considerable discussion and debate. Some champions of metropolitan-wide government have said it places too much emphasis on the decentralized community districts, while advocates of decentralization fear that undue power will be given to the regional government. However, the most common criticism has been that it is not politically feasible.

Only time will tell whether this criticism is justified. But it can be argued that the plan advocated here is consistent with many of the humanizing tendencies which are being advocated by more and more people. Whether those who have a stake in the status quo can be sufficiently moved to make the kind of changes recommended here is obviously an open question.

The report recognizes that the obstacles to such changes from within the metropolitan areas themselves necessitate leadership from state and federal government. It is suggested that states provide a mechanism for accomplishing the changes, and that the federal government use its aid system to encourage this kind of reorganization just as the states in the past used state aid to education to bring about reorganization of local school district government.

No change in government structure will make easy the reordering of American priorities. Changes in the structure, however, will increase the visibility of the

process and thereby determine whether there is sufficient agreement within our society to justify a reordering.

Further, to simply alter the local system without a rethinking and a rethinking—which goes beyond slogans like Cooperative Federalism, Creative Federalism or New Federalism—of federal-state-local relations is essential. For example, the current administration's revenue sharing plan has much to recommend it relative to the distribution of tax resources in this country but very little to recommend if its impact on the state and local governmental system is experienced. As now designed, the recommendations would tend to build in even more firmly the present governmental structure by providing revenues to each of the states and all of their local governments, thereby giving new life to governmental units whose usefulness has long passed.

In fact, I would argue that the first step the federal government should take in examining federalism is to look at the structure of government by which we make decisions and then on the basis of that analysis use its aid to restructure the system in a manner which will at least make it possible for the public to establish priorities.

Chairman BOLLING. Mr. Jones, you may proceed.

STATEMENT OF VICTOR JONES, PROFESSOR OF POLITICAL SCIENCE, UNIVERSITY OF CALIFORNIA, BERKELEY, CALIF.

Mr. JONES. Mr. Chairman, members of the subcommittee, it is a great pleasure and privilege to be here. I want to say that I almost started to read Mr. Altshuler's prepared statement because the first sentences are almost identical.

Chairman BOLLING. The first sentences of all prepared statements are almost all virtually the same.

Mr. JONES. I wanted to say I am grateful for the opportunity to participate along with Mr. Campbell and Mr. Altshuler, and that was not in Mr. Altshuler's prepared statement.

I think this discussion is very timely, not only because some decisions are going to be made in the next decade about revenue sharing with, I think, definitive effect upon the structure of local government and the structure of American federalism, but the Congress is likely to continue to enact individual aid bills.

An evaluation of past experiences is needed now because the momentum of the strategy of the past decade with respect to encouraging and providing support for regional planning, is slackening. Current response of State, local, and regional agencies to the requirements and inducements of national grant-in-aid programs has become routinized and stabilized at a low level. I think the Federal Government now should ask whether it is satisfied for these responses to remain at the present low level.

I do not disparage the effects of landmark congressional and executive action during the past 12 years. Local government and politics have already been significantly restructured as a result of the regional planning provisions of a number of aid bills. The offices of the National Environmental Policy Act of 1969 are not yet clear since they have not gotten into the Office of Management and Budget Circular A–95 as yet, but undoubtedly they will. Furthermore, each of the acts of Congress and each successive provision of OMB Circular A–95 has extended the coverage of regional review of applications for Federal financial assistance.

Most metropolitan areas now have either a Council of Governments or some other form of a regional planning agency. Even if these re-

gional agencies are no more than paper pussycats, as some people in my part of the country call them, the fact is that locally elected officials in metropolitan areas are now organized in a way and for purposes that were not dreamed of just ten years ago.

Now, in the other direction, towards decentralization, which my colleagues have already discussed with you, congressional and executive action has involved consumers of public services and residents of neighborhoods in local planning, decisionmaking and administration. It would now be impossible, I think, to erase the effects on the structure and processes of local government and politics even if Congress were to repeal the acts authorizing model cities and community action programs. To mention only one effect by illustration, a new cadre of confident and relatively experienced spokesmen for these groups has been created through these activities and there is no reason to believe that they would suddenly cease to function if the formal programs were abolished.

And this is, I think, a very good illustration of how governmental—Federal governmental action has lasting consequences at the local level. It suggests a strategy that could be followed by the Federal Government.

I see nothing inconsistent in principle between the simultaneous thrust toward metropolitan centralization and toward neighborhood centralization. Although either or both may be undesirable, a movement in both directions at the same time is not an exercise in contradictions. To pursue both directions at the same time is the essence of federalism. I say directions because we are not required to continuously turn things upside down and move one way or the other or both ways. But the essence of federalism, and this is as important at the local level in a metropolitan area as it is in the Nation as a whole, the essence is to provide for planning, decisionmaking and administration over the whole of the community while you also, provide for continuous and influential input from the various parts of that area.

Both my colleagues, Mr. Campbell and Mr. Altshuler, have recognized this and have come forward with proposals. Mr. Altshuler in his very important book on "Communist Control" does not go into great details to suggest how this could be done but throughout his discussion he recognizes that there are some matters which are regional in scope and have to be handled regionally but there are many other things that can and should be handled locally. If you have some kind of a neighborhood structure of influence, they not only will be able to run their "own business" but will be in an organized position to influence regional decisions in a way that they are not now able to do.

Mr. Campbell has already told you about the proposal of the Committee for Economic Development and I can only say thank God for those members of this committee that he could not persuade. It demonstrates once again how desirable it is to have "lay politicians" write the final draft of a report.

I will come back to that later if there are questions, because it seems to me, that in a large complicated metropolitan area like the San Francisco Bay area, and the other very huge ones in which most of the metropolitan population of the United States live, we are very likely to have a most untidy kind of government in which we will have neighborhoods and cities and counties and regions and State and

Federal agencies all working together or at cross purposes at the same time.

But one of my principal concerns with these proposals is that—especially with the CED proposal—is that it calls for a rational restructuring through a frontal attack on local government in the United States. This is happening in Ontario and it will probably take place in England, but I am very doubtful that this is the way to go about developing in the United States effective and viable regional organizations that can plan, make decisions, and carry them out.

Although I am concerned with the implication of the CED proposal that large cities should be divided into smaller governments, I am most concerned because I think we are just not likely to get it accepted in time to make it unnecessary to create a large number of functional organizations, ad hoc authorities and whatnot, or to make it impossible or unnecessary for the State to move in or the Federal Government to move in and do some of these things directly.

Now, I have no objection to Massachusetts doing what it wants to do in the way it wants to do it. It makes some sense in Massachusetts, and even more sense in Connecticut, for the State to function as if it were a metropolitan area. Massachusetts is just a little bit larger than the San Francisco Bay metropolitan region and not much larger than a number of other multicounty, multi-State metropolitan areas. Connecticut is even smaller and I have lived in Connecticut and I know that the government of Connecticut is in many ways a metropolitan government. That is what State government means there, in a way that certainly would not be true of Texas or Illinois or California.

We should recognize that we do have metropolitan government in the United States. The question is no longer whether we should have it or should not have it. The question is, Are we getting the kind of metropolitan government we want and is there anything we can do to get a kind of government closer to what we would like than what we are now getting? The metropolitan government which we now have and are likely to get more of is, of course, in the guise of special purpose regional districts and authorities.

I consider—I am sorry the Senator is gone—I would consider the State development corporation in New York to be another species of that kind of governmental structure.

So that what I would like to suggest here is that the Federal Government review all the requirements and all the inducements that it now uses, whether intentional or not, to effect the structure and the functioning of local government and politics.

It seems to me that there are two approaches which have been instituted already and developed slightly during the past decade which can be used by the Federal Government to move the American system of local government toward effective metropolitan planning, decision-making and administration and toward greater control of community matters by citizens of communities.

The first approach, I think, is the requirement of regional planning as a condition for the receipt of Federal financial assistance, and the second approach is the Model Cities program. So, what I am suggesting is, and I do not know exactly how it could be done, is that these two approaches be put together in an overall strategy toward metropolitan development.

The strategy of both approaches should be expanded and deepened and both should be linked with each other into a common intergovernmental strategy for governing urban America. I would like to underscore the term "intergovernmental." I use it deliberately instead of the word "Federal." I did not say a Federal strategy for governing urban America. I said an intergovernmental strategy for governing urban America.

The strategy should be intergovernmental in its formulation and in its execution. This requires the Federal Government to take the leadership in getting local and State governments to participate. It is a kind of participatory federalism, you might say, in developing joint Federal-State-regional-local-neighborhood institutions, processes and programs.

Now, I know it would have been difficult and probably impossible in the past to involve 400 metropolitan countries and some 5,000 municipalities in the joint development of an intergovernmental strategy. However, the Federal Government has already been able to bring about a regional organization of local governments. Councils of governments or their counterparts might be used as the point of consultation. I know that ABA, the Association of Bay Area Governments, in the San Francisco Bay area, has reached the institutional development, the organizational development, that would enable it to participate in this kind of intergovernmental formulation of a national strategy. In part this regional reorientation of city and county officials is the result of the Federal Government requiring them to behave as if they were regional officials with regional responsibilities. They are now committed to the full partnership of the Federal Government in helping to solve regional problems.

Since the Congress is committed to a policy of using State and local governments to carry out the programs it authorizes and funds, it has an inescapable responsibility for their quality. There is an increasing interest in consolidating the multitude of Federal grant programs into a few large categories. There is also increasing interest, but perhaps not enough for it to matter, in some form of revenue-sharing, or bloc grant either to replace or to supplement program grants.

A good case can be made for both proposals, it seems to me, provided that the recipient governments are capable of planning, of responsible decisionmaking and of effective administration. The greater the policy and program discretion of local and State governments, the greater is the national interest in the quality of their planning, decisionmaking and administration.

Bloc grants are not more desirable than categorical grants because they are nonconditional grants. In fact, if you have complete freedom to allocate the money as you see fit locally, it is even more desirable that such grants be made conditional upon the existence of an adequate planning process, a political decisionmaking process, including neighborhood and other forms of citizen access and participation, a budgeting process and a process of personnel management.

Dr. Lyle C. Fitch, president of the Institute of Public Administration, in a paper which he prepared for this subcommittee in 1967, made the same point and certainly Representative Reuss' bill of 1967 is an imaginative approach to combining revenue sharing with performance standards to be met by State and local governments.

It seems to me it would be even better if these conditions were not written into the bill providing for the sharing of revenues but that they were part of an overall attempt to develop a strategy for bringing up to intergovernmental standards the capability of State and local government. The enactment by Congress of the Intergovernmental Personnel Act and the Intergovernmental Manpower Act would be a long step in this direction. They are now before the House and I hear rumors that maybe they will be—well, I hear rumors.

An effort to consolidate existing Federal provisions for regional planning along the lines, I think, of the Intergovernmental Personnel Act would provide an excellent opportunity for Federal, State, regional, and local officials—elective and administrative—to collaborate in evaluating the current, the possible, and the desirable role of planning in program decisions, budgeting, and administration. If the overarching objective of performance conditions in Federal grant programs is to strengthen State and local participation through the development of metropolitan agencies capable of areawide planning and action, then statutes, guidelines, and regulations must keep this objective clearly in view. Ad hoc policies administered in an ad hoc manner by ad hoc Federal agencies and their ad hoc metropolitan counterparts may satisfy special interests. Legitimate as these special interests may be, however, the institutional consequence will be a weakened system of general purpose local government.

Now, for the first time in American history local governments in all metropolitan areas have been formally associated into regional agencies to review and comment on applications for Federal financial assistance. The official dogma is that they are not new layers of government but regional extensions of local government acting through voluntary membership in a regional council.

They have, however, shown clear, though feeble signs of organizational development into something beyond just a rubberstamp organization to validate local applications for Federal assistance. For one thing, these councils cannot operate in isolation. If they do anything that is significant, that touches anyone's nerve, the moment they concern themselves with important matters or that articulate publics believe that they should concern themselves with this or that regional problem, then regional councils will cease to be voluntary in fact if not in form. This is one reason for the Federal Government to open up these regional councils to this kind of public scrutiny and pressure.

Chairman BOLLING. Mr. Jones, I have a slight problem. I hesitate to cut you off but Mr. Reuss has to go soon and he has some questions he would like to ask. If you could wind up soon and then we will get back to the subject.

Mr. JONES. Yes, sir. Thank you very much. I will do that.

Well, I think this is essentially what I have to say here except that the Federal Government cannot strengthen local government as a regional partner in American federalism through contradictory organizational strategies on the part of competing agencies. Therefore, I believe that the Congress should set the stage for the development of an Intergovernmental Planning Act to be administered in the Executive Office of the President. Again, I would urge that in developing this Intergovernmental Planning Act you involve local officials in the formulation of it.

Thank you.

Chairman BOLLING. Thank you very much, Mr. Jones, and thanks to all of you.

(The prepared statement of Mr. Jones follows:)

PREPARED STATEMENT OF VICTOR JONES

Mr. Chairman, I am grateful for the opportunity to participate in the company of Alan Campbell and Alan Altschuler in this discussion with your Subcommittee about "how we can adapt our political structures to facilitate planning to solve economic and social problems on whatever regional basis proves desirable in a particular case, but at the same time retain a maximum of local and even neighborhood political power."

The discussion is timely and will lead, I hope, to an evaluation of the strategy which the national government has pursued, at least since 1962, to improve the capability of state and local governments to participate in the formulation and execution of national intergovernmental urban programs. An evaluation of past experiences is needed now because the momentum of the strategies of the past decade is slackening. Current response of state, local and regional agencies to the conditions and inducements of national grant-in-aid programs has become routinized and stabilized at a low level.

The judgment I have made is not intended to disparage the effects of landmark Congressional and Executive action during the past 12 years. Local government and politics has already been significantly restructured as a result of the regional planning requirements of the Highway Act of 1962, in legislative provisions for open space, water and sewer grants, in the consolidation and extension of regional planning requirements in Title II of the Demonstration Cities and Regional Development Act of 1966, in the Intergovernmental Cooperation Act of 1968, and in the National Environmental Policy Act of 1969.

Each of these acts and each successive revision of OMB Circular A–95 has extended the coverage of regional review of applications for federal financial assistance. As a consequence, most metropolitan areas now have either a council of governments or some other form of a regional planning agency. Even if these regional agencies are no more than paper pussy cats, the fact is that locally elected officials in metropolitan areas are now organized in a way and for purposes that were not dreamed of just 10 years ago.

In the other direction, Congressional and Executive action has involved consumers of public services and residents of neighborhoods in local planning, decisionmaking and administration. It would now be impossible, I think, to erase the effects of the structure and process of local government and politics even if Congress were to repeal the acts authorizing Model Cities and Community Action programs.

There is nothing inconsistent in principle between the simultaneous thrust toward metropolitan centralization and neighborhood decentralization. Although either (or both) neighborhood decentralization or metropolitan centralization may be undesirable, a movement in both directions at the same time is not an exercise in contradictions. To pursue both directions at the same time is the essence of federalism. (I say "directions" because we are certainly not compelled by federal principles to seek continuously for either smaller or larger units of political decision making.)

Both Alan Campbell and Alan Altschuler recognize this and proposals with which they are associated would combine regional and neighborhood controls and institutions. Altschuler discusses in his book on Community Control the demand, justice and utility of "placing today's suburbs and central city 'neighborhoods' on a par" under the umbrella of newly created metropolitan cities.

The Committee for Economic Development in its recent policy statement, Reshaping Government in Metropolitan Areas, for which Alan Campbell was project director, recommends a metropolitan governmental system of two levels—regional and local. The local level would consist of "community districts": existing suburbs and newly created community districts up of central cities and perhaps other older core cities into separate community districts.

It should be noted that proposals to create two-level local governments are not confined to the United States. Toronto has been governed in this manner since 1954. And now local government is being reorganized along similar lines throughout the Province of Ontario. No attempt, however, has been made to break up the City of Toronto into smaller neighborhood governments, although the Toronto

Bureau of Municipal Research has in a recent report placed the question on the public agenda. (Neighborhood Participation in Local Government, January, 1970.)

The Royal Commission on Local Government in England, while recommending the reconstruction of all local government into 58 unitary local governments and 3 double-tier metropolitan governments (in addition to Greater London and its London Boroughs), proposed that "Local councils should be elected to represent and communicate the wishes of cities, towns and villages in all matters of special concern to the inhabitants. The only duty of the local council would be to represent local opinion, but it would have the right to be consulted on matters of interest to its inhabitants and it would have the power to do for the local community a number of things best done locally, including the opportunity to play a part in some of the main local government services on a scale appropriate to its resources and subject to the agreement of the main [local] authority."

To adopt either the CED proposal or to get state and local governments to create other variants of two tier metropolitan-neighborhood governments will take time. It is doubtful, in fact, that local government will ever be reconstituted in this fashion through any direct frontal effort. The federal government, however, can affect mightily the capacity and the will of state and local government to govern urban American more effectively, efficiently and responsively.

Two approaches which have been instituted and developed slightly during the past decade can be used by the federal government to move the American system of local government toward effective metropolitan planning, decisionmaking and administration and toward greater control of community matters by citizens of the community. The first approach is the requirement of regional planning as a condition for the receipt of federal financial assistance. The second approach is the model cities program.

The strategy of both approaches should be expanded and deepened and both should be linked with each other into a common intergovernmental strategy for governing urban America. The strategy should be intergovernmental in its formulation and in its execution. This requires the federal government to take the leadership in getting local and state governments to participate in developing joint federal-state-regional-local-neighborhood institutions, processes and programs.

While it has been difficult and perhaps impossible in the past to bring 400 counties and 5,000 municipalities into consultation on intergrovernmental federal programs, the existence of metropolitan organizations of local governments now makes it feasible though still difficult. The membership formula of the Advisory Commission on Intergovernmental Relations could be used in organizing such collaboration, but the representatives of state and local governments should be selected by and from state and local officials. This would in no way detract from the right and responsibility of the Congress and the President to accept, reject of modify proposals emanating from such intergovernmental councils.

It would, however, involve local elected officials in the consideration of regional, statewide, and national urban problems and give them a sense of responsibility for programs designed to meet those problems. It would also accustom them to collaborate on policy with federal and state officials and help to erase the feeling that, despite all the talk about creative federalism and partnership, they are only administrative handmaidens to the federal government. There would also be reciprocal advantages to federal and state officials whose point of view would be broadened and whose tactics might be sharpened by collaboration with local officials representing local interests.

Since the Congress is committed to a policy of using state and local governments to carry out the programs it authorizes and funds, it has an inescapable responsibility for their quality. There is an increasing interest in consolidating the multitude of Federal grant programs into a few large categories. There is also increasing interest, but perhaps not enough for it to matter, in some form of revenue sharing or block grant either to replace or to supplement program grants. A good case can be made for both proposals provided that the recipient governments are capable of planning, of responsible decisionmaking, and of effective administration. The greater the policy and program discretion of local and state governments, the greater is the national interest in the quality of planning, decisionmaking, and administration.

Block grants are not more desirable than categorical grants just because they are nonconditional grants. In fact, it is even more desirable that such grants be made conditional upon the existence of an adequate planning process, a political

decisionmaking process, a process of citizen access and participation, a budgeting process, and a process of personnel management.

Dr. Lyle C. Fitch, President, Institute of Public Administration, in a paper prepared for this Subcommittee in 1967, urged the Federal Government to broaden its role in the modernization of State and local government:

"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 and inadequate and archaic institutions? If we are going to depend, as I think we should and must, on the decision-making and innovational capacities of State and local governments, should we not seek to improve those capacities?"

Representative Henry S. Reuss' bill of 1967 is certainly an imaginative approach to combining revenue sharing with performance standards to be met by State and local governments.

Enactment by Congress of the Intergovernmental Personnel Act and the Intergovernmental Manpower Act would be long steps toward the development of intergovernmental personnel standards and would make it possible to move state and local governments all across the board toward personnel management of high quality.

The Intergovernmental Personnel Act and the Intergovernmental Manpower Act, now before the House of Representatives, would consolidate all personnel requirements presently scattered and fragmented in scores of statutes and agency regulations. Consolidation should not stop with federal personnel requirements.

An effort to consolidate existing Federal provisions for regional planning would provide an excellent opportunity for Federal, State, regional and local elected and administrative officials to collaborate in evaluating the current, possible and desirable role of "planning" in program decisions, budgeting, and administration. Does regional planning affect the decisions that are made or not made by Federal, State, regional or local agencies? Is regional planning merely play acting which we have mesmerized ourselves into accepting as real? Is it used by Federal program agencies to rationalize each of their own disparate program objectives? Is it embraced by local officials and other local interests as busy work to placate regional interests which might otherwise push for regional action immediately and for metropolitan government empowered to act?

If the overarching objective of performance conditions in Federal grant programs is to strengthen State and local participation through the development of metropolitan agencies capable of areawide planning and action, then statutes, guidelines, and regulations must keep this objective clearly in view. Ad hoc policies administered in an ad hoc manner by ad hoc Federal agencies and their ad hoc metropolitan counterparts may satisfy special interests. Legitimate as these special interests may be, the institutional consequence will be a weakened system of general purpose local government.

For the first time in American history, local governments in all metropolitan areas have been formally associated into regional agencies to review and comment on applications for Federal financial assistance. The official dogma is that they are not new layers of government but regional extensions of local government acting through voluntary membership in a regional council. They have, however, shown clear though feeble signs of organizational development.

They cannot operate in isolation. The moment they concern themselves with important matters or that articulate publics believe that they should concern themselves with this or that regional problem, regional councils will cease to be voluntary in fact if not in form. The way to change councils of governments from Wednesday afternoon tea parties to a vital force in the community is to involve city and county officials in doing things that are important to them, to the region, and to the nation.

The first task was to get them organized and to keep them together until internal organizational logic can take over and make it unprofitable and undesirable for local governments to refuse to participate. Much of this task has been accomplished by federal requirements of regional review and comment on applications for federal aid.

There is danger, however, that regional councils will settle on this low plateau and content themselves with rubber-stamping all applications as "not inconsistent with regional planning objectives." This can be done, however, only if

there are no regional planning objectives and if the Federal government is content with profunctory review and meaningless comment.

Title II of the Demonstration Cities and Metropolitan Development Act gives the Department of Housing and Urban Development the means to get local officials to take the next step in the development of a viable region planning, decisionmaking, and implementation agency. The key phrases are found in the definition of comprehensive areawide planning, which moves progressively from "planning" to "programming" and to "scheduling." The next step, therefore, is to involve local officials in regional councils in "programming . . . capital improvements and other major expenditures, based on a determination of relative urgency."

Current HUD procedures for certification of regional planning agencies and jurisdictions, along with requirements for functional plans for water, sewer and open space facilities are steps in this direction. For all of HUD's interest in comprehensive regional planning it is only one among the Federal agencies administering national intergovernmental urban programs.

The Federal government cannot strengthen local government as a regional partner in American federalism through contradictory organizational strategies on the part of competing Federal agencies and programs. Nor can a Federal agency with operating responsibilities be expected to center on the objective of institutional revitalization at the expense of short term advantage in achieving its own functional objectives.

Therefore, I believe that the Congress should set the stage for the development of an Intergovernmental Planning Act to be administered in the Executive Office of the President. Again, I would urge that the principles of intergovernmental planning be applied to the development of the Intergovernmental Planning Act. The pedagogical principle of "Learn by Doing" is also applicable to Federal, State and local officials.

Chairman BOLLING. Mr. Reuss, proceed.

Representative REUSS. Thank you, Mr. Chairman, for recognizing me and also for bringing these three livewires before your subcommittee this morning.

You have all said essentially the same thing, that there need to be things done differently at the local, regional, and State level, that the trend as far as paying for services is concerned, has to be in an upward direction, that is, getting people at the metropolitan or State or Federal level to pay for services, and as far as the administration of services is concerned, you all reach downward toward the neighborhood, seeking the evolution of new forms of government and near government which will give people something to say about schools, trash collection, and all the important aspects of local government.

Several of you have touched on the approach that I have been advocating for some years but I would like to restate it and put it to you rather specifically in a bill which I presented, but on which action has not been taken, the Federal Government would use the principle of revenue sharing to pay out large sums without fetters to States and localities each year, but with a couple of requirements.

First, the revenue sharing would be not only with States but with the larger local governments. In the case of my bill, and in the case of the report of the Douglas Commission, this would be restricted to general purpose governments of over 50,000 and large urban counties.

Second, the revenue sharing would be predicated on the States at least addressing themselves to a long laundry list of possible reforms looking in the direction of assumption of fiscal responsibility at a higher level and devolution downward to a lower level of some of the administrative responsibilities. This is a combination of regionalism cum neighborhood approaches.

I would like, based on that brief description of what seems to me one way out of our dilemma, to ask each of you to comment on that, although several of you have come close to doing it already.

Mr. Jones, would you think that some approach to revenue sharing of the sort I have described would be a help in getting toward the goals which you have set forth in your prepared statement?

Mr. JONES. Yes. I think that is what I was trying to say in my prepared statement. There are several things, though, that I would like to mention here. One is that I am not sure that it is desirable to go the route of the Douglas Commission report or the direction you took in restricting Federal recognition to places of 50,000 or larger, especially since we have now come around to recognize the need for neighborhood government within metropolitan areas. It is true that most of our units of local government are very, very small. Almost half of the municipalities in metropolitan areas, not outside metropolitan areas, have populations of less than a thousand each and if these are anything, these are neighborhood governments, you know.

Representative REUSS. True, but do you want to bust a gut bailing them out fiscally?

Mr. JONES. Well, my guess is we have got to bust a gut bailing them out fiscally and also bust a gut helping out new neighborhood governments if they are going to be viable. So that money will have to go to any new suburban or new central city neighborhood government in some way or other.

Representative REUSS. So what you are saying is that while you subscribe to the general outlines of what I have said, you differ in that you would not limit it, the financial benefits of revenue sharing, to the larger governments but instead would do, I take it, essentially what President Nixon's formulation does and say it goes to every unit of general purpose local government, however archaic, Lilliputian, Balkanized or unnecessary.

Mr. JONES. If you use those adjectives, you make it difficult for me to say yes, that is what I meant.

I do not favor the administration's present plan of treating all units of governmnt alike. Under a system of regional centralization and neighborhood decentralization, small suburban municipalities should be treated like the neighborhood subgovernments of the big city. Neighborhood governments within a big city—I am in favor of the keeping of the big city, too—would not be just small autonomous chunks of the big city. I look upon suburban municipalities as roughly equivalent within a regional system of government to whatever kind of neighborhood government we get within the big cities.

Now, they would have different responsibilities. They would share in this power somewhat differently, in a different way, than would the big cities or the county or the big special districts, and so on. If you first develop a metropolitan strategy, then you can cut your revenue-sharing scheme to fit that, it seems to me.

But in the second place, I would also prefer to see the requirement that all State and local governments to receive any kind of Federal funds, either through revenue sharing or categorical grants, that they meet certains kinds of performance standards with respect to budgeting, decisionmaking, planning, personnel management and so on.

Such intergovernmental standards need not be part of the revenue sharing act because I think they should go across the board with respect to all kinds of Federal assistance.

Representative REUSS. Thank you.

Mr. Campbell?

Mr. CAMPBELL. In your original comment that the panel is essentially in agreement, I am sure is correct, but as academics, you know, we have the problem of differentiating our product and I am sure, therefore, we would not agree that we said the same things.

I do not think that one can really talk about the pass-through provision for revenue sharing within the context of the present local government system. In other words, I would agree completely with you, that if the pass-through is to present local governments, that it would simply make more permanent an already antisocial system; a system that distributes resources in a manner unrelated to demonstrated needs. What needs to be examined first is the role and functions of the subregional level of government and the kind of structure that should be encouraged. Then once that is established, yes, I would say there ought to be Federal support.

Now, in many instances, these neighborhood governments may need little more than staff for participation in the planning of the larger—transportation—questions, for example.

But the difficulty, it seems to me, with revenue sharing which relates itself to support of present local governmental system is that it starts out with that system as a given and what I would hope revenue sharing would do is point in the direction at least, of some general principles of reorganization of that subregional local system and then talk about aid to that new subregional local system.

Representative REUSS. In other words, insofar as I was able to express what is contained in the proposal I made, you would subscribe to that procedure?

Mr. CAMPBELL. As I understand your bill, yes; I do subscribe to it.

Representative REUSS. Mr. Altshuler?

Mr. ALTSHULER. Well, let me say first, that I am relatively opposed to disbursing Federal money by formula to the States or localities. It seems to me that there is a great deal to be said for disbursing Federal aid in very broad categories. I could imagine reducing the 400 or 500 current grant-in-aid programs to 10 or 15 and thereby improving rather than harming the results. I could even imagine a general block grant program, but I do not think it would work well if the money were simply disbursed by formula.

It seems to me that there is a great deal to be said for monitoring the performance of those who receive the money. I put even more stress upon monitoring performance than evaluating proposals to get the money in the first place, because proposals are pieces of paper that people do not pay much attention to after they get the money, whereas if one monitors performance and tries to distribute money on the basis of demonstrations of perfomance over the previous year or several years, it seems to me, you get substantially better results.

I believe that it is important for Federal officials acting in close consultation with Congress, to have substantial discretion in the allocation of resources. I do not think it is reasonable to expect enormous discretion to be placed in the hands of Federal officials,

but I have been very concerned with the number of Federal grant programs that leave no discretion at all, even in very large programs. I have been dealing in connection with the Federal highway program, a $5-billion-a-year program in which there is almost no discretionary money at all in the hands of the Federal Highway Administrator or the Secretary of Transportation. I have come to think in terms of three categories of Federal policy, those which force enlightened reform upon State and local government, those which permit enlightened reform on the part of State and local government, and those which effectively prohibit enlightened reform.

While my colleagues are concerned to induce the Federal Government to enact policies which force enlightened reform, I would be satisfied to see the Federal Government, in the areas of most immediate concern to me, permit enlightened reform. In effect, existing policy standards prohibit it.

Finally, it seems to me that if we are to pursue our ideals, the objective should not be to pass money into localities just because they have 50,000 population. A locality which has 50,000, 100,000, or even 500,000 population in a metropolitan area of 3 or 5 million may be fully as archaic as a locality with 25,000 in a metropolitan area that is effectively 100,000 people. The need is for intelligent men to be able to exercise their intelligence in judging whether a systematic governmental arrangement exists in an area, one which takes account of the need both for regionwide scale in some decisionmaking and, in the largest metropolitan areas, some provision for neighborhood government as well.

I do not believe at this point that it is possible to articulate all of the standards that ought to apply to such government. I think we have to develop a kind of common law. The need is to give intelligent Federal officials a capacity to develop that common law, while having to answer from time to time to Congress, which might gradually build that common law into statute law.

Representative Reuss. Thank you all very much, Mr. Chairman.

Chairman Bolling. Thank you, Mr. Reuss.

Mr. Brown?

Representative Brown. Gentlemen, I am sorry I was not here for your presentations. I had some other obligations in connection with the termination of the session, at least for a time. But I would like to pursue two or three questions with you and have comments from each of you.

What do you think of the proposals that have been made to take the pressure of population growth off of the cities and their suburban areas, the metropolitan centers, by programs which would stimulate the development of new cities in rural centers? In other words, a relocation of population by economic activity of the Federal Government.

I will be glad to call on you in order. If anybody is moved by the question, however, help yourself.

Mr. Campbell. I will respond briefly to that. There has been a lot of discussion as you are more aware than we of the need for the establishment of a national urban policy or a national growth policy and it seems to me that we have about reached the point where there is perhaps a willingness to go beyond general rhetoric and discuss

what should be the content of such a policy. And I am convinced that if we are to have reasonable living environments, that we have to not only do some of the things we have already started to do and do those better in terms of rebuilding, rehabilitating, perhaps even building new towns in town through our various urban renewal and model cities programs, but we have to simultaneously think about the development of new major urban centers.

Now, I would argue that we ought to make a very sharp distinction between the essentially suburban new town which is but another way, and perhaps a good way, of organizing the settlement patterns in suburbia. I would suggest Reston and Columbia are examples of these kinds of suburban towns which still to a large degree are dependent upon established urban centers.

I would like to see public policy make it easier for private enterprise to develop those kinds of suburban developments so that we get away from strip development and all the other things that go with it.

Representative BROWN. Assuming they can be developed with reference to modern usages and needs, rather than having modern usages and needs set on top of a pattern that may have been developed and appropriate 200 years ago or 150 years ago, which is more what I am talking about.

Mr. CAMPBELL. Quite right, and it seems to me the important thing the policy has to look to here is the financing problems which go with this in relation to the long-term, the so-called front-end costs and how you make it possible for people to deal with such costs. But beyond that and more exciting, and perhaps even more relevant, is the effort to develop new free-standing cities. I would argue that today's technology—in relation to locations of least cost—make this possible without serious economic consequences. A long-term policy of developing major new urban centers and providing great varieties of new kinds of settlement patterns are clearly within our fiscal and technological range and should be undertaken.

I am convinced they can only be undertaken by a massive role by the National Government. In the end that does not mean major language subsidies but certainly major short-term subsidies. So far I do not see in the Federal Establishment where you have that kind of foresight and planning ability.

Mr. ALTSHULER. Let me comment very briefly. It seems to me, as well, that there are two kinds of new-town development being spoken of in the United States. First are those that are being planned primarily for the middle class and affluent in the metropolitan areas. The major potential benefits of these are that they might bring better land use planning to our urban areas, with the associated improvement in life quality that may or may not go with that.

Second, there are the schemes, some of which involve new town planning but some of which do not, that are designed to hold people who now live in small towns and rural areas in those environments rather than having them pushed into the metropolitan areas.

It seems to me that both are desirable but the second is far more important. Holding the design of completely new free-standing towns, but the policy objective, the functional objective, deserves very high priority. Again, the precise way in which it is pursued, I think, is one we need experimentation with.

In that connection, let me make a pitch for a rather favorite theme of mine; namely, that if there is one purpose for which a block appropriation might be useful, it is for experimentation with domestic policy and technological innovations, I say domestic rather than urban, I might not, because most of the problems we call urban extend well beyond urban boundaries. Poverty, for example, is as much a rural problem as urban.

Representative BROWN. In some areas as a percentage, let me point out, it may be a more significant problem.

Mr. ALTSHULER. Absolutely correct. The problem with programs that are designed for experimentation or demonstrations today is that when they are in a particular functional program, the pressures to spread them around the country are so great that every experiment is too small to produce dramatic results. If we could combine the various efforts to experiment and to conduct pilot programs, so that the geographic distribution could be within larger categories than we have at the present time, it might be possible to secure funding for large-scale experiments.

One final point, going back to the new town problem for a moment. While I think the objective of new town planning in urban areas is a useful one, I consider it a far lower priority than that of dealing with the core city problems that we face. I do not see any evidence that the new towns are likely to make much of a dent in the problems of race and poverty that we face in the major metropolitan areas.

Representative BROWN. My question really had application to the second kind of development of which you spoke, not to the new suburban community for the affluent, but rather the development of new cities around existing rural centers or in a totally rural area which would serve to not only hold population in the rural area but perhaps even attract some population away from the city center. It seems to me that there is a little bit of the idea here of abandoning an existing city as a bad job and trying to develop an entirely new city someplace else. But even if you suggest that, you have to recognize that there does make the economics of the existing community such that rebuilding and restoring and refurbishing becomes a lot more economic when it has lost its economic utility to some extent and maybe that has a desirable factor within it.

I do not want to foreclose you, Mr. Jones. Would you like to make a comment, although I have a number of other questions?

Mr. JONES. Let me make two very brief comments. One is that there are metropolitan areas in the United States that could be taken as a center for what you might call a new town development. There are many smaller metropolitan areas that are now losing population to the larger metropolitan areas. Many of these are located in that great swath of counties in mid-America, and the South where population has been declining for decades.

I would guess that you are more likely to hold people in a small metropolitan area than you are in a small little village out in the countryside.

Now, the second thing I would like to suggest, however, is that it will be necessary to deal with local government structure if you are going to be successful in the development of new towns. A large number of—in California, at least, and I am sure it is true elsewhere—in

a large number of big subdivisions that are in effect new towns, towns for 10,000 to 25,000 people, the developer has been able to go along for a few years until there are a sufficient number within the area to incorporate as a municipality. Then the city exercises the planning function and the zoning and other police powers. It becomes impossible for the developer to exercise control for a long enough period of time to insure that the subdivision has a distinctive quality entitely it to be called a new town.

Representative BROWN. Well, if you take on St. Joseph, Mo. Laredo, Tex., or Springfield, Ohio, or any other community that may have 50,000 people in it now, and anticipate that you are going to balloon the size of that community over a short period of time up to, say, 150,000, you do have the existing structure already there and, of course, what you have to do is think far enough in advance to get your city perimeters out to where you can plan the development of that community. But it becomes economic to reorganize some of the negative parts of the city as you go. I mean, economic in terms of the destruction of what is already there and replacement of it or the refurbishment of it. And this really is more what I had in mind than the development of Reston or the moving out into a totally rural area and buying 400 acres and starting a new community.

My time is up.

Chairman BOLLING. We have no time limit in this subcommittee unless somebody gets very undisciplined.

Representative BROWN. I will try to behave myself if the witnesses will.

With reference to the delivery of Federal assistance to the local community, there is a proposal currently languishing in the Government Operations Committee in the House for the consolidation of grants-in-aid by the structure of Presidential reorganization plan. That plan is now appropriate to the reorganization of functions within the executive branch of the Government but not to the delivery of Federal services to communities, States, or areas, and the effort is to give the President the authority to put together grants-in-aid programs in packages appropriate to local communities, States or multiple regional centers, so that they fit the local needs and local patterns. The problem with it, obviously, as far as the Congress is concerned, is that we tend to develop categorical programs and make appropriations for those categorical programs, and have some jealousy about seeing that categorical program put together with another categorical program which may have a different formula on guidelines for distribution and let the administrative agency make those decisions. But it is a method of tailoring the programs to local needs.

I would like to ask for your comments on such a proposal.

Mr. ALTSHULER. I think my comments before indicated that I would be extremely enthusiastic about that. I think there is also a good deal to be said for Congress moving within at least the fairly broad functional areas to make uniform the matching grants ratios, so as to alleviate at least one of those problems.

Representative BROWN. This, incidentally, would provide, as the legislation has been proposed, for a combination of programs one of which would have, say, 25 percent, another 50 percent, another 75 percent Federal assistance toward the cost of the project, combining

the proposals and setting the Federal matching assistance within the parameters of all the proposals in this case, say, 50 percent, in the case I have given you an example of.

Mr. ALTSHULER. I very strongly support that.

Mr. CAMPBELL. Just briefly, in principal I support that, too. For a long time we have had the problem of coordinating the Federal impact in the local areas and I suppose to some degree Model Cities is an example of an effort to coordinate the Feds at the local level rather than having them coordinated from where they start, at the national level. I would simply make the point that the consolidated grant in broad functional areas assumes local units that have the jurisdiction which is relevant to that broad functional area and in many instances that is not the case, particularly when you move out of the central city. So this in turn, too, raises the question of the appropriateness, as we were discussing earlier, of the local jurisdictional system for responding to this kind of Federal leadership. I would suggest that within the block grant concept there is going to have to be some built-in provisions relative to the ability of the local system to deal with the funds.

Representative BROWN. Would not such a concept, if the Congress approved it, put the administrative agency which had jurisdiction over such a consolidated grant in a position of saying, for instance, in the case of the city of Cincinnati, Ohio, which is entirely hedged about by suburban communities, including a couple of communities within the city of Cincinnati and incorporated separately, when they come in with a request, "Look, we will not approve the request as the city of Cincinnati but if you will come back as Hamilton County or as Hamilton County, Ohio, Boone County, Ky., and—I am sorry, I do not know Lee Hamilton's county in Indiana—but the three-county area and two or three States, then we will give it consideration. Revise your plan in this way and we will look at it"?

Mr. CAMPBELL. Yes; I would hope that would be the direction the Federal Government would move. I would make the point that one has to worry here, too, about the coordination between the functions themselves, education and health, for example. Presently there are many, many programs in the health field which include regional grants, State grants, local grants, and so forth. To pull that together is in itself going to be a very complicated operation but, if you used a block grant for health, this would cause the local jurisdictions to move to some kind of a regional health operation. The issue is, do we want that regional health operation to be related to the regional transportation and the regional welfare systems, to name but two?

Representative BROWN. It seems to me that if one looks at who knows best how or what the objectives are, then the Federal Government might put together things in a block grant area, from its standpoint, such as health, transportation, or urban renewal physical facilities, in a separate block grant approach. But it becomes the responsibility of the local community on the other end to be sure that the health program, the transportation program and the urban renewal program tie together. because they know better what their local needs are, presumably, than the Federal Government. But the Federal Government may know better how the patterning of local needs is part of a na-

tional pattern of what we want to accomplish, say, in the health field and/or the transportation field and others. Is that not a fair statement?

Mr. CAMPBELL. Yes; it is that kind of pattern which one would hope would develop out of this which would hopefully move in the direction of some kind of general regional unit at the local level.

Mr. JONES. It would seem to me that there would be an advantage to the Congress in having the President propose a grant consolidation plan provided you had full opportunity to review it and to bring the impact of your thought and of the interest you represent to bear upon it.

Representative BROWN. For your information, the proposal would provide for the presentation of a plan of consolidating grants in a single package, and the Congress would then have the opportunity to veto that plan. Presumably if the Congress approved the plan, then the next approach on the part of the Congress, as those programs run out in their legislative authority, would be to legislate in the package form rather than in the individual program form that had been in existence before the President consolidated the packages.

Mr. JONES. Yes, if the Congress has only the choice of accepting or rejecting the plan, then its freedom of movement is somewhat limited and perhaps the kind of considerations that bear upon the desirability of the plan would not come up in congressional action.

Representative BROWN. Well, in fact, that is the case. The Congress would have only the opportunity to accept or reject. Presumably, if it rejected it, it would still maintain the option of going ahead in substantive legislative form of putting the programs together on its own with whatever tailoring it saw fit in any other way.

Mr. JONES. Again, I would like in this connection to urge an attempt to devise some way of involving local governments and State governments as well as the Federal Government in formulating, shaping, and giving direction to these large national intergovernmental urban programs. There is no doubt our urban areas are going to be governed through intergovernmental action but there is no way to involve people, representing various levels of our federalism, in formulating these policies.

Representative BROWN. You are presuming my next question. Let me suggest a real problem in this area that I would like to have you comment on.

Mr. ALTSHULER. I would like to say one further word about this question; namely, that the resistance, not only in the Congress but also within the executive branch, to a bold effort at consolidation is bound to be really quite great. I think back to the history of——

Representative BROWN. And quite parochial.

Mr. ALTSHULER. During the history of tariff legislation, until Presidents began vigorously to assert a broad national policy, it was impossible to get any movement in the direction of lower tariffs. Each tariff act was a bundle of specific tariffs, each enacted primarily at the behest of producer groups who naturally wanted greater tariff protection. E. E. Schattschneider beautifully described this process in his book, "Politics, Pressures, and the Tariff."

Only when a broader national interest was asserted, and a very major effort was made to bring about a comprehensive reform, did it become

possible to bring the determination of specific tariffs into a general policy context.

Analogously, I would say that, if it is left to the discretion of the bureaucrats in each department, the plans produced for consolidating Federal aid programs are unlikely to be very bold. Unless the President or the Congress provides a mandate for bringing the level down to a range of, let us say, 10 to 25 total programs, which has struck me in various examinations as being an appropriate range, I would not expect very much to come of this.

Now, of course, the President might do this if the Congress simply passed enabling legislation that made it possible for him to provide this sort of administrative leadership. But it does seem to me that the primary legislative task before the Congress is to determine whether it really wants bold movement in this direction, or whether it simply is willingly to permit consolidations on an ad hoc basis.

Representative BROWN. Well, one of the basic problems which exists with reference to current programs, and here the chairman and I may find some difference because I do not boast in my congressional district a metropolitan center of the size of the one he represents, has been in the area of smaller communities where the very possibility of getting enough resources together to finance the experts that are needed to develop one's slow-moving way through the labryinth of Federal programs and the jungle of redtape is overwhelming. In such small communities the answer usually is, "We do not want to have anything to do with the Federal Government because we always wind up getting entrapped in either an economic bind or some kind of bind of redtape which frustrates our effort to get any assistance at the Federal level."

Now, because of that I asked the Office of Management and Budget, the late BOB, to have a team visit some of the smaller communities in my district to confirm what I thought was their viewpoint and, indeed, they did. They came up with the suggestion that we find a way to make available to communities of all sizes, not just the cities that can afford the experts, information from the Federal level on program availability; on whether or not, even though the program may be available, there is funding available and the actual prospects of that funding being available to them; on what the requirements of the program are, because frequently in a small community, if you are not a subscriber to the Federal Register, you come up with the 1949 requirements for the program as your guide and then discover that suddenly somebody changed the rules. And I have one community in my congressional district which has by referendum taken away from the city the right of eminent domain because of their frustration with the operation of the Department of Housing and Urban Development in connection with urban renewal. Every time they prepared a plan, 6 or 8 months elapsed before the plan was prepared and submitted. During that 6 or 8 months the rules had been changed and they were using the requirements of 6 or 8 months ago. And HUD came back and said, "Well, it is a very nice plan, but we would like for you again to update it." And after they fell just short of the finish line about three different times they were turned off completely on the whole project. And one of these urban renewal projects partially completed stands as a monument to the frustration of this small community with Federal redtape and certainly that referendum which took away the right of eminent domain

stands as a monument because now the community is frustrated in many other ways simply because the citizens said, "Hell, no."

Now, my question, is as a start for grant consolidation, do you not think it would be desirable if we put to work in the Federal Government, in the Office of Management and Budget, some kind of a computer system? If one has not been developed, maybe we can have one invented that would provide for the small communities on a "Dial-a-Prayer" telephone number the information of program availability, funding, requirements of the program, the guidelines of the program, and the prospects of getting some results if you coughed up $3,000 to pay an expert to write a plan for you.

Mr. ALTSHULER. It had better be "Dial-a-Book" rather than dial-a-telephone recording. But I think it is a very useful idea. On the whole, however, the written documents put out by the Federal agencies are not very good guides to what the prospects are for getting money for any particular kind of project. One has to have some access to the human beings who are interacting with that agency, and that is the great difficulty small communities have. Many studies have confirmed the experience that you are citing; namely, that it is the States and the big cities that manage to operate effectively in the Federal arena, because they can afford full-time liaison men who can find out what the key criteria are and what the real prospects are.

Representative BROWN. And this goes back precisely to Mr. Campbell's suggestion of the problems of interaction because the small community has no method of interaction with the Federal Government because they cannot afford the liaison man, the ombudsman, the percentage operator who finds the programs appropriate to it. And I do not think the system of interaction will work if one applies it only to the city centers or metropolitan areas, as it must now necessarily be applied because of the way the system operates.

Mr. ALTSHULER. It is certainly true that complexity tends to favor the larger communities that can afford full-time lobbyists or liaison men, and that any movement in the direction of simplification could enhance the competitive position of the smaller communities.

Representative BROWN. Which is why my heart, representing 500,000 people, just as the Chairman's representation is 500,000 people, does not bleed for Kansas City, or for that matter, for Cleveland or Cincinnati in my own State, because I represent the same number of people who have a great deal more frustration in making their contact with the Federal Government than do the governments which represent those areas.

Let me just raise one other question, if I may, for your comment and that is, what about the fact when you submit that proposal it is frequently the lowest level Federal employee who gets the first swing at the ball and may decide whether it is going to be a foul ball or a home run. By that I mean the first person to look at that proposal is usually the initial reader who is the lowest level employee in that department and he makes the determination as to whether he thinks the plan really fits the guidelines or whether it sings in a literary sense, and from that point on the process of bureaucratic decision-making may very well see the plan have no chance at all by the time it gets up to the level where somebody decides whether the money will be made available.

Mr. ALTSHULER. I do not have an answer to that problem. I would note, however, that where governors or mayors of large cities or powerful Congressmen communicate to an agency that an application is one to which they attach considerable political importance it gets considered in a different way. Thus, again, it is the small community, the community that does not know how to mobilize its political influence in Washington, that tends to get left out in right field.

Mr. JONES. This is a problem that I am sure Mr. Bolling has heard about in his own metropolitan district because small towns in metropolitan areas and even large cities in metropolitan areas have the same problem you describe for nonmetropolitan areas. In fact, the difficulty the mayor or the city manager has in keeping on top of Federal programs and the relationships between the various agencies, the Government and their counterpart at the Federal level is almost unsurmountable unless he makes this a full-time job itself. He has to go to extraordinary efforts to be sure that he knows what his UD man is saying to the Federal UD man.

Part of the problem is to get information back to the policymakers, the general executives and the legislative bodies in such form that it can be used not only in deciding whether to ask for money and in following through on an application but even in the planning of programs ad projects.

And in this connection, I have seen to some extent this already happen. It seems to me, that regional agencies which the Federal Government requires and support can, in part, play the same function for some of the smaller units of Government within metropolitan areas that the central city mayor is able to play for his own central city. They can take on this job of monitoring and following through on local applications. But they have to have the kind of information you are talking about.

Almost all significant applications for Federal assistance are now reviewed and commented upon by a regional agency. But this is just about the end of it. They do not even know what happened to these applications unless they pick it up incidentally from the applicant agency somewhere along the line.

So, it is impossible for them to use this tool or technique of coordination in order to accomplish the purpose of a coordinated——

Representative BROWN. Where programs provide that the State play a role in this business of reviewing applications or helping to determine allocation of Federal resources, do you think the role is any better played than it is at the regional level?

Mr. JONES. Well, the only governmental——

Representative BROWN. I am sorry. Regional Federal office level.

Mr. JONES. The Intergovernmental Relations Act does provide that the governors will be given certain information about grant applications and grant programs and this is certainly, of course, very, very good but I think it should be——

Representative BROWN. The requirement is good.

Mr. JONES (continuing). That they should extend it to the regional councils of governments.

Representative BROWN. Whether or not in practice it has been followed is something else again, and I do not know that the Intergovern-

ment Relations Act has been in force long enough for us to be able to look at it in an oversight sense to determine whether or not that is actually being done. My guess is that it is not actually being done in very many instances.

Mr. ALTSHULER. Let me just note that this is an example of the middle kind of legislation, the permissive kind of Federal legislation, that makes possible governmental reform on the State or local level.

In Massachusetts, the fact that Federal aid applications from all of the hitherto independent State agencies now have to be cleared through the Governor's office has had some very important effects when the Governor has taken policy initiatives.

First, his staff, the staff loyal to him, has been getting the information on those Federal aid applications and has had a chance to flag them, whereas before the governor often did not know about certain major projects until they were actually on the ground and he read about them in the newspapers.

Second, he now has a chance to stop them, because the Federal aid applications must be accompanied by his comments. He has been using that in the area of greatest immediate concern to me, transportation, and it has enormously enhanced his bargaining power.

Chairman BOLLING. Mr. Campbell, I know your problem. You have a plane to catch and we are very grateful to you for being here. I am going to continue the subcommittee for a while and we will regret your absence, but if you feel as I do about getting the planes very late I imagine you would like to go.

Mr. CAMPBELL. Right, I would. If I may make one comment. It grows out of this last exchange and has to do with the role of the intermediary governmental unit whether we are talking about the regional unit or about the State. It does seem to me that there is a potential here for conflict that the Federal Government people should worry about. The responsibility of the clearance unit, at whatever level, must be defined.

In New York State, for example, people in local urban renewal agencies would tell you that the biggest block to getting applications and proposals cleared, is not the regional office of HUD, but the State. The State enters into that process by picking up one-half of the local share of urban renewal costs and, therefore, renewal applications go through the State. You now have added on to that the necessity for going through a regional agency and in a way what we are doing is going through a long process before it ever gets to the Federal Government, which is adding two or three steps before it reaches that lowest Federal civil servant you spoke of. Then it starts all over again, and unless something can be done about this process, and if the kind of aid, which Mr. Altshuler favors using a proposal rather than a formula system, is going to be used the flow of funds as well as the programs which those funds support will be seriously injured.

Finally, one further comment on a matter that we did not really talk about except briefly and that is the role of the State in solving urban problems and particularly in relation to Senator Javits' question about the Urban Development Corp. in New York State.

I would make the point that except for two or three States, the States historically have not demonstrated a willingness to really in-

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volve themselves in urban problems, be it through the aid route, be it through the assumption of functions route, or be it through the local government reorganization route, which I would suggest are the ways that the States could get involved in this.

I think that in the case of Massachusetts and perhaps some of the other smaller States like Connecticut that there is a potential for a State role, but that if we are to go by the past, I would be very leery of putting great stress on the role of States in relationship to these domestic problems which we have been discussing, and I might add that in relation to what we know of the 1970 census, that the redistribution of political influence in State legislatures is going to make it even less likely that they are going to address themselves to major central city problems.

Representative BROWN. You have no objection to the requirement of the Intergovernmental Relations Act, which provides that the Governor be advised of the amount of assistance and the kind of projects that are coming into the State so that he can take that into account in planning whatever State programs and assistance are provided by the State to the local communities?

Mr. CAMPBELL. No. I have no objection at all and I hope he uses it in a way that Mr. Altshuler suggests for an even greater State involvement in terms of relating Federal programs to what the State does. All I am saying is that our history on this is not very good.

Chairman BOLLING. Your timing is perfect. It is exactly 12 noon.

Mr. CAMPBELL. Thank you very much.

Chairman BOLLING. Thank you.

Gentlemen, I found your comments very stimulating and the questions, too. You make the problem almost complicated enough to suit me but you leave out, I suppose for reasons of tact, a very significant complicating element of which I am sure you are aware, and that is easily described by a question.

You talk a great deal about the Federal Government but really we are talking about a great many different Federal Governments. Which Federal Government? And that brings us back to an interesting component of the total problem, at least in my view. The Congress is preening itself a little bit because last Friday night it completed action on the first reorganization act in 24 years. I have been involved in that process and in that problem and specifically in the subcommittee which handled the matter on the House side for quite a long time. And the only way in which we were able to bring to the floor successfully a matter of that complexity—that particularly difficult matter for debate on the floor of the House was by the almost incredible provision which was included in the rule which said that the Congress could not address itself to the most important aspect of its own organization which was the way in which the Congress internally distributes the power which it exercises. In other words, there could be no tampering with the committee system.

It seems to me very important for the record to show that at least one person, and I suspect others, feels that the failure of the Federal Government to present anything like a uniform presence in its approach to the variety of problems which compose the not urban problem but the social problems of the United States, is the very way in which the Congress conducts itself.

The Department of Transportation, which is basically the creation in effect of a combination of activities between the Executive and certain committees of the Congress, is a very different Federal Government than is the Department of Housing and Urban Development, which is created really by a combination of actions between the Executive and different committees. And when one throws into this the complicating factor of the virtually autonomous Appropriations Subcommittees which exist on both sides, it is a miracle that the mayor and managers of the largest city on earth have the resources to employ the staff to keep up with what is going on.

I am delighted to hear that the worst example that my friend from Ohio can find is that the rules are only changed every 6 months. It seems to me more likely that they are changed every 6 days, at least, as quickly as they can be printed.

So I submit, and I am sure that it is only for reasons of tact, that you kept out of this area, that it is very important that we stop giving States and the localities, regardless of whether they represent 500 people or more than 5 million, these moving targets with which to deal. And, I think, this now makes the situation really as complex as it is.

I would like to pursue relatively briefly, having made it clear that I understand that the implementation of a small democratic government indeed is, as Dr. Jones made a point of making it clear, a very messy process and necessarily, and thank God it is. If it were too efficient it would probably be pretty deadly. But having made clear that you understand that, I would be interested in having a comment from each of the witnesses on a specific example in a very narrow field. I am not going to pick the police or law enforcement as the narrow field. I am going to allow you to pick your own, and presumably, you, Mr. Altshuler, might pick transportation. I would hope that Mr. Jones would pick another one, not because I am not interested in transportation but because I would like more than one illustration. Exactly how would a regional government or a regional entity composed of complicated subordinate units and those subordinate units which are of a neighborhood character really work? How do you get the input—I hate to use the word—from the neighborhood units in dealing with the problem of transportation in Massachusetts, and whatever one you choose, how do you get that? Then, what is the relationship and the interaction between the regional and the multiplicity of individual units? What is the relationship of not only their planning but next, their political and then their administrative relationships?

I will start with Mr. Altshuler because I assume I am correct that he will choose transportation.

Mr. ALTSHULER. Right. Let me go back before my transportation involvement to my book on "Community Control," in which I argued that the different functions permit of different kinds of neighborhood-level participation in the affairs of regionwide or State government.

It is possible in some areas where scale and interdependencies are not overwhelming to delegate a large proportion of actual governmental power to neighborhood-scaled units. By neighborhood scale, I might say, I meant units in the range of 50,000 to 150,000 people, depending on the overall size of the metropolitan area. These are not neighborhoods in the small community sense, but rather sectors of

large metropolitan areas within which it is possible to imagine the ordinary citizen having a pretty close relationship with the officials who govern him.

As one moves to the other end of the spectrum, there are policy arenas in which it just does not make sense to imagine a community of 100,000 people, let us say, in a metropolitan area of 3 million people, exercising very much power. On the other hand, it does make a great deal of sense to bring such communities into a participatory framework, to enable them to take part in the planning and negotiations processes going into the making of such regional policies.

Chairman BOLLING. To interrupt you there, how much advice is well considered by the average Government agency if there is not power behind it?

Mr. ALTSHULER. Well, I think that will depend upon the importance of the regional policy from the standpoint of the area. Let me make about three or five points to explain the kind of participation that we are getting in the Boston transportation planning review.

Because the interstate highways and the rail transit extensions that have been proposed are of such enormous importance to some localities and communities, those are intensely interested. That is, those that are potentially impacted by construction and by the immediate traffic effects of major interchanges on the one hand, and secondly, but to a substantially lesser extent, those that are potentially involved as user communities. One finds the attention falling off very rapidly as one moves away from the end of the area of construction. But one does find it in the first or second community out beyond the end of the line.

At the moment we have 12 localities that are very deeply involved in the planning process, of which about 10 are potentially impacted by major construction of interstate highways and/or rail transit lines. The other two are not.

What we have found necessary is to develop a two-tier kind of participation, participation on a weekly level for those communities that feel it is worth their while to participate very intensively—that is, to assign a senior staff member to work constantly with the planning process—and a much less intense process of involvement for the communities that are less interested, this consisting of periodic briefings every 6 weeks or 2 months, question and answer sessions, workshop seminars that permit genuine interaction, and so forth. We are trying to make it possible, at least once every 6 weeks to 2 months, for a community which has opted for the less intense kind of involvement to get briefed on recent developments, change its mind, and become more deeply involved because it suddenly sees it has major interest in the process.

Focusing for the moment on the 12 localities, we have found that they, too, form a spectrum, with those most intensely impacted being the ones participating most actively. We have been getting a very, very high level of participation from these localities, not only high level in terms of the amount of time being put in by senior staff members, but also the quality of the thought coming from them. On the whole, I would say that they have added a dimension of thought at a somewhat more micro level than the State agencies have been inclined to think at before. It is just terribly important.

There has been an assumption in State planning up until now that any regional interest, however mild, ought to prevail over any neighborhood interest, however intense. It was the piling up of an enormous number of grievances based on this assumption that led to the neighborhood rebellion, if one wants to call it that. It was not a violent rebellion, but it was a massive political upheaval which led the Governor, with much local government and legislative support, to decide that he simply had to stop the process, turn it around, and start afresh, building on the previous work but reexamining all of the recommendations that had been made for major projects.

Chairman BOLLING. Let me interject one thought. My illustrations may not be accurate and I imagine you can correct me, but I think they will be illustrative of the thing I have in mind.

Now, I understand that one of the major problems that led to the psychology of Watts was that it was almost impossible to get in or out of there at a reasonable cost. I guess that is accurate. But let us assume that it is accurate for a moment and just use that area as an illustration of the problem I want to ask the question about. Who speaks for the people? Let us turn it to my district. Let us say I have the normal sized congressional district, roughly 400,000, and in that congressional district there are roughly 65,000 Negroes. Now, these figures are not precise in relation to my district, but that is roughly the proportion. And of those Negroes, perhaps 5,000 have their interests relatively well represented in one fashion or another. But the great bulk of the people in that particular area who are part of the Negro community are not really very well represented by anybody, black or white.

Now, how does one hear from this latter group? They are not an organized unit. They are anything but organized. How does one discover from them what the impact of the transportation plan is going to have on their situation? That is the thing that really very much bothers me.

Mr. ALTSHULER. We do not have an adequate answer, but let me describe how, in fact, the Negro community of the Boston area is represented in this process. It is basically represented through three mechanisms. At the highest levels, there is the city of Boston, in which nearly all of the region's Negro population currently resides, and which has an administration at the moment that is highly responsive to the Negro community.

Second, the model cities program has an elected model cities neighborhood board. Because of the boundaries of the model neighborhood, this does not include the entire black population of the city of Boston. Nonetheless, it does presumably represent a rather typical portion of the ghetto.

Third, there are a tremendous number of organizations in the black community. They are organized in the Boston area into an umbrella organization known as the Black United Front. Not every organization is in it, but a very high proportion are.

Those organizations which have had a particular interest in transportation matters have joined a coalition of neighborhood associations in the Boston region known as the Greater Boston committee on the transportation crisis. The vice chairman of that organization is a black

who is one of the leading neighborhood leaders of the black community itself, and who sits on a tripartite advisory committee that we have set up to help guide the planning review. This committee, I might note, consists one-third of State agency representatives, one-third of locality representatives, and one-third of private group representatives.

Now, we do not do any voting in this group because we recognize that one cannot say that the representative of the mayor of Boston has only the same weight in the process as the representative of a neighborhood association. What we are trying to do is get into this process, at least on the part of those who are organized and who do care substantially about this subject, representation of the full range of viewpoints, even though we have to recognize that their weights are not equal in the metropolitan region.

I do not think that it is ever possible to get to the entire population. As you know, in off-year congressional elections in the United States, only about 45 percent of the adult population votes.

Chairman BOLLING. Even worse, in the census figures, we lose 5 million people.

Mr. ALTSHULER. That is right. I think what one can hope to do is to give those who care to express themselves a sense that Government is accessible to them, that they can get a fair hearing and be listened to seriously in the process, and that they can negotiate. We have not placed very great emphasis on simply conducting opinion surveys because we know there is a diversity of opinion. The value of having a participatory process is to see if you cannot get legitimate representatives, representatives who have the confidence of major publics with various points of view, and begin to develop a process in which there are some real and responsible negotiations, like the Congress of the United States.

We are not going to eliminate disagreement in the Boston area. Hopefully, however, we can establish a widespread consensus in the region that the process itself is a legitimate representative process.

Representative BROWN. May I comment on this because I just want to cite a different example than the chairman suggested. We have a transportation planning or transportation coordinating committee which involves a portion of my congressional district and another member's congressional district. And I happen to have the chairman of that coordinating committee in the area of Dayton, Ohio, in my congressional district, with a much smaller Negro population. Our chairman is a Negro. He is chairman because he is the county commissioner of this particular county.

Now, the area is—he said modestly—very advanced in its approach to the race issue.

Chairman BOLLING. I can testify to that.

Representative BROWN. And it is possible to have, with a small proportion of Negro population, a Negro county commissioner. The fact of the matter is, though, one can only assume that he is representing the interests of that Negro community and the other communities for which he is the spokesman. And I think the process which you have described is perhaps the real answer to this thing, where you can get people in to suggest what their interests are and then as those interests

begin to rub down to some kind of a channel of conclusion, they may not in fact be represented by the final conclusion as they would like to have them represented but, at least, they have had their input.

Mr. ALTSHULER. It has been terribly important in this process that the Governor has given me discretion to try to identify the important interests and bring them into the process without regard to counting heads and saying exactly how many people, how many potential riots do you represent. This experience has confirmed my view that one should not try to do too much by formula in these very complicated social situations, but rather that one has to permit elected officials and their trusted subordinates to exercise intelligence in each of the policy areas of concern.

Chairman BOLLING. Mr. Jones, I was not going to miss you.

Mr. JONES. I would like to pick up right at this point and second what Mr. Altshuler said. I think I will not take up a substantive field for my illustration because I am not as close to one as he is.

But I have been very close to ABAG for 10 years and at times I have worked as a consultant to them, and I have visited most of the larger councils of governments, and other regional planning agencies during the last several years.

Now, you know, last year HUD decided to propose some guidelines to bring about participation and representation of minority interests in this regional process and the first form they took was to require the governing bodies of regional agencies to have a certain proportion of their members taken from these minority groups. That is to say, they were going to require that a de facto regional government in the San Francisco Bay area, the Association of Bay Area Governments, consisting of representatives of the elected legislators of cities and counties in the area, bring into their governing body some people who are not elected officials of cities and counties.

I think it was very fortunate that HUD did not go through with this because I think it might have been the end of the effort to get local officials to work together in regional agencies. Furthermore it would not have provoked intense debate over a particular means of participation at a time when most local officials in the bay area, suburban officials as well as the central city officials, recognize that there is a need for wider participation. And I am sure that local officials in the bay area would be willing to sit down with the Federal agencies and with State agencies and with other people in the community and try to devise some means of bringing about in fact what you have just been talking about.

It is important for the Federal Government with a national interest in participation and in the effective representation of the Negro community, to realize that they are really not getting the message across to the people who can do something about it. But if they would take this to the Association of Bay Area Governments or to COG's in the other large metropolitan areas and say this is what we are faced with, what are you faced with, let us sit down and and see how we can handle it, my guess is that in the end there would be much closer collaboration and participation and listening on the part of decisionmaking officials than there is now.

A whole year has been lost in fighting over this proposed guideline.

Chairman BOLLING. I do not want to interrupt your train of

thought, but what you are in essence saying, and I want to be sure I understand it, is that the thing to do is to stick with the framework of elected officials. If there is an inequity presumably ultimately that inequity will be taken care of by the relatively recent decision of the court. But to make those elected officials, in other words, the structure, the establishment, more responsive and more aware of the needs of the different levels of government.

Mr. JONES. That is correct. That is exactly what I am saying. And I would say that local officials themselves are concerned with accomplishing this objective.

I think it is also clear that we have not yet learned how to use advisory committees in order to be sure that they are representative. Advisory committees may serve several functions. Some are used to make legitimate what the decisionmakers have already decided or think they want to decide. They are also used as a kind of a buffer between decisionmakers and other parts of the community and also as a board against which you can bat a ball that can be thrown to see if it can be caught on the rebound.

Chairman BOLLING. I do not want to interrupt you too often. It also provides for interaction before the event instead of after.

Mr. JONES. That is correct. That is one of the principal reasons for creating neighborhood governments. I use the word "government," without suggesting that neighborhood governments should have all the powers of government. There are all kinds of gradations possible.

If neighborhood governments are established, whatever their powers may be, we are faced with linking an additional institutional action into a system of regional government and politics. I have discussed this problem in a speech before the National Municipal League entitled "Representative Local Government: From Neighborhood to Region." May excerpts of the speech be put into the record?

Chairman BOLLING. That will be included.

(The excerpts of the speech referred to by Mr. Jones follow:)

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REPRESENTATIVE LOCAL GOVERNMENT: FROM NEIGHBORHOOD TO REGION

by

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If we could recall the image that we held in 1959 of the challenge of the Sixties, and of the likely responses of local government, we would be chagrined to realize that we did not foresee the direction of the civil rights movement, the rise of Black Power, the upheaval among students and the beginning of reform in all parts of our educational system, the Vietnam War, the rising expectations and frustrations of millions of formerly quiescent people, the realization that public welfare is a degrading and humiliating way of life, the development of impatient leadership cadres among minority groups, and widespread postures on all sides of intransigency often accompanied by demonstrations and physical violence.

Looking backwards it is clear that the challenge of the Seventies is almost unchanged from the challenge of the Sixties: to develop a system of government and politics which will deliver goods and services and administer regulations efficiently, effectively and justly, *and at the same time* provide, through representation and citizen participation, genuine popular control of the direction of governmental activity and a sense of communal membership.

I should like to raise several questions by making some more or less positive assertions.

1. We cannot put the disquietude of the past decade to rest and return to the status quo ante that existed when only a few professors questioned the representativeness of local government, as it was organized in the United States.

We have lived through a noisy, impolite, violent, irrational decade, a decade of "maximum possible misunderstanding." But out of it has come a political agenda of basic issues we must address during the next decade. Hopefully we can approach the task ahead with *maximum mutual understanding*, because it is a prerequisite for the institutional reconstruction, the policy decision, and the administrative actions we are facing.

We can also hope that nonnegotiable demands—except when used in the rhetoric of the hustings or as a ritualistic approach to reasoning together—will be replaced by open participation and negotiation, both by those out of power and those in power. Even so, the processes of politics, of getting attention, of securing and maintaining a following, of influencing the electorate, will frequently seem vulgar, threatening, and sinister to those who remember the Fifties.

The basic responsibility lies with people of power and influence to listen and to consider the goals, and means of achieving goals, that are pushed upon them from the outside. But again the responsibility is mutual —once those in power have been brought around to listening, demands must be translated into policies acceptable to a congeries of interests.

2. Nor can we return to the status quo ante that critics of municipal reform during the past fifty years would have us believe would bring government back—from the impersonal and ponderous bureaucracy and the power structure at city hall—to a warm and personal government in the neighborhoods.

In the first place, the current image of earlier machine politics in the ward and at city hall is highly romantic. Party bosses and party workers have had latent functions of social service, mediation between people and power, and coordination of fractionated government for both legal and illegal purposes. Most institutions, we now recognize, have latent as well as overt functions, and certainly the political machines around the turn of the century were not exceptional in this respect. But do we know that the older political machines maintained open channels of advocacy and protest ?

In the second place, even if ward politics had all the virtues now retroactively ascribed to it, we must ask if it, and the administrative agencies which it controlled, would be able to deliver services today in a manner and a quality to satisfy the so-called politically deprived people of our cities. Furthermore, there is much historial evidence that corruption and personal self-serving were systemic.

* Excerpts from a speech delivered at the 75th National Conference on Government of the National Municipal League at Philadelphia, November 11, 1969 when Professor Jones was scholar-in-residence with the League. Another version is published in the *National Civic Review*, March 1970.

Is it necessary to return to a past that never existed, in order to provide means of political access to groups that do not, or think they do not, have such access under local government as it is now organized? As Alex Gottfried has written:

> Machine politics is not yet dead, even in the invidious sense. There have been major transformations; there will be more. But the need for organizations, for leadership, and for political responsibility has increased in the contemporary world. Some promising new organizational forms are developing. They coexist side by side with the remaining weakened and modified older forms and with the still developing structures in the troubled Negro, Puerto Rican and Mexican-American ghettos. Perhaps we are now wiser than we were fifty years ago. Perhaps we can devise structures that will permit access and integration for those groups which are still dispossessed, without paying the enormous price we have paid for ineffective and often venal local governments.[1]

Finally, any attempt to restore machine politics based on the ward system is probably hopeless, because of changes that have occurred in American society since the heyday of machine politics.

3. Unless we have a revolution in the old-fashioned sense of the word, institutional changes will occur slowly.

This does not mean that changes will not be made quickly and abruptly, here and there, but nowhere will the whole system of local government be replaced by another whole system. Nor will any given modification of a part of the system be adopted simultaneously in all local communities.

In many instances social changes must first be made before we can even identify the consequences to the immediate participants and certainly to the innocent bystanders. It is desirable, therefore, to evaluate substantive changes, social institutions and practices before they spread widely and irrevocably.

There are so many uncertainties, for instance, in the imminent decentralization of schools in New York City that all groups interested in educational decision making would be wise to wait for a short time, at least, to observe and analyze the New York City experiment. All elements of communities all over the United States can profitably learn from the results of this attempt to decentralize a school system in a city of eight million people. But such decentralization, as a Movement to be universally embraced at once, can polarize the country, without negotiating the reform it seeks.

A plea for time, of course, can be a tactic to slow down or to avoid compliance, or even consideration of needed change. But recognition of this fact does not alter the other fact that time is an element of institutional change. The wisdom, if not indeed the necessity, of "all deliberate speed" should not be rejected because so-called deliberation without perceptible movement has characterized other reform efforts.

4. Local government as it is now organized and as it now operates is being questioned and challenged from many sides.

Congressional committees, special Presidential commissions (e.g., the National Commission on Urban Problems and the National Advisory Commission on Civil Disorders), national organizations (e.g., the Committee for Economic Development and Urban America), governors and state legislators, and many special-purpose advocacy groups (e.g., conservation groups), as well as civil rights groups, black power groups, and the professional neo-reformers associated with community action programs—all these and many others have doubts about the capacity or the willingness of local government to meet the problems of cities and suburbs. Many of them, black and white, rich and poor, government official and businessman, see local government as unrepresentative in structure, parochial in orientation, overly concerned with petty matters, unable to make hard decisions where the public interest is opposed to local interests (as defined by supporters of regional services and controls), or where justice and equality is opposed to private gain or prejudice.

I myself have heard state legislators in the San Francisco Bay Area speak in this manner of elected city and county officials. Strictures such as these may be deserved in some instances; they are certainly not deserved by most local officials. Many of them are equally applicable to state and federal officials, and to neighborhood leaders. In fact, they may be applied to any organized group of people. But the fact of life is that local government is widely criticized in such terms, and that the criticism is growing, to the point of condemnation.

5. American federalism—and, of course, American politics—is changing in style, direction, and structure.

Such changes, but at a different rate and scope, may have been going on from the beginning of our national history. But the rate and magnitude of change now make the historical differences one of kind as well as quantity.

Local government has become one of three operational partners in the new federalism. Despite all efforts of state governments to return to a two-level federalism, irreversible patterns of give-and-take, and sharing of functions and power are operating, for better or for worse, through frequent formal and informal relationships among state and federal and local governments and agencies.

This has been accomplished by local governments going to Washington, and by federal agencies going into the local communities. But more important, this intermingling has been supported, and at times demanded, by many collections of interests. As a consequence, federal constituencies have been built up in the metropolitan areas of the country, which overlap state and local constituencies.

The most startling and far-reaching change in American federalism is the emergence of the national government as the focus for discussion of uban and metropolitan affairs. It is now the leader in formulating urban programs, and in using the grant-in-aid to elicit intergovernmental cooperation among local governments in our metropolitan areas

[1] Alex Cottfried, "Political Machines," *International Encyclopedia of the Social Sciences* (New York, Macmillan and Free Press), vol. 12, p. 252.

The political base of the active involvement of the national government in metropolitan and urban affairs must be emphasized. One could conclude from the cries of "home rule" and "states rights" that the state and national governments are hostile foreign powers. We should remember that from the beginning of our history individuals and groups have habitually and constitutionally turned to other governments, and within a government to other branches and agencies, whenever they have been unable to get what they want from the particular level or agency with which they first dealt. In fact, there are interests within our local communities, such as organized labor, racial and ethnic groups, and many influential businessmen and professional people, whose orientation is typically national. They find it easier and more natural to look to state and federal governments to satisfy their interests directly or, at least, to influence local organizations of concern to them. Thus either the state or national government may, in their view, be "closer to the people" than local government.

6. Therefore, the governance of metropolitan America will be a mixture of the actions of public and private groups. Within the public sector, it will be a mixture of federal, state, and local governmental actions.

Under these circumstances, conflict and disagreement in metropolitan governance would not be eliminated, and neither would the need for cooperation and coordination, even if all local governments within each metropolitan area were consolidated. Furthermore, in most metropolitan areas, certainly for the larger, more heterogeneous, multicounty, in some instances multistate, metropolitan areas such consolidation of local government is not likely to occur.

On the other hand, local government as now organized in metropolitan areas is unable to execute programs of the federal and state governments on a regional basis, much less to participate as an equal partner in formulating programs and in adapting them to local needs, desires and conditions.

7. Concomitant with the thrust toward metropolitanization is another powerful thrust toward smaller areas where influence, control and other objectives of political participation may be realized.

Although either neighborhood decentralization or metropolitan centralization (or both) of certain governmental activities may be undesirable, a movement in both directions at the same time is not necessarily contradictory. Movement in both directions at once is the essence of federalism—I say "directions" because we are certainly not compelled by federal principles to seek continuously for either smaller or larger units of political decision making.

The creation or development of either a regional agency or a number of neighborhood agencies, or both, will increase the decision-making points in a system of metropolitan governance. A regional agency should reduce the dysfunctional effects of the governmental fragmentation of the metropolitan area. Neighborhood agencies, along with the continued existence of relatively small suburban municipalities, should reduce the dysfunctional effects of very large governments now existing or soon to be created. All this makes the problem of structural linkages among governments in and out of the metropolitan area very crucial.

8. Linkages between municipal government and neighborhood "governments."

Some social reformers and activists want no link between the neighborhoods and city hall. Nothing less than the breaking up of the big city into many autonomous governments will satisfy them. Undoubtedly others want nothing that suggests a division of authority between the city government and organized groups in subareas of the city. Neither of these will be satisfied with the changes that are already occurring in local government, or with those that are beginning to be proposed.

Certainly in some parts of the country there will be varying degrees of decentralization, but it will be done by, and not to, local leaders and municipal officials. We are still not out of the period of "maximum feasible misunderstanding," but it is now clear that change will have to come about through normal political means.

This makes all the more remarkable the fact that the Los Angeles City Charter Commission provides in its recommended charter for

> the formation of self-initiating neighborhood organizations, [with populations between 5,000 and 30,000] with an elected board and an appointed neighborman, as a new institutional mechanism for communicating neighborhood needs and goals, involving citizens in city affairs, and reducing feelings of alienation.[2]

A Neighborman would be the formal link among the elective Neighborhood Board, the residents of the neighborhood, and city hall. He would be selected by the Neighborhood Board, exempt from civil service, and paid by the city a salary no less "than the salary of a field deputy of a member of the [city] council."

The Neighborhood Board, of not less than seven members, elected by and from the registered voters of the neighborhood, could draw up bills of complaints and otherwise advise and recommend action to the appropriate public authorities. It would be the duty of the Neighborman to follow up on the action of the Neighborhood Board.

There would be a formal linkage, then, between neighborhood and city hall. In addition, many informal relationships will develop not only between city hall and individual Neighbormen, but probably among Neighbormen and therefore between them as a group and city hall.

Another relevant proposal, lost for a dozen years on the library shelves, was made by the late Don Larson in his study of city-county consolidation for Sacramento.[3] The feature of primary interest here is the formal linkage, and the other possible informal linkages, between the general government of the area and the governments of subunits. The Sacramento proposal is illustrative of the many ways in which this might be done in a large city or complex metropolitan area.

[2] Los Angeles City Charter Commission. *City Government for the Future.* July 1969, p. 19.

[3] Public Administration Service, *The Government of Metropolitan Sacramento.* Chicago, 1957, p. 115, 132–136.

Larson proposed to consolidate the Sacramento city and county governments under a metropolitan Council of eleven members—six to be elected at large and five by districts or boroughs. In addition to serving as election districts for members of the Metropolitan Council, each borough would elect a Borough Council of five members.

> The Borough Council, as a unit, would be essentially a formal advisory link between the people of each area and the Metropolitan Council. *To put teeth into this function, the charter should provide that any request or recommendation made by resolution of a Borough Council would have an automatic place upon the agenda of the next Metropolitan Council Meeting.* [emphasis supplied]

The Borough Council would also provide another "official bridge," in that the chairman of each council would serve on an 11-member Metropolitan Planning Commission, and the other four members of each council would serve on one of the other metropolitan boards —Parks and Recreation, Health and Welfare, Public Works, and Public Safety.

The boroughs were also envisaged as administrative units, with "sub-city halls" or "sub-civic centers," where agents of the metropolitan government could dispense services and as quasi-autonomous units to which government functions could be decentralized. Even in the Fifties, neighborhoods were not overlooked. Larson pointed out the possibility that even the boroughs might in time be broken up into "neighborhoods" with

> "neighborhood councils" which would be defined as smaller advisory or action organizations covering several square miles and a few thousand people.

I have quoted from the Sacramento Report to help bring it down from the library shelves and once again into public view. Our organizational imagination is limited, and it is important that we not overlook a single proposal that addresses the problem of linking organizations in metropolitan areas.

If the ward or district system is used to elect members of the local legislative body, a link between the people living within the subarea and the central government is automatically provided. The desirability of making a district councilman a little mayor of his district is an open question. But if this approach is taken, it still will not provide for formally organized participation at the neighborhood level, unless the size of city councils is drastically enlarged.

9. Linkages among governments at the metropolitan or regional level.

During the past decade, with the open entrance of the national government into metropolitan affairs, and with increased interest in metropolitan planning on the part of local officials, the prospect of formal metropolitan decision making and execution is brighter than ever. Most local officials, but not all, insist that such governmental arrangements permit them to participate in the making and administration of metropolitan policies. On the other hand, some local officials in many metropolitan areas, and most local officials in a few metropolitan areas, favor a directly elected metropolitan body, with no formal linkages to city and county governments.

Insistence upon an all-directly elected regional government will make it impossible to develop a formal and workable scheme of metropolitan governance in most of our large and complex metropolitan areas. The Twin City Region in Minnesota is an exception—a referendum would probably not be required, and almost all local officials in that area favor direct elections.

In the San Francisco Bay Area the issue seems to be drawn sharply, with strong combatants who are now in agreement that there should be some form of multipurpose but limited regional government—and with a good chance that the issue may be settled by compromise at the present legislative session.

The Bay Area has two large (or at least vocal) groups, heterogeneous in their make-up, one of which has taken a firm stand in favor of a directly elected regional government, while the other supports the creation of a regional governing body selected by and from elected city and county officials. Bills were introduced in the 1969 session to create a multipurpose regional agency along each of these lines (AB 711 and AB 1846). Neither bill was reported out of the Assembly Committee on Local Government because the Committee, both houses of the Legislature, and many proponents of regional government were completely involved in the legislative struggle to strengthen and make permanent the Bay Conservation and Development Commission.

It now appears that high political leadership in both the Legislature and in the Association of Bay Area Governments will develop and sponsor a compromise bill to create a limited-purpose but wide-ranging regional agency. It is understood that the proposed regional agency would have a governing body selected by and from elected city and county officials (the ABAG proposal) but with functions, duties, and powers as provided in Assemblyman Knox's bill. Assemblyman Knox has made it clear that he considers the new proposal a means of testing local officials, to see if they can make the hard decisions of regional governance. If they fail to measure up, the bill will provide for the reopening of the whole question of the composition of the regional governing body. In addition, there is speculation about a suit to force the new government, if established by the Legislature, to comply with the one person-one vote decisions of the United States Supreme Court.

Certainly, the whole matter of representation will be argued vigorously during Committee hearings on any bill that may be introduced. In the past, both groups have come down squarely on the side of principle. On one hand, it is maintained that a directly elected regional body, on which city and county governments are not represented, would destroy local government and home rule. It is alleged that the regional body would be a distant metropolitan supergovernment. On the other hand, the proponents of direct election hold this to be the only way to secure a democratic, responsible, responsive, and effective government.

As might be expected in a constitutional debate, a Connecticut Compromise has been proposed, but both

sides thus far seem to find it uninteresting. I want to argue that, apart from the political realism of a compromise, the proposal to mix the two bases of representation—direct election, and representation of local governments—deserves consideration on its own merits:

(1) Mayors, city councilmen, and county supervisors should participate in regional policy making through membership on the governing body, because
   a. They represent tough, ongoing, legitimate local governments with organizational and representational interests in metropolitan affairs;
   b. Cities and counties are more likely to cooperate by willingly carrying out regionally adopted policies, if they participate in the formulation and adoption of regional policies; and
   c. City and county officials can probably defeat any other proposal in a referendum.

(2) It is not true, however, that *all* interests within a metropolitan region such as the San Francisco Bay Area are represented by mayors, councilmen, and county supervisors. At least it is a matter to be inquired into. Otherwise, one must hold that everyone is virtually represented under whatever system is in effect.

(3) Direct election from districts, as a means of supplementing mayors, city councilmen and county supervisors on the governing body, can increase the representativeness of the regional agency. Not only is a combination of direct election with representation of local governments a means of obtaining the virtues of both systems, it is actually likely to increase the representation of various minority groups—such as Blacks, Mexican-Americans, conservationists, and Democrats.[1]

In any event, the presence of city and county officials on the regional governing body would provide formal linkages to city and county governments. Steps should also be taken to link state and federal governments into the governance of the metropolitan region.

10. *Minority representation may be enhanced by a mixed system of representation on the regional governing body.*

A mixed system would provide representation of groups in the region that might not be represented among the city and county officials selected to sit on a regional governing body. Suggesting that the ABAG system of representation needs to be supplemented is, however, in no way an admission that it needs to be replaced.

But direct election alone is not likely to assure the widespread election of Blacks and other members of minorities. The division of the Bay Area into 36 electoral districts would yield districts of 123,500 inhabitants. If the population of the Bay Area increases as projected, the average population of 36 regional election districts will increase to 170,000 or more inhabitants within 10 to 15 years. Such districts would be small when compared with State Assembly districts, but they would still be relatively large. The problem of size is compounded by the unknown factor of where the district boundaries are to be drawn.

Based on districts of 123,500 people, one must conclude it to be unlikely that more than two Blacks would be elected from the nine districts in Alameda County; or more than one, if any, in Contra Costa County. Perhaps one member representing Mexican-Americans would be found among the eight representatives elected from Santa Clara County. Probably two members of minority groups would be elected out of six in San Francisco. None would be elected in Marin, Sonoma, Napa and Solano counties. Thus only six out of 36 directly elected members might be expected to be Blacks and Mexican-Americans.

The number could be increased if there were also city and county representation on the regional governing body. Perhaps there would be no increase in the proportion of such members, but 12 out of 72 will provide better representation than six out of 36. There will be more voices to speak, more bodies to participate in committee work, more hands to help or to listen to constituents.

Under a system where cities and counties were also represented, it would be possible to have minority group members, elected to the regional body by the city councils of at least San Francisco, Oakland, Berkeley and Richmond. Such a selection from the Alameda County Board of Supervisors is not at all unimaginable. And the likelihood increases with time. Undoubtedly there would already be more Black representatives to the ABAG General Assembly and Executive Committee if Black members of city councils and boards of supervisors had shown greater interest in participating in regional affairs.

11. *If compromise is not considered to be ideological capitulation, political leadership can exercise its historical role of developing and legitimating institutional and behavioral adaptations to the new tasks of federal, state and local governments.*

An outstanding example of political leadership is now being exhibited by Assemblyman John Knox and his colleagues in the Assembly and by the Executive Committee of the Association of Bay Area Governments. Hopefully, other interested groups in the Bay Area will approach the review and evaluation of the compromise bill in the same spirit. Proponents of either form of representation can undoubtedly keep the other side from establishing its preferred style of regional government. But both sides should ask themselves, which is more important, the establishment of a multipurpose but limited regional agency that can be reformed as experience and changing regional desires suggest, or unyielding insistence on a principle not shared by everyone?

Intransigence will prevent the creation of any regional multipurpose agency. This does not mean that we will not have metropolitan government. We have

[1] Stanley Scott and John C. Bollens show that the city and county representatives in ABAG are "only 37 percent Democratic, representing a population that is over 60 percent Democratic." *Governing a Metropolitan Region: The San Francisco Bay Area*, Berkeley, 1968, p. 158.

it now, in the form of many single-purpose districts and authorities. Unless a multipurpose regional agency is developed, we shall also have many more special districts in the Bay Area.

12. *The Supreme Court of the United States has not ruled that the governing bodies of multipurpose regional agencies must be directly elected.*

It has maintained, in other cases affecting the method of selecting local governing bodies, that it

> is aware of the immense pressures facing units of local government, and of the greatly varying problems with which they must deal. The Constitution does not require that a uniform straight jacket bind citizens in devising mechanisms of local government suitable for local needs and efficient in solving local problems. . . .[5]

13. *Nevertheless, Supreme Court decisions, agitation for neighborhood government, and widespread uneasiness about the quality and democracy of our system of local government, suggest the need for a systematic reevaluation of the theoretical bases of local governmental structure.*

Regardless of whether Mr. Justice Frankfurter was correct or not in warning the Court that it was being asked by the plaintiffs in *Baker* v. *Carr* "to choose among competing theories of political philosophy—in order to establish an appropriate form of government,"[6] —we outside the Court must face that choice in adapting local government from the neighborhood to the region to current expectations and perceptions of justice, democracy, effectiveness, security and community.

14. *Furthermore, this task must be approached with the full realization that it is extraordinarily complex.*

Local governments and politics are systems of social organization interdependent upon other overlapping social systems, some with territorial imperatives smaller than that of the local government, and with many spilling over into the larger and more inclusive society. Local government is not socially autonomous, if indeed any institution is, and its capabilities are often limited by the behavior of other institutions within its environment. Any conservationist should understand this ecological truism.

As an institution, local government is both tough and delicate. Its toughness has been demonstrated by the proliferation and survival of thousands of local governmental units, and by the slowness of *structural* reform. It is a delicate institution, however, that can be replaced or by-passed by impatient advocates of any given goal—hence, the easy creation of special districts for the special purposes of special groups. Given such pressures, governments could wither away, while remaining alive only in a most formal sense.

Even more terrifying is the possibility of destroying the important role of city governments, a role being assumed increasingly by county governments, of managing the resolution of conflict within the community—at least of providing a legitimate place for attempts to resolve conflict. This role has inestimable symbolic value.

The danger is present and great that local government and the associated local political system will be converted into an engine to stifle dissent and to manage conformity. It would then cease to be a general government and become in fact a very special kind of special authority. There is great danger today that extremists of either side could bring this about.

Under these circumstances, and with the full realization that structural reforms are important, but not all-important, we should pick up where the Supreme Court, perhaps properly and wisely, left off.[7] What kind of system or systems of representation do we want? What are likely to be the consequences of the continued use, or increased use, of discontinuance, or modification of the appointed executive, elected executive, small council, nonpartisan elections, local elections isolated from state and national elections? Do we know, for instance, that the manager plan is necessarily incompatible with a large partisan council elected by districts?

How a responsive and responsible reevaluation can be staged is another matter. But clearly many features of local government and politics are being evaluated without reference to each other, or to the system as a whole. In the meantime local government as we have known it may actually be withering away.

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[5] *Avery* v. *Midland County*, 390 U.S. 474 (1968); see also *Sailors* v. *Bd. of Education* 387 U.S. 105 (1967) and *Dusch* v. *Davis*, 387 U.S. 112 (1967). See the symposium "One Man-One Vote and Local Government" edited by Robert C. Dixon, Jr., in *George Washington Law Review*, May 1968—including an article by me entitled "Metropolitan Detente: Is in Politically and Constitutionally Possible?" (pp. 741–759).

[6] 369 U.S. 186, 300 (1962).

[7] See the excellent essay by Malcolm E. Jewell, "Local Systems of Representation: Political Consequences and Judicial Choices," *George Washington Law Review* (May 1968), pp. 790–807; Robert C. Dixon, Jr., "Local Representation: Constitutional Mandates and Apportionment Options," ibid., pp. 693–712; Dixon, "Reapportionment Perspectives: What is Fair Representation?" 51 *Am. Bar Assoc. Journal* (1965), pp. 319–324; and Dixon, *Democratic Representation: Reapportionment in Law and Politics*, New York, Oxford Univ. Press, 1968, pp. 23–57, 544–588.

Mr. JONES. Here I refer to two examples of what might be done to relate the neighborhood to the larger government whether it be the central city or the metropolitan region. One is a proposal of the Charter Commission of the City of Los Angeles. The proposal was not accepted but, nevertheless, it is an important example of one way of creating neighborhood governments with an elected council, with no power of taxation or of managing anything but with the full power to get together and complain or request, do anything like that. But that in itself would not be sufficient. The proposal would have established a linkage between city hall and these neighborhood governments by providing that a "neighborman" would be appointed by the neighborhood council but paid by the city to act as liaison and representative for the neighborhood in dealing with whatever part of the very intricate city-county-State-Federal system of metropolitan governance.

Now, it seems to me that this is essentially the same function that the city manager now plays in those suburban municipalities of Los Angeles where the city enters into a contract with the county to provide most or all municipal functions. The city manager is no longer an administrator in the usual sense; he becomes a negotiator, a grievance solver, a representative in a suburban neighborhood before a larger government.

Now, the other example that I give, was recommended in a proposed city-county consolidation of Sacramento County, by public administration service. They proposed to consolidate the city and the county but to divide the county into five boroughs with an elected council in each of them. These members would sit on the principal administrative boards or the consolidated city-county. Most important, any matter could be placed automatically on the agenda in the consolidated city-county council by resolution of the elected borough council.

That is just suggestive of the kind of thing we have to search for imaginatively and try out, it seems to me.

May I just point out one other thing?

Chairman BOLLING. May I add before you do that, that is the kind of thing that when it is tried it has to be monitored with great skill at some level. One of the things that really disturbs me is that we have had a number of examples of successes in dealing with metropolitan problems and we do not have the vaguest idea why they succeeded. There is a series of them. We simply have to do a better job of following what we are doing.

Mr. JONES. I think so.

Chairman BOLLING. Excuse me again.

Mr. JONES. A current question in the San Francisco Bay area which has been debated in and out of the State legislature for the past 5 years is whether we shall have a legislatively established regional government. Both ABAG and important groups outside local government support the creation of a limited by multipurpose regional agency. Within 6 years after ABAG was formed it voted, not unanimously, to ask the legislature to change it from a voluntary Wednesday afternoon tea society—what do they call them in New England, a marching and chowder society kind of thing—into a limited but multipurpose regional agency, with taxing power, power of eminent domain, and so on.

Now, this was done by city and county officials who 6 years before would have run from anything that looked metropolitan, and they did it because of the experience they had in working through ABAG with regional problems. They, in effect, were taught to be "regionable" by being given responsibilities. They learned by doing, you might say. And I think this suggests a strategy that could be followed through at a constantly increasing level of sophistication.

However, there are forces outside ABAG who would not be content to see this new agency consist of city and county officials. They insist that it consist of directly elected board members. Although there is almost complete unanimity with respect to the need for this kind of agency, the chances are good that both sides will go down fighting for principle and as a result we will get each year a new special district.

I think entirely part from political feasibility you can make an argument for combining both forms of representation. I want to demonstrate here that we need to involve heads of governments or representatives of governments (city, county, State, Federal, and special districts) in the governance of the metropolitan area. They are there and they each have responsibilities which should be recognized by the other. However, there are some interests, there is no doubt about it, that a city mayor or county supervisor does not represent. Through a combination of direct election and constituent unit representation you are likely to increase the representatives of the regional government.

In the Bay area, by the way, you can, I believe, double the number of Negroes on the regional council if you have both direct election and constituent unit representation. As members of ethnic minorities are elected to city councils and boards of supervisors they can come into ABAG or any successor as elected city and county officials.

Does the Federal Government have any responsibility for these matters? It is frequently imposed conditions in grant legislation, guidelines and administrative regulations which affect the structure of local government. Before any more such conditions are imposed, it should get councils of governments together with national associations of local governments, with State governments and explore the agenda for developing an urban structural and process strategy for the next few years. Standards coming out of such collaboration would be much more acceptable because they would not be Federal standards that you have unilaterally devised and applied but they would be intergovernmental standards arrived at intergovernmentally.

Our experience with the Advisory Commission on Intergovermental Relations indicates how this might be structured.

Representative BROWN. May I comment on this? Go ahead if you are on this point because mine was slightly different.

Mr. ALTSHULAR. It was on one of the points that Mr. Jones made.

Mr. Chairman, I am going to have to run for a plane myself in just a moment. I wanted to——

Mr. JONES. I am staying until Thursday. I want to hear you out. [Laughter.]

Mr. ALTSHULER. I did want to make one point about the value of having neighborhood elective officials. You asked a few moments ago,

Mr. Chairman, about how we are getting representation which has the breath of legitimacy in it from the black community of Boston. Quite clearly, it is a problem to do so when there are no elected officials. As a matter of fact, one of the analytic points that I have made in some of my writings is that where you do not have elections the people who most effectively demand representation and who seem to be representative of the community tend to be those who are most activist and often also the most bizarre. The latter can attract newspaper attention, which in turn tends to become the measure of whether somebody speaks for the community or not. Of course, the press has a taste for what will sell newspapers. In other words, for the bizarre.

And so it can be tremendously valuable, it seems to me, from the viewpoint of higher levels of government, to have elected representatives who can speak for the neighborhoods, whom the representatives at the higher levels can negotiate with and say, see here, what I have done is legitimate because I have negotiated with the people you voted into position as your negotiators.

Representative BROWN. Let me just add one dimension to this that I think is significant and that is, regardless of the elected quality of a municipal, meaning metropolitan municipality, councilman or a neighborhood spokesman, however he is selected, one of the things that has to be included in this is the accessibility of that representative spokesman to his own constituency.

Mr. JONES. That is right.

Representative BROWN. And that frequently is a function of the timelag between a proposal and its implementation or the enactment of it. And I would say that this necessarily slows up the process, but it is considerably important in the representative process. And I think one of the things that we have lost sight of in recent years at the Federal level, and to a great extent at the local level, is the issue of time as it relates to accessibility. And then in the broader sense the total issue of accessibility.

I am inclined to think that the Congress itself has been ill-served by the fact that it is a 365-day year operation, but the most ill-served of all are our constituents who do not see us frequently enough to be able to unload their contributions and biases upon us.

Mr. JONES. Mr. Cohelan has found that to be the case.

Representative BROWN. Well, I cannot speak for the subtleties of politics in the San Francisco Bay area——

Chairman BOLLING. Very few can.

Representative BROWN (continuing). On that side of the fence. But I am sure there are problems in this area that are both political in the partisan sense and representation in the political sense.

Mr. JONES. I think it would be possible to create a metropolitan government that could make quick decisions, did not have to consult with anyone, but I do not think this would help a bit. You still would have all kinds of agencies going off on their own and somehow or other we have just got to set up the situation in the metropolitan area in which there can be playoffs and bargaining.

Now, obviously, you cannot bargain with a group that is not there to bargain, so part of our problem is to see that they get into the——

Representative BROWN. I would buy the principle that you should not derogate the responsibilities of elected officials by a sort of ad hoc selection of other spokesmen and then the formalization of those other spokesmen as if they had the same authority as elected officials. But I do think that the biggest problem that many officials have is their inaccessibility to their constituencies regardless of the level at which they function. It is frequently just as difficult—well, let me just say that I am always shocked when I find some county or local municipal official who decides his home phone number ought to be unlisted. You know, there is something that is terribly incongruous about that.

Mr. JONES. You know, one of the consequences of involving city and county officials in regional operations is that you make them even less accessible because you are taking them away from the constituency in which they were selected, elected. This is a real problem, especially with part-time municipal officials who are called upon not only to make their own livelihood but serve in their city council or county board of supervisors and take a leadership role. But on the other hand, what are you going to do if you do not depend upon them? You have to go to another level of government.

Representative BROWN. Mr. Chairman, before we depart, I think I would like to observe that I consider this particular area of the problem to be one of the most fundamental in our society today. And the difference in viewpoint between my expression as a Congressman in that sense and what might be my expression as a media career individual is probably no better demonstrated by the fact that we do not have any press here now to cover these hearings, and we always have a crowd when we are discussing something like the C–5A or something else.

I do not know whether that is a commentary on the press, on this subcommittee, or on the subject matter.

Mr. JONES. Probably a commentary on the professors you asked.

Chairman BOLLING. I would like to interject, I think it is a commentary on the attitude of this particular subcommittee which is committed, and this is self-serving but can be proved, to the development of light and not heat.

Representative BROWN. Well, I think I would have to agree with that but I will not press the point. Let me just suggest, however, very seriously, that this very issue, this area, is where we will succeed in government or fail and perhaps we are seeing it in the conclusion by some elements of our society that the only way to get an audience with their representative at some governmental level or another is to kidnap him and hold him for ransom.

I think that is a function of the failure of government in this area and the very thing we have been addressing ourselves to this morning, and extremely important.

Mr. JONES. Probably you could characterize the extent to which we have adjusted our local institutions of local government to meet regional and neighborhood policies by just saying flatly that it is inconceivable that any regional agency official would be kidnaped. He is just not that important yet.

Representative BROWN. Nobody knows who he is.

Chairman BOLLING. Mr. Jones, despite your continuing availability, which we appreciate, the House has decided to terminate the hearing by having a quorum call. We are very grateful to you, I particularly, because it seems to me, you more than anybody else recognizes as I do the extraordinarily messy aspect of a government that depends on frequent elections and I am very grateful to you for making that point, because I think it is very important to preserve the messiness.

Thank you.

(Whereupon, at 12:45 p.m., the subcommittee was recessed, to reconvene, at 10 a.m., Wednesday, October 14, 1970.)

REGIONAL PLANNING ISSUES

WEDNESDAY, OCTOBER 14, 1970

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON URBAN AFFAIRS
OF THE JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The Subcommittee on Urban Affairs met, pursuant to recess, at 10:05 a.m., in room S-407, the Capitol, Hon. Richard Bolling (chairman of the subcommittee) presiding.

Present: Representative Bolling.

Also present: John R. Stark, executive director; James W. Knowles, director of research; and George D. Krumbhaar and Leslie J. Barr, economists for the minority.

Chairman BOLLING. The subcommittee will be in order.

Today the Subcommittee on Urban Affairs continues its hearings into regional planning issues.

I am pleased that the witnesses are providing us with a demonstration both in areas of agreement among experts about the issues and the general nature of what needs to be done but also are challenging widely held conceptions concerning the availability of panaceas for some of our local problems.

It is refreshing, too, to see the recognition of how much there is of national scope running through these many faceted local issues.

Today we have three additional witnesses especially qualified by training and experience to assist us in our deliberations. They are Victor Fischer, director of the Institute for Social, Economic and Government Research, the University of Alaska at Fairbanks; Daniel R. Grant, president of—I confess to a problem on pronunciation—Ouachita Baptist University at Arkadelphia, Ark.

Mr. GRANT. That is very close. Ouachita.

Chairman BOLLING. I practiced, too, and I made a mistake even then. And last, Selma J. Mushkin, director of public services laboratory at Georgetown University, here in Washington.

Professor Fischer, please begin in your own way.

STATEMENT OF VICTOR FISCHER, DIRECTOR, INSTITUTE OF SOCIAL, ECONOMIC AND GOVERNMENT RESEARCH, UNIVERSITY OF ALASKA, FAIRBANKS, ALASKA

Mr. FISCHER. Mr. Chairman and members of the subcommittee, when we talk about problems of poverty, ignorance, disease and despair in this country, we are talking about grave national problems. We accomplish very little—in fact, we may lose something—when we gather these problems up, verbally sanitize them, and speak somewhat ab-

stractly of the "urban" problem, "metropolitan" problem, or "regional social and economic" problems. That our major domestic problems are concentrated in areas where most people tend to live, that is, in our great metropolitan areas, seems self evident enough. But these are by no means exclusively urban or metropolitan problems. They are found everywhere, and they are lived with daily by perhaps as many as a third of our total population with an especially cruel intensity. So I have become somewhat weary of the "metropolitan" problem game, a game that all too often in the past has diverted us from the hard, real issues.

The game has gone something like this. First we recognize that massive social and economic problems do exist in our country and that the most critical of them, those affecting the health, livelihood and equality of opportunity of our poorest citizens, are concentrated in our central cities. We then find that jobs, housing, health services, and good schools are dispersing outward in the suburban areas. Further, we find that the city cannot pull itself up by its own bootstraps and meet these problems with its own totally inadequate resources. Next, we see that the suburbs have legally and politically insulated themselves from the central city, often hiding behind the barriers we call municipal boundaries. We see, further, a multitude of special purpose jurisdictions, Federal and State authorities, and private organizations, pulling in many directions with no apparent rhyme or reason. In short, there appears to be organizational chaos. Then, finally, instead of attempting to deal directly with the problems that first stimulated our concern, we unduly divert our attention to the virtually intractable problem of metropolitan structural reform in its several varieties: Will-o'-the-wisp metropolitan government, ineffective metropolitan planning, hamstrung voluntary councils of governments, interagency agreements, inter-local "cooperation," and so on. Meanwhile, the problems of people remain and they get worse.

I, of course, recognize that objective strategies, institutional rearrangements, and planning and coordinative mechanisms will be necessary to implement any serious efforts to resolve critical social and economic problems in America today. However, my plea is that we put first things first, recognize that we are talking about massive, deep-seated national problems, and face squarely the fact that solving any one or more of them will require unprecedented commitments of will and money. Having taken this indispensable first step, we may then find that metropolitan and regional structural problems are much less important than we first thought, if they are relevant at all, or they will at least be placed in proper perspective.

I come before the committee with the conviction that this Nation can effectively deal with critical economic and social problems, whether or not these require actions cutting across the boundaries of local political jurisdictions. Urban problems and urban goals are well enough known and understood to require no further studies or definitions, your own efforts in this direction during 1967 having made a major contribution. We know enough about workable strategies to attack many of the critical problems of urban regions. What has been missing is an all-out Federal commitment and appropriation of massive Federal funds that will make possible the solving of these social

and economic problems. That such a commitment could be made, and that funds could be provided has been demonstrated by the Federal Government, even in nonmilitary and nonspace efforts.

While your basic purpose is to analyze how planned solutions can be facilitated, I would like to emphasize that we need to think both in terms of immediate actions as well as longer term planning programs. There is much that can be done without institutional restructuring or development of new programs. I will, therefore, first deal with strategies for dealing with current critical economic and social problems and then proceed to discuss briefly the problems entailed in bringing about effective regional planning.

Federal, State and local governments have proved themselves quite incapable of satisfactorily meeting the general physical requirements of multijurisdictional urban regions. Application of conventional techniques to solution of economic and social problems is bound to result in even greater failure. I doubt that anything will work short of the approach used in major disasters—all-out commitment, strategies and programs appropriate to the needs, and massive infusion of money. This type of approach is required to tackle current needs and to start on the longer road to facilitating planned solutions to basic problems.

I would like to use the experience of the Federal response to the 1964 Alaska earthquake as an illustration of the spirit and approach that should be applied to the urban crisis. It would take too much time to describe the enormous effort and the total response of Federal departments and agencies, State and local governments in Alaska, nongovernmental organizations and the people themselves, so I will just briefly mention a few relevant aspects.

First, after a 36-hour onsite investigation of earthquake results by key Federal officials, the President by Executive order established the Federal Reconstruction and Development Planning Commission for Alaska, composed of Cabinet members and agency heads, and chaired by Senator Clinton T. Anderson. Under direct Presidential mandate to do everything appropriate, the Commission and its staff spearheaded and coordinated the all-out rehabilitation effort.

Second, the Congress enacted a special legislative program to provide additional Federal aid not possible under existing laws, including special compensation to State and local government to cover the serious loss of tax revenues, increased Federal share of several grant-in-aid program, authority for a number of agencies to adjust the indebtedness of some of their borrowers to compensate for earthquake losses, extension of loan periods, liberalization and expansion of the urban renewal program, purchase of State bonds, provision of special assistance of housing, and so forth.

Third, each Federal agency participated directly in the relief and reconstruction effort: manpower was assigned as required, regulations were changed as necessary to get the jobs done, funds were found or diverted from other areas, redtape was cut, and innovative solutions were found for previously insurmountable problems. Just one example—urban renewal application and planning procedures preceding land acquisition that normally took a minimum of about 2 years were telescoped into 3 or 4 months to meet urgent community needs.

Fourth, the recontruction program was essentially carried out through utilization of existing Federal programs. While most of these

were not designed to deal with disaster situations, through adaption and ingenuity, and with a number of quickly enacted statutory revisions, they proved capable of tackling the alien task.

Fifth, the massive Federal effort was carried out hand in hand with State and local governments. Local officials made or participated in all decisions pertaining to their communities, the Federal Government assisting and not preempting local prerogatives.

Sixth, private organizations, both national and local, participated actively in the relief effort.

Seventh, urgently needed help was given directly to businesses and private individuals affected by the earthquake.

The intensive Federal effort was largely accomplished over the 6-month period during which the Federal Reconstruction Commission was active. This brief period was characterized by a miraculous degree of cooperation among all Federal agencies and by their determination to accomplish the assigned task, which they did. Assistance to the State and local governments and to private individuals and businesses amounted to several hundred million dollars, exclusive of funds allocated for reconstruction of Federal facilities. The important lesson here is that the Federal Government in its entirety can act decisively and can successfully carry out a comprehensive effort to meet the special needs of a given locale and situation.

It is the spirit of this response that is needed in solving the Nation's urban problems. Though lacking the drama of an earthquake, flood or hurricane, the seriousness of the urban condition and the number of people involved are certainly great enough to justify the expenditure of billions in an effort to rectify the disaster that is each of our major cities.

I believe that with sufficient commitment and adequate money, and both of these would have to be great in magnitude, the now critical economic and social problems are not really unmanageable. Though totally pessimistic that these will be forthcoming in the foreseeable future, I will, for the purpose of discussing some of the basic ingredients that would bring us closer to dealing more effectively with social and economic problems, assume that they can be obtained. In looking at these, we must recognize, as I am sure you do, that there are no single or simple answers to the complex situation we face. The problems are many, and the public and private institutions are quite incapable of dealing with them on a comprehensive basis. Likewise, no single Federal agency or set of loosely coordinated Federal programs will be up to the total urban task.

First of all, then, we need a Federal organization capability to deal constructively with urban problems. We need something akin to Senator Clinton Anderson's Federal Reconstruction Commission for Alaska to provide the required drive at the Washington level. In addition, a field structure is required to assure a full and effective utilization of agency and program capabilities and their appropriate interaction with local institutions. A key element here must be adaptability of Federal programs to different urban situations and a great operational flexibility.

Second, we must have realistic awareness of the current incapability of metropolitan areas to carry out any kind of general problem-

solving schemes. I assume that patterns of regional governmental institutions have been thoroughly discussed at the Tuesday hearings, for the three panelists are eminently versed in this topic. In any case, the best we can expect from these institutions at this time is provision of a forum for communication and a broad base for governmental interaction, and, for this the regional councils of local governments and planning agencies can be well suited.

Third, while I have always been committed to a major State role in dealing with metropolitan problems, it is evident that States are no more capable of solving these problems than the Federal Government or the urban areas acting alone. State capability is quite limited, and willingness to face tough urban issues is often lacking. Federal objectives need to be directed toward strengthening State capability, enticing or coercing States to act in those areas (such as allocation of zoning powers) where only the state can perform, and bringing the State into an effective partnership situation. The State's role could then become quite akin to that of the Federal Government with respect to the urban scene, both governments acting in concert.

Fourth, while discussing problems that are regional in nature, one must, of course, not overlook the basic function of established cities. It is, after all, the central city in particular that is faced with the immediate problems and results of poverty, ghettoization, fiscal inability to provide adequate services, and so forth. It is the city that cannot solve problems within its own borders and has no means for going without its boundaries when this might otherwise help relieve the situation. Thus, the city is a basic building block and direct participant in just about any effort.

Lastly and most importantly, in view of the extremely limited ability of political institutions to deal with regional social and economic problems, a major part of our answer lies in provision of assistance directly to individuals and to private and quasi-public instrumentalities designed to overcome the limitations of governmental jurisdictions and agencies. The Federal Government has started moving in this direction, but much more remains to be done.

The most basic step, I believe, is provision of money directly to individuals who are in need. Until each person has sufficient money to meet his basic requirements, by whatever income maintenance scheme this is accomplished, other social and economic programs are bound to fail or result in only partial solutions. I believe this issue is so basic that it requires top priority action by the Congress.

Beyond general income maintenance comes categorical assistance; such admittedly inadequate programs as medicare and medicaid are ready examples of methods by which the individual is assisted within the context of existing governmental and private institutions. A few preliminary, miniscule steps in this direction have been taken in the area of housing. This approach has tremendous advantages over direct Government programs, not only because it reduces program rigidities and bureaucratic proliferation, but also because it provides the means for individual choice in a private marketplace still closed to too many.

What I have been talking about here in a cursory fashion are the means by which the built-in deficiencies of existing political structures and private institutions can be overcome and the productive

capacity of the private enterprise system can be tapped. Here I want to emphasize again that the main ingredients for any effective solution are will and money, and I will emphasize money for without it you will not make a dent in the "urban crisis."

Money is needed for three reasons. First, it will take a tremendous infusion of outside resources to meet the basic social, economic, and physical necessities of the people and their institutions. Second, food, clothing, shelter, and health care are products primarily of private industry, and we know that private industry can and does serve those who pay. And third is the leverage that money can provide for establishing the institutional machinery and processes required to deal with those problems that cut across political jurisdictions and for affecting State and local priorities. This is particularly important for effecting long-term and lasting change.

I could give many examples of the type of leverage that committed administration of Federal programs can exert to pursue objectives that are not only recognized at the Washington level, but which are also recognized by those at the local level who are desperately trying to deal with critical urban needs. In most instances you will find that such use of Federal incentives will be welcomed. While adherents of the devil theory may look askance at such Federal incursions into local affairs, the principle and practice are no different than those rationalized in all Federal grant programs on the grounds that the requirements that accompany them are both in the national and State or local interest.

In the discussion so far, I have said nothing about planning, even though the committee's objective is to analyze the facilitating of "planned solutions to regional social and economic problems." I have done this deliberately because planning generally becomes a drawn-out, long-range process, while the existing critical problems need to be and can be dealt with now. But we know enough to act without delay, without further research or conventional planning. The situation, again, is akin to responding to disaster situations: one acts immediately to take care of immediate problems and needs, and concurrently one plans for the next and future steps to be taken. Quite pertinently, my own experience following the 1964 earthquake in working as a member of the Federal reconstruction team, both in Washington and Alaska, demonstrated that planning decisions made on a crash basis in a thoroughly purposeful context were as good as, and often better than, those emanating from of the usual, nonaction related context. Furthermore we then saw whole community and urban renewal plans prepared in a matter of weeks that would usually have taken years to develop. Thus, it is my strong conviction that the best approach to planning is to let it be a part of the problem-solving effort itself.

Much the same can be said about regional institutions to deal with social and economic problems. Close familiarity with metropolitan planning agencies and councils of governments during the sixties makes me most skeptical about their ability to be effective instruments of public social and economic policy, and it is most doubtful whether other, more effective regional organizations will emerge to perform the task. The only potential for institutional development is, again, in the context of a real-life action program. Any regional social and economic planning carried out by existing agencies or specially created

institutions would under present circumstances amount to little more than an esoteric exercise. There is, thus, no value gained in pursuing the building of supra- or cross-jurisdictional instrumentalities until the necessary preconditions for effectiveness have been created.

In conclusion, I would like to return to the proposition that we are dealing with national and not local problems, even if solutions have to be applied within our major cities and metropolitan areas. The trouble today is that the urban problem is not accepted as a national problem. National policies are still geared to dealing with small portions and superficial manifestations. Thus, we enact unrealistically inadequate housing programs, while it is clear that most major metropolitan areas will evolve with virtually all-black central cities surrounded by white suburbs. And this trend will continue if we can take at face value such headlines as "Mistake to force integration in suburbs, says HUD chief." Nor will the problems of urban crime disappear if all we do is issue more guns to more policemen. If we continue to pursue our present course of rhetoric, negative policies, and minimal response, the problem will not go away, deterioration will continue, and we will move further toward total urban segregation. The final result could be a breakdown of our social and political system, for by postponing the real effort, we find ourselves facing an ever more insidious problem—growing mistrust, loss of faith, actions born of desperation.

This need not be. We should, as an intelligent nation, be able to respond without priming by dramatic disaster or explosive crisis. Amazing things will happen once the Federal Government effectively commits itself to solving our most pressing human problems. In the absence of this commitment, most else is academic; organizational and political barriers will stand as always, planning will go on, reports will be written, and the problems and troubles will grow.

Chairman BOLLING. Thank you, Mr. Fischer.

Mr. Grant, please proceed.

STATEMENT OF DANIEL R. GRANT, PRESIDENT, OUACHITA BAPTIST UNIVERSITY, ARKADELPHIA, ARK.

Mr. GRANT. Mr. Chairman, I will not take the subcommittee's time to tell you that I think it is very important that you have these hearings, and I do want to commend you for them, or to express in great detail my appreciation for the opportunity of appearing, but let me at least get those two comments in the record.

You may be a little bit concerned about the incongruity of testimony of the President of a Baptist university located in one of our more rural States or less urbanized States, so I might explain that I am not speaking primarily of my experience from the cities of Arkansas, although I have discovered that they struggle with some of the same problems of suburban spillover and governmental fragmentation as the other parts of the Nation. I think it is a matter of degree more than of difference.

I am speaking more directly from my experience with metro Nashville growing out of some 21 years when I was a member of the political science department at Vanderbilt University, and during this

time I completed a study of Nashville and Toronto and Miami. So this is more nearly the experience from which I speak.

I would like to focus my remarks on some myths about urban and metropolitan problems and governmental structure as they relate to urban and metropolitan problems. Let me just summarize them. I will not try to read the full prepared statement.

Myth No. 1 goes something like this: "Problems of metropolitan area fragmentation of government are figments of the imagination of some political scientists and do-gooders." This has become a rather popular myth in recent years and I think it grows out of the frequent defeat of consolidation proposals and metro proposals so that in some of the textbooks and literature of political science increasingly people are saying that fragmentation really is a problem only to political scientists and do-gooders because they like a neat and clean organization charter and it really is not a problem to the people. But I would argue that the distress signals growing out of this fractionalized governmental structure are too persistent and too continuous for us to conclude it is just an imaginary problem. I do not think we can say simply because the people vote down a proposed solution that the problem does not exist.

There are four kinds of coordination of efforts that are made exceedingly difficult by fragmentation of governmental structure in metropolitan areas. One is the geographic coordination of different parts of the area to each other. Another is what you might call functional coordination, coordination of services with other services in the area, police with fire and safety and health with schools, and so on. Another is coordination of the financial resources of the area, and the final one, coordination of the human resources of the area.

Any structure is a problem, it seems to me, when it tends to support and encourage the kind of irresponsibility in citizens who live out in the lily-white suburbs, for example, and tend to say, "We in Azalea Heights solve our problem of slums and juvenile delinquency and poverty; why don't you down in Gutter City solve your problems of slums and juvenile delinquency and poverty."

I think the problem of fragmentation continues increasingly to become a real problem and not imaginary.

Myth No. 2 goes like this: "Consolidated, areawide metro government is politically impossible to achieve under the American system of grass roots democracy." The myth basically says it is politically impossible so we might as well forget it. You find a great deal of this in the current literature of political science, asserting that the consolidation of governments in metropolitan areas is not a politically viable solution.

It has been said of city-county consolidation until 5 or 10 years ago. It was generally accepted that this is dead beyond hope of resurrection, but I think as in Mark Twain's famous message, rumors of its death are highly exaggerated, because consolidation of Nashville and Davidson County in 1964, Jacksonville and Duval County in 1968, Indianapolis and Marion County in 1970, all give the lie to this myth.

Obviously, it is difficult to achieve, but I think a more accurate statement would be that achieving metropolitan consolidation is exceedingly difficult but certainly not impossible.

Myth No. 3 would go something like this: "Metro governments are the wave of the future to be accomplished mainly by favorable recommendations of study commissions and legislative committees."

This, of course, is a myth at the other end of that pole. Totally different groups of adherents seem to hold to this. As I go around the country, I detect among civic leaders the notion that this is the wave of the future and about all you need to do is get a committee recommendation and an area will adopt what is obviously a rational, neat and clean organization chart. This is just as much a myth on the other side. Nashville's experience required 10 years of very hard study, very difficult and agonizing losses and then regrouping of forces and coming back to fight again another day.

So, I think the difference between success and failure in achieving adoption is not just good luck, although this is certainly helpful. Nashville, for example, had some good luck in political windfall issues. I think the chief difference lies in a combination of persistent commitment over a sustained period of time, careful research on the political, administrative, financial and legal implications of the proposed plan, and a realistic program of grassroots political action to secure adoption.

I personally think because of the enormity of the political task of achieving metropolitan area governments that mere recommendations of commissions and committees will be totally inadequate to make metro governments the wave of the future. It will require a very ambitious program of Federal and State carrots and sticks in support of this objective.

Myth No. 4, and I hesitate to say this in the presence—I am overawed, as a matter of fact—of Dr. Victor Jones in this regard, but I am going to say it anyway. Myth No. 4 is that "voluntary interlocal cooperation and regional planning will constitute an effective solution to the problem of metropolitan fragmentation."

The recent Federal emphasis on regional planning as a requirement for approval of certain Federal aid projects has resulted in the rapid growth of councils of government in metropolitan areas, and this has led some to suggest that these COG's in combination with regional planning will provide an effective answer to the problem of metropolitan fragmentation.

In truth, I believe the COG falls far short of meeting the need for an authoritative decisionmaking instrument for the metropolitan community and its inherent weakness of voluntarism and a malapportioned voting structure make it in many ways more politically unrealistic than areawide metropolitan government.

I think we ought to face it, that the COG is a last resort device for securing a minimal amount of intrametropolitan coordination when more effective structures cannot be achieved. And I would be the first to advocate COG if you cannot get anything else. But I think it is second, or third, or fourth choice.

Myth No. 5 is that "areawide metropolitan government inevitably results in poorer political access by the people, especially by minority groups."

This myth has been repeated so much that few people think to doubt or deny its truth. It assumes that areawide metro makes it more

difficult for the individual citizen to be heard and that minority groups in particular will find metro to be more inaccessible, but I have found little or no evidence to support this common prediction in a study of what happened in Nashville, Miami, and Toronto after metro was adopted.

In Nashville in particular where the consolidation for almost a half million people is one of the most complete city-county consolidations, the fixing of responsibility for governmental decisions at one place was cited by citizens as a cause for easier access rather than poorer access. Nashville metro councilmen were said to be more accessible than city councilmen and county magistrates were previously. In Miami, black citizens said the new Dade County metro government was more receptive to racial minorities than the former more rural, traditionally oriented, less professional, less visible county government officials.

So myth No. 5 fails to recognize, it seems to me, the critical importance of the ability to fix responsibility in measuring political access.

Myth No. 6 says that "metro proposals are a white racist plot." Although metro proposals have been made in the United States for 100 years or more, it is only recently that the charge has been made with any degree of seriousness that metro is a white racist conspiracy to prevent a black takeover of the major cities.

In evidence against such a charge, it has been clearer that the opposition to areawide metropolitan government has actually been stronger in most lily-white suburbs than it has been in the central cities. I think honesty requires admitting that there is more plausibility to this charge today, but any objective analysis will reveal that in balance there is still far more evidence against the charge than for it.

Many of the more sophisticated black political leaders have continued to support proposals for metropolitan government as a means of bringing white civil leaders and taxpayers together with core city leaders for the purpose of working to solve the problems of the grinding poverty and blight that hurt both the whites and the blacks.

Similarly, the primary initiators and designers as well as the active political supporters for metro government continue to be persons and groups whose long-term record as fighters against racial discrimination is well known. In reality it just does not make sense to call metro consolidation a white racist plot any more than it does to call the recent public school reorganizations to achieve racial balance a black racist plot.

It is interesting to note that the white racist leader John Casper, some years back, campaigned against adoption of metro in Nashville, arguing it was a Negro conspiracy to promote the cause of racial integration.

Myth No. 7 is that "metro is a Communist plot," and I think in the interest of time I will skip over this one, although it is in my prepared statement. Although this is as about as silly as the others, it has hurt, I might add, most campaigns for consolidations. You do not have to prove it. You just have to make the charge that since the Moscow subway is called metro, then obviously, metro is a Communist plot.

Myth No. 8 is that "adopting metro will result in reduced taxes." Let me just summarize this one by saying that you have to work so hard to sell metro that newspaper headlines, if not campaign speakers,

seem to say in effect that if you adopt metro you are going to reduce taxes.

A more sophisticated argument is if you adopt metro you will have more efficiency in the engineering sense of more units of output for the same or less units of input. Another way of saying it is that metro will not result in reduced taxes but taxes will go up less if you have some kind of integrated overall government.

My experience in studying Nashville, Miami, and Toronto, is that the result of metro has been more taxes, not less, and you might say there has been a kind of a revolution of rising expectations. You adopt this new bright shiny government and sell the people on what it will do and you establish great demands for new services which metro simply cannot deny. So, it would be a myth to argue that metro is a means of reducing taxes.

Myth No. 9 would be that "metro is a panacea." One of the dilemmas again facing the proponents of metro is how to overcome the terrific hurdles you have to cross to get adoption of this radical new form of government without overselling it and suggesting that the millennium will come in or that it is a panacea. It is obviously not a panacea. It is a structure, it is a means, it is an open door, and I would not say that structure is 100 percent of good government or even 50 percent of government. I would only argue that it is 5 or 10 percent, but a fairly important 5 or 10 percent. It is a way of achieving coordination which is much more difficult without a rational structure of decision-making for the whole area.

There is no other way to achieve communitywide decisionmaking for a metropolitan community, and when they cannot get this, you can be sure the powers will go to the national Government.

There is one final myth and I feel very strongly about it: "What is true and appropriate for the 10 or 20 largest metropolitan areas must be true and appropriate for the other 200 plus medium sized and small metropolitan areas."

I think one of the most serious hindrances to effective communication among groups interested in solving metropolitan problems has been this tendency to lump together the problems of the big 10 metropolitan areas in discussing the political and administrative viability of particular solutions. Much of the pessimistic wiring about the feasibility of areawide government proposals is actually aimed primarily at the New York area and its 1,400 governments where it seems obviously to be hopeless, or Chicago or Boston or some of these most fragmented areas. I would have to add that our major universities with our greatest expertise in political science in this field are in this kind of metropolitan area and they tend to write in this pessimistic vein. So, I would put in a plug for considering that there is a large number of metropolitan areas that are totally within one county where consolidation is very reasonable and there is no reason to assume that what is true of New York or Chicago or Boston is also true of Nashville and Davidson County, or the 100 to 200 smaller sized metropolitan areas.

In conclusion, let me reinforce something I said earlier about the relative importance of the structure of local government in metropolitan areas. At present it is virtually impossible for any metropolitan

area, either its voters or its representatives, to consider community-wide issues and make authoritative decisions to promote the health, welfare, safety, and convenience of the whole people in that community, the metropolitan community. Their fragmented governmental structure simply makes this impossible and the only way areawide decisions can be made now is for the State or the national Government to step in and make such decisions because local government for the vast majority of the people, is whatever exists in the fragmented metropolitan areas. Local government is in danger of becoming a mindless rubber stamp which moves only on decision of State and national Government. A rational governmental structure permitting authoritative areawide decisions for areawide problems would go a long way toward restoring and maintaining meaningful local government for the majority of American citizens. Whether the structure is consolidated areawide government—as seems appropriate for the small and medium-sized areas—or a two-tiered metropolitan federation—as seems appropriate for the very large metropolis—the need for areawide decisionmaking and administration seems clear.

How to achieve this more rational structure for governing the metropolis is a difficult subject in itself, but I would suggest that the national and State government cannot hope to achieve this result without an ambitious program of carrots and sticks specifically designed for this purpose.

Thank you.

Chairman BOLLING. Thank you very much.

(The prepared statement of Mr. Grant follows:)

PREPARED STATEMENT OF DANIEL R. GRANT

"MODERN AMERICAN MYTHOLOGY ABOUT URBAN AND METROPOLITAN PROBLEMS AND METRO GOVERNMENT PROPOSALS"

In case some are puzzled by the incongruity of testimony on the subject of metropolitan government by the president of a Baptist University located in Arkansas, one of the less urbanized states in the union, a word of explanation might be helpful. Although I have discovered that the cities of Arkansas are struggling with many of the same problems of suburban spillover and governmental fragmentation as in other parts of the nation, I am more directly familiar with the experience of Metro Nashville where for more than 21 years I was a member of the Political Science Department at Vanderbilt University. With the assistance of the Ford Foundation I recently completed a comparative study of the metro governments in Toronto, Miami, and Nashville.

I have now exchanged my full time occupation of teaching and research on urban government for a commitment to what some call the valley of the shadow of the university presidency—my inauguration at Ouachita Baptist University is just a few days away, on October 22. However, it would be impossible to exchange my long term interest in the problems of governing our metropolitan areas. Nor have I given up commitment to helping find ways for whole metropolitan areas not only to engage in regional planning for a better urban life, but to make authoritative community-wide decisions for the execution of such plans without having to go to the State or National governments every time such decisions are needed.

I do not need to tell you that this subject is a big one and that it is necessary to select just a small segment for my remarks to this committee. I should like to describe a few of the myths that have grown up and are widely but mistakenly accepted as true concerning metropolitan problems and solutions in the United States. Not all of this metro mythology is believed by all the people, or even by the same groups of people, but each myth has a particular appeal to a sizeable following. Much of it is anti-metro in stance, but some of it is pro-metro. Anyone interested in helping the metropolitan area to govern itself should be familiar with the following myths.

Myth Number One: "Problems of metropolitan area fragmentation of government are figments of the imagination of some political scientists and do-gooders." This has become a popular myth in recent years. The frequent defeat of metro proposals at the hands of voters is cited as evidence that fragmentation is only an imaginary problem troubling those who favor a "neat and clean" organization chart for government. But the distress signals growing out of the fractionalized condition of metropolitan communities have been far too persistent for us to conclude that the chaos of local governments is an imaginary problem.

Four kinds of unity for coordination are of vital importance to the welfare of the metropolitan community, and fragmentation is an irrational hindrance to each kind. Coordination of effort is needed between different geographic parts of the metropolitan area, between different functions and services within the metropolitan area, for the financial resources of the whole area, and for the human resources of the total community. Any governmental structure constitutes a serious problem when it tends to support and encourage the kind of irresponsibility of the citizen who says, "We in Azalea Heights solve our own slum problems; why don't you in Gutter City solve yours?" Metropolitan fragmentation continues to be an increasingly real problem, not an imaginary one.

Myth Number Two: "Consolidated, area-wide 'metro government' is politically impossible to achieve under the American system of grassroots democracy." Much can be found in the literature of political science asserting that consolidation of governments in metropolitan areas is not a politically viable solution for metropolitan problems. Some years ago city-county consolidation was said to be dead beyond hope of resurrection, but Mark Twain's famous message that "rumors of my death are highly exaggerated" seems to be in order today for consolidationists. The consolidation of Nashville and Davidson County in 1963, Jacksonville and Duval County in 1968, and Indianapolis and Marion County in 1970, all give the lie to this myth. A more accurate statement would be that metropolitan consolidation is exceedingly difficult to achieve, but certainly not impossible.

Myth Number Three: "Metro governments are the wave of the future, to be accomplished mainly by favorable recommendations of study commissions and legislative committees." This myth has a totally different group of adherants from Myth Number Two, appealing to idealistic business and professional leaders who often lack political experience and may even have a naive confidence in the ultimate triumph of rational solutions recommended by substantial citizens. Experience here is crystal clear. Time and time again the favorable recommendations of study commissions and legislative committees for elaborate and carefully prepared plans for city-county consolidation, large-scale annexation, and the establishment of two-tiered metropolitan federations have been defeated soundly by the voters. The successful cases still remain exceptions rather than the rule. The difference between success and failure in achieving adoption is not just good luck, although this is certainly helpful. The chief difference lies in a combination of persistent commitment over a sustained period of time; careful research on the political, administrative, financial, and legal implications of the proposed plan; and a realistic program of grassroots political action to secure adoption.

Because of the enormity of the political task of achieving metropolitan area governments, mere recommendations by commissions and committees will be totally inadequate to make metro governments the "wave of the future." It will require a very ambitious program of federal and state "carrots and sticks" in support of this objective.

Myth Number Four: "Voluntary inter-local cooperation and regional planning will constitute an effective solution to the problem of metropolitan fragmentation." The recent federal emphasis on regional planning as a requirement for approval of certain federal aid projects has resulted in the rapid growth of "councils of government" in metropolitan areas. This has led some to suggest that these COGs, in combination with regional planning, will provide an effective answer to the problem of metropolitan fragmentation. In truth, the COG falls far short of meeting the need for an authoritative decision-making instrument for the metropolitan community, and its inherent weaknesses of voluntarism and a malapportioned voting structure, make it in many ways more politically unrealistic than area-wide metropolitan government. Let's face it, the COG is a last-resort device for securing a minimal amount of intra-metropolitan coordination when more effective structures cannot be achieved.

Myth Number Five: "Area-wide metropolitan government inevitably results in poorer political access by the people, especially by minority groups." This myth has been repeated so much that few people think to doubt its truth. It assumes that area-wide metropolitan government makes it more difficult for the individual citizen to be heard, and that minority groups in particular will find metro to to be more inaccessible. However, there is little or no evidence to support this common prediction in the findings of my comparative study of Toronto, Miami, and Nashville. In Nashville in particular, where the consolidation is the most complete, the fixing of responsibility for governmental decisions at one place was cited by citizens as a cause of *easier* access rather than poorer access. Nashville Metro councilmen were said to be more accessible than city councilmen and county magistrates were previously. In Miami, black citizens said the new Dade County Metro Government was more receptive to racial minorities than the former more rural and traditionally oriented, less professionalized, less visible county government officials. Myth Number Five fails to recognize the critical importance of the *ability to fix responsibility* in measuring political access.

Myth Number Six: "Metro proposals are a white racist plot." Although metro proposals have been made in the United States for 100 years or more, it is only recently that the charge has been made with any degree of seriousness that metro is a white racist conspiracy to prevent a black take-over of the major cities. In evidence against such a charge, it has been clear that the opposition to area-wide metropolitan government proposals has actually been stronger in most of the lily-white suburbs than it has been in the central cities. Honesty requires admitting that there is more plausibility to this charge today, but any objective analysis will reveal that in balance there is far more evidence against the charge than for it. Many of the more sophisticated black political leaders have continued to support proposals for metropolitan government as a means of bringing white civic leaders and taxpayers together with core city leaders for the purpose of working to solve the problems of grinding poverty and blight that hurt both whites and blacks. Similarly, the primary initiators and designers, as well as active political supporters for metropolitan government, continue to be persons and groups whose long-term record as fighters against racial discrimination is well known. In reality, it makes no more sense to call metro consolidations a white racist plot than it does to call the recent public school reorganizations to achieve racial balance a black racist plot. It is interesting to note that white racist John Casper campaigned against the adoption of metropolitan government in Nashville, arguing that it was a Negro conspiracy to promote the cause of racial integration.

Myth Number Seven: "Metro is a Communist plot." More absurd, and with far less evidence, is the charge that metropolitan government is a scheme designed in Moscow as part of a carefully laid plot to build one world government under Communist domination. Ridiculous as it may seem, opponents of metro proposals have in some instances been able to use this charge to exploit citizens' fear of the unknown. Typical smear techniques and demagoguery citing the role of university personnel in the design of metro proposals, and even the use of the name "metro" for the subway in the city of Moscow, have constituted additional hurdles for metro reformers. The irony of this charge, in my personal opinion, is that metropolitan fragmentation and defeats of efforts to achieve area-wide government at the local level constitute a major cause for the movement of powers away from local government to the national government. Like water seeking its own level, urban problems will inevitably push upward until they find a level of solution.

Myth Number Eight: "Adopting Metro will result in reduced taxes." Metro has long been advocated as a way to achieve "efficiency and economy" in local government, and the strong temptation, both for campaign speakers and for newspaper headline writers, has been to translate this into a flat guarantee of reduced taxes. In reality almost no knowledgeable student of government would claim that metro will result in a net reduction in taxes, although most would argue that greater efficiency (greater units of output per unit of input) is made possible by an area-wide government. Those who support metro solely to reduce taxes and expenditures can find no encouragement in the experience of Toronto, Miami, and Nashville, because in each case something akin to a "revolution of rising expectations" accompanied the adoption of a progressive new governmental structure. It is quite likely that the whole movement for metro, with its civic enthusiasm and promises for progress, generates abnormal demands for expanded programs and expenditures. A more accurate statement would be that metro is a way of getting things done, as well as a way of distributing the tax burden more fairly. My interviews in Toronto, Miami, and Nashville provided strong support for this conclusion.

Myth Number Nine: "Metro is a panacea." One of the dilemmas facing the advocates of metro is the seeming necessity of over-selling the voters on the virtues of metropolitan government in order to secure its adoption. As a result they seem to be saying that metro will solve all urban problems. In reality, area-wide metropolitan government is only a structural means to desired ends, and is not an end in itself. Structure itself guarantees little if anything, and the metro structure is important primarily for permitting certain things that are otherwise much more difficult if not impossible. The most important elements in the solution to urban problems continue to be such things as political leadership, economic resources, and an enlightened citizenry, but I would argue that governmental structure is a very important five or ten percent of the solution. It provides an open door for action on urban problems at the metropolitan community level, but provides no guarantee that the door will actually be used. It certainly is no panacea, but neither is it only a meaningless reorganization on paper.

Myth Number Ten: "What is true and appropriate for the ten or twenty largest metropolitan areas must be true and appropriate for the other 200-plus medium-sized and small metropolitan areas." One of the most serious hindrances to effective communication among groups interested in the solution of metropolitan problems has been the tendency to lump together all Standard Metropolitan Statistical Areas in discussing the political and administrative viability of particular solutions. Much of the more pessimistic writing about the feasibility of metro government proposals is actually aimed at the largest and most fragmented cities, but the language is such that it also discourages effort in the small and medium-sized cities. City-county consolidation, for example, makes little sense for a metropolis encompassing several counties, but it makes a great deal of sense for majority of metropolitan areas encompassing only one county. A metropolitan federation, with its two-tier approach, makes good sense for the ten or twenty largest metropolitan areas, but is probably excess baggage for the small or medium-sized metropolis. The creation of separate borough units of government under a federated metropolitan government is not the only way to achieve meaningful decentralization, representation, and grass roots involvement. Much has been accomplished in Metro Nashville through 35 councilmanic districts as a part of a single, area-wide government for some 475,000 residents.

In conclusion, let me reinforce something I said earlier about the relative importance of the structure of local government in metropolitan areas. At present it is virtually impossible for any metropolitan area—either its voters or its representatives—to consider community-wide issues and make authoritative decisions to promote the health, welfare, safety, and convenience of the people. Their fragmented governmental structures simply make this impossible The only way area-wide decisions can now be made is for the state or national government to step in and make such decisions. Because local government for the vast majority of the people is whatever exists in the fragmented metropolitan areas, local government is in danger of becoming a mindless rubber stamp which moves only on decision of the state and national governments. A rational governmental structure permitting authoritative area-wide decisions for area-wide problems would go a long way toward restoring and maintaining meaningful local government for the majority of American citizens. Whether this structure is a consolidated area-wide government (as seems appropriate for small and medium-sized metropolitan areas) or a two-tiered metropolitan federation (as seems appropriate for the very large metropolis), the need for area-wide decision making and administration seems clear.

How to achieve this more rational structure for governing the metropolis is a difficult subject in itself, but the national and state governments cannot hope to achieve this result without an ambitious program of "carrots and sticks" specifically designed for this purpose.

Chairman BOLLING. Miss Mushkin, you may proceed.

STATEMENT OF SELMA J. MUSHKIN,[1] DIRECTOR, PUBLIC SERVICES LABORATORY, GEORGETOWN UNIVERSITY, WASHINGTON, D.C.

Miss MUSHKIN. Thank you very much for asking me to present my views. I am awed by my companions here, who are much more

[1] The views expressed are the author's own and do not necessarily accord with the views of the Public Services Laboratory of Georgetown University.

expert than I, but, if I may, I would like to add my feminine voice to what Mr. Fischer had to say.

Emphasis on structure of government detracts from the vital provision of public services to people in the kinds, quantities and qualities that are required.

In a longer prepared statement that I have prepared for submittal to this Subcommittee on Urban Affairs, facts about structure of governments are presented. These facts are drawn from the official Censuses of Governments. The prepared statement summarizes the many interpretations of those facts and lists remedies that have been advanced, ranging from interstate regional agencies or strengthened State roles in urban affairs, to neighborhood city halls.

The over 80,000 local governments differ in tradition, geography, industry, and demography. Moreover, each of the various public functions that they carry out has its own scale economies determined by the technology of producing them and market characteristics.

The critical issues facing the Nation are issues about services to people and of investment to people in the major cities. Big cities are short of funds. Without hard cash, attempts to structure governments to meet the critical problems in the Nation's major cities appear to me to be exercises in frustration.

The urgency of the needs of the Nation's plight in the largest metropolitan areas has been spelled out repeatedly. May I remind you quickly of the findings of the National Commission on the Causes and Prevention of Violence. That Commission wrote: "Safety in our streets requires nothing less than reconstructing urban life."

Major proposals for new domestic programs fail to promise significant aid to the large cities. If there is recognition of urgency in the plight of the large central city, in revenue-sharing, I cannot find it. For example, only 10 percent of the revenue shared would go to the major cities. Again, the proposed family assistance program would do much to relieve the worst of the burden of poverty in this Nation, but half of the moneys would go to the South. Family assistance offers little to the major cities in added funds, reduced welfare loads, or improved living levels for the city's residents.

The need is for added Federal funds to the major cities in the Nation in sufficient amount to make a difference in the outputs of public services there—for example, to lower the death rate at birth, to reduce mental retardation resulting from inadequate medical care or nutritional deficiencies, to improve qualifications for employment and job advance, to reduce crime and drug addiction, to improve neighborhoods and housing, and make for a better life for all those in the city and its environs.

A number of steps could be taken to aid the major cities. Among these are:

Revenue-sharing targeted at larger cities.

A vastly enlarged and broadened model city program.

Enlarged community development and renewal programs.

An urban child and youth development program. (The needs are great because almost half of the blacks in the major large cities are 19 years of age or under.)

A second chance education-employment opportunities program.

Secretary Richardson and Secretary Romney recently announced a new approach to Federal funding in the model cities. That announcement was highly acclaimed. They undertook to extend the model city concept to the entire city and to cut the administrative redtape. The steps that were taken could be the initial move toward a sizable enlargement of national support for the cities. An increase in grants through the model city program and a freeing up of the regulations under that program would be one method. Optional methods have been formulated. A Federal unconditional grant, for example, could be distributed by formula to the Nation's largest cities, with the add-on of an incentive grant to States for enlarging their financial support to cities.

Still another possible approach is to untie services from the central city government and free the general tax base—principally the property tax. The largest share of basic urban services produced by the city either is of a public-utility character, or is provided by more or less competitive producing units, some public, some private. Municipal water supplies or electric companies, for example, differ very little from their private utility counterparts that operate in other cities. By and large, the major share of urban services, including sewerage, water, recreation, sanitation, airport services, city transit services, water transport, and terminals not only clearly lends itself to pricing but also is in fact priced now in some way.

If consumers in a larger number of cities were asked to pay for public services through price mechanisms, they could record their desire to have a specified priced service and to have it in at least that quantity for which they registered their demand by payment of the price.

Educational services and many welfare services have usually been provided as merit goods without charge. A proposal already receiving considerable attention calls for the creation of a competitive market in the production of educational services. The notion could be extended to require parents to pay for the schooling of their children. And the parent would be in the market to buy the kind of education he desires. It would follow from such financing that property taxes would be refunded; certainly the claims on that tax by the school would be removed.

You may ask, is this not a reversal of the hard-won victory on public education, compulsory and without charge? It is, but the reversal is proposed to deal with 1970 educational problems, and not those problems, that faced the educational reform movements leading to compulsory, free education a century or so earlier. Present production of educational services is satisfying neither middle-income parents, nor educators. Poor children whose education is an important reason for public subsidy are not learning to achieve in sufficient numbers and at high enough grade levels. Taxpayer resistance to higher general taxes for schools to improve learning achievements is strong and growing.

A restricting of educational subsidy to poor children would reduce the general taxload. And this subsidy could become a federally financed payment to schools as scholarship aid or as part of income maintenance support. Payment of prices for purchased educational services, along with charges for hospital care, water supplies, elec-

tricity, parking meters, and so on, would plainly reveal the cost to the poor of the public services. Taking the formula under the present public welfare programs as an example, additional public assistance payments would become necessary, financed largely, if not exclusively, out of Federal and State moneys. The basic urban services would simply become a part of the measured "needs" in the budget of poor families that require additional resources under a public assistance standard. At present, such costs are not disclosed, an accounting for local services is not given, and cities are called upon to finance them even for the poor.

Cities have performed, in the transition from an agricultural to an industrial society, as a means of learning by living. They are still absorbing new immigrants, poor, and ill-equipped by prior education or experience for the complex metropolitan areas. The burden of this education in living and working has fallen on the cities. Altered methods of financing public services that would make plain the cost of such learning processes would more nearly sharpen the issue of national finances for national purposes in the city.

Thank you, Mr. Congressman.

Chairman BOLLING. Thank you, Miss Mushkin.

(The prepared statement of Miss Mushkin follows:)

PREPARED STATEMENT OF SELMA J. MUSHKIN [1]

"STRUCTURE VERSUS SERVICES"

Too long have we viewed organization for the provision of local public services as a problem of government "structure." It is commonplace to set forth the following facts about structure; each is drawn from the records of the U.S. Census Bureau's Governments Division:

In 1967, the 81,248 local governments were evidence of multiplicity—and of excessive administrative overhang on the citizen's tax dollar.

The number of local governments per population is largest in that area of the nation in which the provision of public services is lowest.

Half of the city dwellers in the nation live in fewer than 320 cities of the 18,000 city governments.

About two-thirds of the population of the nation resides within 227 standard metropolitan areas; these areas, however, encompass 20,703 governments—almost 100 governments per SMSA.

The 24 largest SMSAs, those with populations of 1 million or over, are the place of work and residence for about half of the population of all metropolitan areas. These areas contain over one-third of the local governments (or an average of about 300 local governments for each of the 24).

School district consolidations over past decades have markedly reduced the number of such districts to the present 21,782. However, school districts still account for over one-quarter of all local governments.

While the number of school districts has been decreasing, the number of special districts performing services such as water supplies and conservation, fire protection, and housing and urban renewal has been increasing rapidly.

Facts as Interpreted

These facts have been interpreted in various—and sometimes conflicting—ways. Some of the major interpretations are summarized below.

1. *Fragmentation of governments in small economic regions unduly constrains local budgets and particularly the budget of the central city.* The city that depends on its own local taxes for much of its revenues is constrained in its fund raising and provision of public services by area-wide tax competition—that is, by the levies that each close-by local government separately determines. Each

[1] The views expressed are the author's own and do not necessarily accord with the views of the Public Services Laboratory of Georgetown University.

government, within the area of a small economic region, acts individually and competitively, rather than in concert. Strategically each government is obliged to view the potential effect of its tax levies on its own citizens and business firms, in the light of the tax rates of its neighboring governments. Will a rise in its tax rate set in motion a migration to other communities within the area? Or, stated differently, is this tax levy and rate competitive with that of neighboring governments?

Certain characteristics of local budget-making help to explain the consequences of such intercommunity tax competition within a coterminous economic area: (1) the type and rates of taxation are measured by the yardstick of practices in neighboring governments; (2) the expected overall revenues from the tax bases used, at the rates levied, constrain the total expenditures in the locality, making for an identity between expenditure and the revenues (including the borrowing that is planned on capital account); (3) the level at which expenditure is balanced against revenue is determined by the yield of the competitive rate (and type of tax) applied to the tax base on wealth or income, in each government; (4) decisions on each public service are made separately, and incrementally, without analysis of relative costs and benefits; (5) the total expenditure is scaled more or less proportionally to the size of the total expected receipts, after taking account of what the competitive "market" will allow by way of tax increases.

The center city, with its economic position on the decline relative to the outlying governments in the region, is especially subject to the constraining force of intra-area tax competition. Within the total budget constrained by the potential impact of taxes on location of business and higher income families, many citizens find that they cannot "buy" from their government the type, quantity, and quality of public services they seek.

Such constraints on expenditure decisions add to the special fiscal plight of the core city because its expenditure requirements are high relative to its tax base. Such high expenditure requirements are a result of two factors that reinforce each other: (1) the residential dispersal from the city of people who still commute to work in the center city and thus become nonresident and nonpaying users of city services, and (2) the attraction to the core city of a population in large part afflicted by the syndrome of discrimination, of poverty, and of prior decades of neglect of fundamental human investment. Fiscal disparities within the small economic area are the symptom of the malady of constrained budgets within fragmented governments.

2. *Fragmentation of governments within a small economic area permits the voter to choose the package of public goods he seeks by selecting a preferred community in which to live.* Small communities, each populated by families with similar tastes and incomes, are a necessary tool, according to some, in a process of differentiating types, quantities, and qualities of public services. The consumer "votes with his feet" in making known his desires about public services. He selects to live in that community that provides the package of services that accords with his desires. Each family unit deciding in the same way about their community would tend to bring together families with similar tastes about public services. The choice of place of residence thus becomes a substitute for the market which guides the allocation of resources among optional uses to those that match consumer preferences. Fragmentation, in this formulation, is desirable at least for determining expenditure allocations. Families select the public services they want and make known their preferences by moving to the community that provides them.

The concept of "vote by selection of community" does not, however, come to grips with the issue of intra-area tax competition in an economic setting of different tax capacities. It sets the issue aside and addresses another question: Is there a way to get persons to reveal the types of public goods they seek, bearing in mind that the output of the public good is indivisible among users? The good that is termed a "public good" has collective benefits from which, by definition, no one can be excluded. Public safety, public freedoms, national security are important examples of collective goods. It does not detract from any individual family's benefit to have others secure in their person, property, and liberties. Rather, the security of one family strengthens the security of all. If some are made secure in their persons, property, and liberty, others also enjoy an enhanced measure of personal safety and security.

The public good that is of benefit to all has an aggregate or social benefit that is difficult to quantify and equate with an amount of general revenues. Market

tests are not readily applied. Individuals can benefit from the actions taken by others. Why and how should families make known their preferences for the public good? Why not a "free ride" on the action of others to get the benefits without the sacrifice of other noncollective goods?

The theory of consumer vote by community selection is concerned with efficiency in choosing among collective public goods in accord with the tastes of families.

Preferences of families are again underscored in this interpretation. Fragmented governments work as a way of tailoring public services to the choice of the consumer-taxpayer (when taxable resources are sufficient to yield the desired services) and still keeping the tax load or burden within an areawide standard. In other words, fragmented governments are more in keeping with the pattern of the suburban community than with the pattern (and stark realities) of center city finance.

The central city poor, particularly in the largest cities, have in recent years become a smaller and more isolated minority. As rising incomes for some minority groups, as well as some relaxation of discrimination have made middle-income neighborhoods more accessible, the urban ghetto becomes even more homogeneous and poorer. And the employment spread-out to outlying areas of the metropolitan community has intensified the range of problems of the central city with its increasing homogeneity and lack of financial base from which to improve its public service package and to reattract industry or upper-income groups. Whatever information we have about attitudes of black families to public services suggests that their selection of communities with low-priced bundles of public services has more to do with artificial restrictions such as zoning on place of residences than with their preferences for services.

3. *Fragmented governments increase the amount and types of benefits to outsiders, and accordingly restrict further the amount of local taxes persons are willing to pay, especially in the smaller communities where "who benefits" and "who pays" is clear.* Spillovers of benefits from one place to another suggest the largest area that is feasible as the boundary for decision-taking. As long as the geographic area of benefits is wider than the local community, resource allocation decisions based exclusively on the rates of return to the locality will yield insufficient resources.

The argument has been quantified in regard to educational services and stated as follows: "If a community realizes that some of the benefits produced by its expenditures are reaped by persons outside, then it may fail to undertake the expenditures that would be desirable from the viewpoint of the entire society. As a maximizer of the well-being of its own present residents, a community would not devote ten dollars worth of resources to produce an output worth eight dollars to them, even though the output were also worth four dollars to outsiders."

Within a small-area economic region there are a wide range of benefits and "damages" that exceed the restricted boundaries of each of the multiple governments. The smaller the acreage of a given local government, the more likely are the neighborhood effects. A small community, deciding about air pollution control, essentially has little access to means of bringing about cleaner air. If its neighboring governments permit pollution to go unabated, the winds may carry the pollutants, for example, of a pulp and paper mill, or an electric company. Or, a sewerage system may protect water supplies, but only if neighboring governments act to control septic tanks that may drain into the city water supplies. As a somewhat different case, protective health immunization may become too costly for a community if its neighboring governments do not provide similar services to their residents. Immunization of nonresidents becomes costly, and administration of exclusionary eligibility tests itself requires expenditures. Child care services or special educational services may not be provided because of similar neighborhood effects.

Where large externalities or benefits accrue to outsiders, the small community may spend less by way of resources than is efficient for society as a whole. At the same time, small communities within metropolitan areas also act, on the tax side of the ledger, to keep the tax burden on their residents as low as is feasible. Taxes are imposed on sales and property with a view to the share of tax yield that may be shifted out of the community. A large shopping center or a utility may enlarge a community's tax base and the capacity of the community to shift its tax burdens outside it geographic area. Taxation controls on expenditure decisions in these instances are soft controls that provide little guidance on resource allocation efficiency within a small community.

4. *Fragmented governments within metropolitan areas reduce the possible advantage of economies of scale in production of public services.* The problem is frequently posed as one of structuring governments to take advantage of scale economies within present technology. Scale itself, it might be added, may encourage (or discourage) the development of new technology that will permit the production of better public products, or less costly ones, and the development of more effective delivery systems.

Optimal size of plant and cost characteristics of the various public services help to define the efficient production unit and scale. For some classes of public services, production units are necessarily large, with sharply decreasing costs at the margin. Services that have a heavy capital component, or are capital intensive, tend to be of this type. For example, electricity generation and water desalinization require large capital plant. Costs per unit drop with increased output.

Mass screening of individuals as a disease-control service requires large initial investment in equipment and personnel training. Unless the volume of demand is sufficient to use that fixed investment to near capacity, costs per unit of service are high. Similarly, computerized instruction requires a heavy equipment investment; costs are high per unit of output at low levels of demand, and drop sharply with increased use. The larger the market area for mass screening or computerized instruction the greater the prospects of high use and low costs per unit.

Size of area required for scale is determined in still other cases by the specialized characteristics of the market itself. Small numbers (at risk) need to be brought together over a wide geographic area in order to have sufficient market size to permit accommodation of that market at public expense. The scale of production is set in this case not by production technology but by the characteristics of demand. The number of children who are blind and require special school services is small, yet the production of those specialized services requires some critical mass of students before it becomes feasible to provide them. Health services for emotionally disturbed children or for children with congenital heart diseases, rehabilitation services for paraplegics can only be provided economically where there are substantial numbers of persons who require the services. Similarly vocational educational offerings require sufficient numbers of interested students whether those offerings be in aerodynamics, airplane mechanics, or laboratory technician work. Small communities with 5,000 or even 50,000 persons and perhaps 50, or 500 in the appropriate age group, and one or two percent of that group interested in the courses, are clearly inappropriate size units for decisions on production.

Study that has been given to economies of scale offers some guidance to the appropriate geographic units for the production of different services. Studies on water wastes point to regional river-basin-wide planning and provision for use of the streams as discharge agents both for municipal government and industrial wastes. A large number of studies concern health centers and the appropriate regional or community geographic area for the production of specialized diagnostic services in heart disease, cancer, and stroke, for hospital care for the range of human diseases and therapies from maternity beds or mental health beds, to cobalt radiation and kidney transplants. At the one extreme is the regional multistate center for specialized diagnostic facilities and personnel; at the other, the neighborhood storefront clinic.

The scale of operations problem has four aspects:

The size of the metropolis itself, with such economies of scale that result by approaching a self-contained small economic region with a low level of imports from outside the region.

The size of the production and delivery units, within the metropolis, for both private and public products in relation to the cost characteristics of each such unit.

Consolidation of whole units of governments—city–city, or city–county to broaden the tax base, reduce fiscal disparities, and gain economies of scale.

Intergovernmental purchasing agreements (the purchasing by one government of services from another) to provide a way to gain economies of scale in production of public services and at the same time retain small units for purposes of representation and resource allocation decision.

5. *Fragmented governments help to keep the governmental units small, providing greater access of persons to their governments.* To some extent, smaller

suburban areas within major metropolitan areas provide their residents with a way of achieving a responsive government whose rules yield to the desires of the families within the jurisdiction.

However, for the mass of families within the center city, service units generally do not yield the citizen interest and control required to facilitate access of persons to their governments with the feedback of more effective use by citizens of the services provided. Many persons in the city view their government as remote, impersonal, insensitive and unresponsive to their needs. In part, this view is the result of knowing little about their government. Proposals in recent years have been advanced to increase fragmentation, in a sense, by providing the big–city citizen access to some level of leadership by giving him a base from which to participate in government affairs. Washington, D.C., for example, has taken the leadership in setting up public service areas as units small enough to hear what their residents are saying, to understand their problems, and to speak for them in larger councils of government. Citizen participation, especially the participation of the poor in community action agencies, is characteristic of a number of OEO programs. Boston has its Little City Halls.

For some classes of services, participation by the big-city dweller is itself a possible way to promote the purposes of the service. For example, if parents participate in some phases of the educational system, they may be motivated to motivate their children to learn. Or a participation program to improve the appearance of a city neighborhood may itself reduce the damage to the neighborhood that was done by residents who felt that the central city government care little for them or their neighborhood.

6. *Fragmented governments create large disparities in public services between rich and poor communities.* Disparities in taxing ability among communities witihn a single small economic area are a major cause of disparities in public services among communities. At present the property tax is still the major tax base for many local governments, despite the characteristic variation in base value of the tax—a variation unrelated to number of persons or families in the population to be served by a local community. A large industrial plant may provide substantial portions of the tax base in one community; in another, the base of the tax may be composed of values of rundown houses that provide an address for a large number of families. Property tax lines have been known to be drawn to keep rates low as property tax havens; a plant around which jurisdictional boundary lines are drawn does not provide a tax base for schools.

Fiscal resources are uneven, and so are the requirements for public services. Such requirements often are high in the very sections of the metropolitan area where property values are lowest. The number of school children, for example, may be large where housing values are low, where housing is crowded, and neighborhoods unsightly. Differences in the resource base behind the education of the child makes for the poor school in the poor neighhood unless compensatory fiscal action is taken. It is increasingly becoming plain that even equal public resource inputs per child do not yield equal outputs in educational achievement. Unequal neighborhoods, and parents with unequal educational competence, create real differences in inputs even when equal public service inputs are achieved. Such disparities have contributed to proposals for metropolitan-area-wide taxing for school support, or for enlarged state, or federal, aid.

Proposed Remedies

Interpretations of fact point to many prescriptions for change in structure to meet problems generated by fragmented governments. The prescription often is for regional local government, metropolitan-wide in geography, or some intermediate arrangement designed to be more practicable. The major remedies suggested may be enumerated somewhat as follows:

1. *Metropolitan, regionwide government.* Among the purposes of such governments are a broadening of the tax base to be coterminous with the economic region; the internalization of external benefits and of damages; and economies in large-scale operation.

2. *Two-tiered systems of government.* Upper tiers are designed to handle area-wide functions, and lower tiers composed of municipalities to handle more local functions. Each of the tiers would be so designed as to provide optimal economies of scale, and responsiveness of government.

3. *Metropolitan-wide taxing units with smaller service units.* For selected functions such as education, the tax-raising capacity of metropolitan-wide areas is sought, at the same time as expenditure decisions are kept local. Both a broadened tax base and reduced fiscal disparities are expected to result, at the same time as access to governments is maintained through smaller governmental units.

4. *Consolidation of whole units of government—city-city or city-county.* Such consolidations are intended to broaden the tax base, reduce fiscal disparities, and also gain economies of scale.

5. *Intergovernmental purchasing agreements.* Purchasing by one government of services from another provides a way to gain economies in scale of production and at the same time retains smaller units for purposes of representation and citizen access to program policies.

6. *Councils of local governments within metropolitan areas.* Consolidations of governments within metropolitan areas to gain coordinated planning and program development at least with respect to physical facilities and, perhaps, also to economic development.

7. *Decentralized neighborhoods.* A variety of methods have been proposed that are designed to enhance the responsiveness of governments to families in their neighborhoods. These methods include decentralization of governments, neighborhood governments, requirements for citizen participation, creation of citizen boards, advocacy planning, neighborhood city halls, the borough plan, and offices of ombudsmen.

8. *State authoritics.* State control of local governments points to a larger state role in meeting problems of urbanization. Larger funding for production of services can be achieved in this way, as well as production units of optimal size. A number of state authorities have been created either on a statewide or regional basis for special service purposes. For example, in New York an Urban Development Corporation has been set up, an Environmental Facilities Corporation, a Job Development Authority, a Metropolitan Transportation Authority, among others.

9. *Regional administrative units of state government.* Consolidation of countries, or counties as regional governments, or multi-county units developed by states as their administrative arms have come to serve the purpose of gaining the advantages of large governments and governments whose boundaries are more nearly coterminous with the problem—for example, transportation and recreation planning.

10. *National standards and grant conditions.* Federal grants could, for example, be conditioned on state performance with respect to local governments, particularly large cities. State plans might, for instance, be required to define action to be taken in removing constitutional and statutory provisions unduly restricting the taxing, borrowing, and spending of local governments. Further, regulations could require that local governments be reorganized and restructured by consolidation or federation and that neighborhood units be established, or that standartds be developed for citizen participation in planning and program execution. At present the federal government does not follow a consistent policy on structure for governance and the capacity to plan at state and local levels. The several agencies "do their own thing." Options for the national government include (a) a policy of neutrality, (b) exclusive reliance and buildup of state responsiveness to city needs, (c) federal conditional requirements for state reform of state and local government deficiencies, (d) direct federal action on large city problems.

The Central Domestic Program

In the previous sections we have outlined the facts of fragmentation of government, set forth the varied interpretations of those facts, and listed remedies that have been offered to correct the structural deficiencies of fragmented local government.

The major issues facing local government in the nation's largest metropolitan areas are issues of service to people and of investments in people. Are the types of services required being provided in the right quantities and qualities and for the individuals who need them the most? The major issues are not structural. A change, that is, in location of the public decision responsibility is not going to make an important difference in the production of public services, or in their distribution among families.

Further, no single structural reform appears to fit the multiple facts or the many-sided interpretation of those facts. When the specifics of particular places are taken into account, the possibility of a single remedy for the multiple diseases of urban communities becomes even more remote.

At present regionalization is preferred to the multiple units of government. Regions as taxing areas, or as spending and planning areas, or as both taxing and spending areas are being urged. Enlargement of the geography of the city, at this time, is opposed as a means to dilute the growing political strength of the black population in the central city. A recent survey finds that this factor has been an important one in recent consolidation actions taken to widen the geography of local governance. The opposing course is to encourage black leadership in central cities. But black political strength in communities that are poor because only poor people live there is also not a long-term solution to problems of local governance. Without resources, little could be done to improve access to earnings and employment, and thereby to better living conditions.

Without hard cash, attempts to structure plans to meet the critical problems in the nation's major cities are exercises in total frustration. That most of the big cities are short of funds is in this year of 1970 a dreary but inescapable cliche. Most of the nation's wealth and income are generated in metropolitan areas, yet the central cities of such areas have insufficient access to those resources.

The urgency of the city's needs is in sharp contrast to the relative feebleness of proposals for new remedial program design. For example, major proposals concerning "fiscal federalism" fail to offer a promise that the added revenues will be devoted to solving the problems in the cities. Only about $1 out of each $10 of federal revenues that the present proposal offers to share with the states and local governments would go to cities in the nation's largest metropolitan areas. These are cities where even before the 1970 census, 36 percent of the black population were estimated to live; where almost 1 out of each 2 blacks were 19 years of age and *under;* where income differences between whites and blacks were widening; and where unemployment was high—8 percent and more for young blacks. Most especially, it is the minority nature of the city's "inter-core" residents and their social isolation that now appears to require a new approach.

The national government proposes to improve the finances of the federal system by the introduction of an untied, unconditional grant. The grant would go largely to states, with an assurance by federal formula of some support to all general units of local government—an assurance given without regard to size, or wealth. If there is recognition of urgency in the plight of the large central city, it is not reflected in revenue sharing as proposed.

A second major domestic proposal calls for an improved welfare program. This family assistance program would correct disparities in payment by raising, with added federal funds, amounts paid in some southern states, and it would provide a floor under income even for the family with an employed parent. Because of the $1600-a-year level for a family of 4 at which the income floor is set, the proposal offers little to the major cities either in added funds, or in reduced welfare burdens, or in improved living levels for their residents.

Thus, while the proposed program will do much to relieve the worst of the burden of poverty to black and white alike, especially in farm and rural areas where almost half of the poor reside, it does not address itself to the crises in the congested urban community.

A combination of the political arithmetic of the central city and of economic accounting of the nation's families and industries points to national remedies for the problems in the central city if any major steps are to be taken to meet the crises in urban services. The cities agonizing over the counts of the 1970 census can look to less rather than more support in the state capitol. At the same time the nation has become even more mobile. Only the national tax system can encompass the geography of the movement of persons and industries in the nation. Other governments, state, regional, metropolitan, are faced with major barriers to taxation represented by interarea industrial competition and mobility of persons.

The need is for added federal funds to the major cities in the nation in sufficient amount to make a difference in the outputs of public services there—for example, to lower the death rate at birth, reduce mental retardation resulting from inadequate medical care or nutritional indequacies, improve qualifications for employment and job advance, reduce crime and drug addiction, improve neighborhoods and housing, and make for a better life for all those in the city and its environs.

Five types of programs would be of special concern in the largest cities where according to the National Commission on the Causes and Prevention of Violence, "Safety in our streets requires nothing less than reconstructing urban life."

Revenue sharing targeted at larger cities.
A vastly enlarged and broadened model city program.
Enlarged community development and renewal programs.
An urban child and youth development program.
A second chance education-employment opportunities program.

Recently Secretary Richardson and Secretary Romney announced a new approach to the federal funding of model cities. In an announcement that was highly acclaimed, they undertook to extend the model city concept to the entire city and to cut the administrative red tape. The steps that were taken could be the initial move toward a sizeable enlargement of national support for the cities. An increase in grants through the model city program and a freeing up of the regulations under that program would be one method to provide the funds needed. Optional methods have been formulated. A federal unconditional grant, for example, could be distributed by formula to the nation's largest cities, with the add-on of an incentive grant to states for enlarging their financial support to cities.

We outline here still an additional approach to the financing of services in the city. The approach exaggerates, in a sense, current proposals for reform of city finances that call for higher and more user charges. More particularly we propose as only a short additional step that *all* public products provided by the major cities having (a) defined benefits, and (b) identifiable beneficiaries be subjected to tests of consumer demand through market-type pricing methods. Such a proposal we believe would (1) facilitate production and delivery of public services in keeping with the desires of the citizens, (2) permit each family to put together the various services in a package to meet their own tastes and requirements, and (3) make clearer the responsibility of the national government for achieving minimum income supports for the urban poor.

It is not assumed that pricing arrangements can be extended to all city services. Recently ingenious methods have been suggested to measure the demand for collective goods and to price those goods. But pricing of collective goods is not always technically feasible. How would one price, for example, mosquito or rodent control services?

Most public products produced (or assured) by the city are not collective goods with indivisible benefits, although they may have a collective good component. Most services provided by the city either are priced now in accord with the divisible benefit provided, or could be priced if the charges for the services to the poor were financed separately.

For each $1 the nation's cities collect in taxes, they also collect 60 cents in charges and utility revenues. General revenues finance such urban services as public safety—police and fire protection. These services come as close to representing pure collective goods as any provied by the city. Yet additional police surveillance is now also purchased by groups of citizens from private firms indicating that prices could be used for public production of surveillance services above some minimum. Costs of police work in traffic regulation enforcement and traffic controls could be reallocated as highway-user costs and priced as a component of highway user charges. Fire protection services in at least one city (Scottsdale, Arizona) are provided by a private profit-making company under contract with the city. Fire protection is being sold by that company to some neighboring communities. And when individuals fail to pay a prepayment charge, they face the risk of paying, when fire services are demanded, some multiple of the annual prepayment charge.

The largest share of basic urban services produced by the city either is of a monopoly or a public-utility character, or is provided by more or less competitive producing units, some public, some private. Municipal water suppliers or electric companies, for example, differ very little from their private utility counterparts that operate in some cities. Water and electricity are in most cities financed by charges; similar charges might be used in other places. Gas and transit utilities operated by cities are in the same category, and transit companies especially are frequently subsidized out of general revenues. By and large, the major share of urban services, including sewerage, water, recreation, sanitation, airport services, city transit services, water transport and terminals not only clearly lends itself to pricing but also is in fact priced in some way.

If consumers in a larger number of cities were asked to pay for public services through price mechanisms, they could record their desire to have a specific priced service and to have it in at least that quantity for which they registered their demand by payment of the price. While demand may not be easy to assess

ahead of time, an experimental price system can be designed to test it out. To the extent to which there are divisible benefits for identifiable persons and families, one would expect that those who want a service (and can afford it) would buy it. In this way the quantity of service produced would be brought more closely in line with expressed demand. And innovations in new public products might be encouraged, if financing is voluntary and the decision rests with consumers and not with general taxpayers.

Educational services and many welfare services have usually been provided as merit goods without charge. A proposal already receiving considerable attention calls for the creation of a competitive market in the production of school services—i.e., parents would choose among the producers of education. In some of the variations of that idea, an educational allowance would be paid by voucher and would be the exclusive funding source. Thus prices would be fixed to absorb the allowance amount. No such rigid price rules need apply. Variation in charges could be permitted along with minimum standards for quality and quantity. Voucher amounts would be augmented by prices paid by parents, thus permitting more variation in quality and quantity of education above the minimum. Still other variants propose that parents select and pay for all school services, even though minimum standards are established by law. If educational offerings were priced much in the way school lunches are now, the impact on local taxation and local budget constraints would be great. No longer would general revenues (and particularly the general property tax) be required to support the schools. The choice would be that of the parents, subject to rules on compulsory school attendance and minimum curriculum achievments. The parent would be in the market to buy the kind of education he desires for his children.

It would follow from such financing that property taxes would be refunded; certainly the claims on that tax by the school would be removed.

But is this not a reversal of the hard-won victory on public education, compulsory and without charge? It is, but the reversal is proposed to deal with 1970 educational problems and not those problems that faced the educational reform movements leading to compulsory free education a century or so earlier. Present production of educational services is satisfying neither middle-income parents, nor educators. Poor children whose education is an important reason for public subsidy are not learning to achieve in sufficient numbers and at high enough grade levels. Taxpayer resistance to higher general taxes for schools to improve learning achievements is strong and growing.

A restricting of educational subsidy to poor children would reduce the general tax load. And this subsidy could become a federally financed payment to schools as scholarship aid or as part of income maintenance support. Payment of prices for purchased educational services, along with charges for hospital care, water supplies, electricity, parking meters, and so on, would plainly reveal the cost to the poor of the public services. Taking the formula under the existing public welfare programs as an example, additional public assistance payments would become necessary, financed largely, if not exclusively, out of federal and state monies. The basic urban services would simply become a part of the measured "needs" in the budget of poor families that require additional resources under a public assistance standard. At present such costs are not disclosed; an accounting for local services is not given, and cities are called upon to finance them even for the poor public assistance recipient.

Cities have performed, in the transition from an agricultural to an industrial society, as a means of learning by living. They are still absorbing new immigrants, poor, and ill equipped by prior education or experience for the complex metropolitan areas. The burden of this education in living and working has fallen on the cities. Altered methods of financing public services that would make plain the cost of such learning processes would more nearly sharpen the issue of national finances for national purposes in the city.

Once a price system were put into effect, other consequences would follow:

> A competitive market system might be introduced for a number of services now produced as a public monopoly. The competition should work to gain more responsive provision of services in the quantity and quality desired. When large economies of scale suggest continuation of the production monopoly, regulations of charges similar to Public Service Commission regulations would be needed even for public "carriers."

Price signals would guide production of services as to type, quantity, and quality, taking the place of administrative planning, advocacy planning, comprehensive planning, and management by objectives.

Each family would put together for itself the package of public products and services it desired. Coordination of purchases from many bureaus (or public producing enterprises) would be no more necessary than coordinated purchases of shoes, socks, trousers, and so forth. Clearly, better consumer information would be needed.

Payment of public prices for public products would divide the cost of city services more fairly between suburban users and inner-city residents. Those outsiders who use the services would be required to pay the price.

Exclusive concern with governmental structure places the emphasis on the wrong purposes. The set of problems to be explored are the serious problems in the American city today that pose hard questions about kinds of public services to be produced, for whom, and the kinds of delivery systems that assure those services are available at the time and place they are required. The financial incentives and allocations rather than structure need to be assessed.

Evaluation

Many different remedies have been offered. Some experience has been gathered in actual implementation. It would seem desirable, as a minimum, to evaluate the experience gained. Have the reforms, when put in place, achieved the economies of scale, the responsiveness to citizen wants, the internalization of damaging externalities, and the other improvements that were sought? If coordinated packages of public services have suggested neighborhood centers providing health, welfare, and related counseling services, are those centers in fact achieving the coordination desired? Are the metropolitan regional governments in Nashville-Davidson, Miami-Dade, Jacksonville, Indianapolis achieving higher tax yields, lesser disparities in public services, economies in program operation?

Are state-wide authorities working to reduce the costs of water waste? Are they making for adequate water resources for industry and municipality? Are state authorities improving housing for minority groups where the authority's purpose is better housing and more choice in housing? Are inter-regional or interstate agencies achieving their purposes in economic development—higher incomes, and reduced unemployment? Are they raising living levels and standards? When governmental reforms that are often proposed are in fact adopted in one community or another, it would appear to make just ordinary common sense to ask of those experiences: Has the purpose sought been achieved?

Chairman BOLLING. I do not really quite know where to start, because each witness, and then separately in a sense, all witnesses together raised interesting lines of questioning. But I would like to start with Mr. Fischer.

In 1951, there was, I guess, the first billion dollar flood in the area which I represent. I guess it turned out to be a little less than a billion when we had it more adequately costed, but we had a disaster I will not say the equivalent of but of similar proportions to the Alaska earthquake.

One of the dilemmas that I remember very vividly since 20 years ago was that it was unheard of to suggest that one make a grant for restoration. It reminded too many people of the misuse of funds in a long ago era of reconstruction. It was impossible to get really effective direct grants honestly described as such. People used to tell me but, of course, you can have a substitute for that. Those people that you are so concerned about, many of them incidentally, not my own constituents, just across the line, small homeowners who had spent two or three generations paying for a home, were wiped out to the extent that I am sure your families were. People would say, well, why do you not get them easy terms for a loan on the land and I would say, you missed the point. There is no land. It is down the river.

It seemed to me that you have an essential and psychological element in a disaster that it is terribly hard to develop in any nondisaster situation.

No. 1, it was totally unpatriotic—big word—not to be for curing the situation. There was not any argument about it. You had to do something about it.

No. 2, as soon as you had that kind of political base, locally and nationally, you had overcome what is really the fundamental problem that we confront, which is the political problem of getting some kind of agreement that we have to make a major effort.

In the place where I have worked for a few years, you would not get agreement that you have to make a major effort to solve the social problems of the United States when you put it in those terms. So, I was interested, and I am not disagreeing with you. I am interested in your comparison of the kind of crisis we have, which I agree is much worse than an earthquake or a big flood. It is a much more persuasive, monumental social disaster, but I would be interested in having you describe in a little more detail why you think we can transfer the one type of situation into solving the problems of the other condition.

I agree that we should. There is no argument there. You do not have to convince me of that. But how do you raise the boiling point, raise the level of the heat or the interest or the enthusiasm, to some comparable level, because that comparable level solves an infinity of problems.

Mr. FISCHER. The points that you raise here are points I fully recognize. What concerns me, having worked in the metropolitan areas of the country, and having worked at the Federal level, is that if you want to go about solving social and economic problems that are beyond the limits of any given community, and I say all of them are because they are problems of people and not of governmental jurisdictions, you must recognize that we simply do not have, we do not even come close to having, the local or regional institutional structure to deal with them. The planning process is totally inadequate and planning does not do anything anyway.

Chairman BOLLING. Except often delay, and it is used classically by conservatives as a means of delay.

Mr. FISCHER. Right. The metropolitan institutions that have been emerging, those that Dan Grant and Vic Jones and others have been talking about, these are instrumentalities that are essentially very weak. There may be the exceptions of true consolidations, but in terms of a national problem we do not have the institutional means for dealing with social and economic issues. We can deal better than before with transportation problems, with pollution problems. The physical problems of metropolitan areas obviously transcend any geographic unit, but these are physical, more direct problems, and we tackle them on an ad hoc basis.

Now, as I say, I do not know exactly how we can bring ourselves to the point of commitment and action. I think the important lesson of the response to disaster, and my own experience in Alaska certainly brought this out, is that the Federal Government can act, and action is, of course, a matter of congressional decision. I know how tough that is to come to the point of saying—yes, we do have a disaster in metropolitan areas.

Shortly after I came back to Washington and started settling in after working on the Alaska disaster, the Watts riot took place, a very real disaster. I almost got involved and then withdrew, in part because it became obvious that we were not going to respond as to a disaster. We were going to just sort of piddle around with a few programs, but we do not want to reward those who riot, so, therefore, we have to be cautious and not reward them in any way.

At the same time, coming back to the earthquake situation or any disaster situation, the impressive thing is that Government is able to act once having committed itself. I was amazed at the extent, for instance, to which existing programs could be adapted to totally alien situations where regulations were waived, how moneys could be dug up from places where money simply did not exist before because a job had to be done.

Possibly the answer here has to be that we simply have to try and initiate some pilot efforts. Possibly we should set up a model regional program with some kind of a super effort. It might be something similar to the model cities program.

In the case of Alaska we had a Cabinet Commission set up and a U.S. Senator chairing the Commission, but maybe this is what we have to look at a little closer and find some way of saying—yes, the cities are a disaster; yes, let us make an all-out effort, because it is the only way we will tackle them.

I do not think we will get even close by puttering around with regional institutions.

Chairman BOLLING. Well, in effect, what that amounts to is something that I happen to agree with. I do not say this because my colleagues are absent. I have said it perhaps too often in their presence, so that regardless of the techniques that are to be followed and regardless of the skill that must be applied and the need of participation and cooperation on a variety of intelligent bases by subsidiary levels of government, State, city, county, local, the guts of the solution to the problem keeps coming back to one place, which is the Federal Government.

That does not mean that the Federal Government is going to do it all or be big brother to everybody, but unless there is an active gross overall policy and a commitment to an overall solution, regardless of the differences that there may be among the various witnesses that we have before us as to precisely how you go about implementing it, unless the Federal Government plays a major role which is in some sense a coordinated and committed role to the size of the problem, there really is no hope of solution.

Mr. FISCHER. I fully agree with you. I was emphasizing money before. It is not, so far as I see, a matter of tremendous additional appropriations. It is effective utilization of existing programs.

We have a tremendous array of programs. Major results would obtain if we would just relax in their administration, try to focus them more effectively on the social and economic problems of urban areas.

As Selma Mushkin and I both brought out, I think some kind of payments to individuals to achieve a minimum level are extremely important. Categorically programs can assist greatly, but they provide only partial aid. You have to provide the base, or nothing else will work.

But essentially, what is needed is a concerted effort in urban areas, and metropolitan institutions and regional councils are not now effective instrumentalities. And this is why a Federal presence is required, why some kind of a coordinated Federal effort with the kind of authority granted as in responding to disaster is necessary. The Federal Government then can become the catalytic agent for problem solving.

I am sure no State would object. I am sure the urban areas themselves would be willing to cooperate. My experience certainly proves this. Thus, when I came in as a Federal official to work with Dallas and Fort Worth in setting up a single metropolitan planning area and a council of governments—the first response was, oh, it is impossible for the two of us to work together; and next, when the Federal response was, well, that is necessary for you in order to obtain certain funds that you want, they said, well, of course, we have been cooperating all along and we can do it; and the third response was, wham, they took off and they have one of the better councils of governments now because they decided this was good for them. And the State government of Texas moved in and cooperated 100 percent and helped replicate the same model in other areas.

So, I do not think it is a problem of the Federal Government moving in on the urban areas. It is the Federal Government working in concert with the States and localities, but doing it in an ad hoc kind of a manner, at least initially, and letting the institutions then evolve as the problem is being tackled.

Chairman BOLLING. I agree with that, too, at the risk of seeming to be a one-idea person, I would repeat that if I understand the situation in the Federal Government, the real dilemma is to see that there is one Federal Government rather than a variety.

Mr. FISCHER. Right.

Chairman BOLLING. And the real dilemma there is the fact that there is not one Federal Government, certainly at the congressional level. There may be a semblance of one at the executive level and certainly the executive has a greater capacity for coordinating its activities, but I have had too much experience with the Bureau that has more power than the Secretary to have any illusion about the ability of the executive to pull everything together. And, of course, the dilemma there comes back to the nature of the way the Congress organizes itself.

I will not repeat what I said yesterday, but the fact is that the kind of legislation that is purporting to deal in some kind of a coordinated fashion with the problems of the city is still, because of the behavior of the Congress, almost totally disintegrated. The first Manpower Retraining Act we passed was so unwise that it did not rest on an understanding of what kind of training was needed. It took, as I remember it, a special and rather dangerous ruling by the Secretary of Labor to make it possible to teach people to read and write so they could take other retraining. We are still doing insanities like undertaking a program of welfare reform that has no comprehension or relationship of the effect on welfare reform (and of the welfare reform's effect on it) of transportation and a whole variety of other things.

We do this because we are the most disintegrated of all institutions in the United States of America, the Congress of the United States

We operate on a committee system which then sets up a whole set of incestuous relationships, not with departments, but with bureaus, and you could not conceivably have a coordinated approach by the executive until the Congress at least could coordinate one idea within itself.

And I do not really ask you to comment on that, but it seems to me, that all roads in this case lead to Rome. If you are going to have a really effective program, except in an emergency, there has got to be some coordination, not between HUD and the Department of Transportation, but between the Committee on Banking and Currency and the various committees that deal with the Department of Transportation.

Mr. FISCHER. Well, I am glad that you said all this.

Chairman BOLLING. Well, I did not expect you to.

Mr. FISCHER. But I do not think, and I am sure you do not think, that the situation is hopeless.

Chairman BOLLING. Of course not. I would not be here if I did.

Mr. FISCHER. What seems to me still can take place, though, is a relaxation of attitudes. Congress could say, OK, this is the way the situation is, but we want you, the executive branch, to do the best you can under the circumstances. Then the Congress could enact legislation for urban regions akin to what we have now for regional development commissions, the Four Corners Commission, and the others; they are admittedly very poor, very weakly organized institutions, but at least the concept is there. You could then take a geographic area and coordinate what is being done to deal with social and economic problems of the particular region as well as the physical infrastructure. And then by a commission of that sort having extra money to invest in dealing with problems which no Federal program can effectively deal with right now, by using more money better, possibly then we could have an effective approach.

Chairman BOLLING. I do not want to be difficult, but you tell me what committee will have that arrangement within its jurisdiction and can act if we refer it to it? That is only the point.

Mr. FISCHER. Maybe the Joint Economic Committee.

Chairman BOLLING. That would be interesting if we took on a new legislative function. But I do not disagree with you. I think we agree, and I think you understand the reason for my insisting on having each day's record contain some comments on this aspect of it because, it seems to me, that all roads do lead to Rome and the Executive. While way behind the need in all administrations, both Democratic and Republican, the Executive has been well ahead of the Congress in its recognition of the need for a coordinated approach to a problem that defies any solution that is not coordinated.

But the problem that I initially raised is self-answering. That is, we have an emergency which for some strange and wonderful reason we cannot get the Congress to recognize as an emergency of the order not of one earthquake but of at least 50. Somehow or other we have not been able to get across the total impact of an unworkable welfare program, nationally speaking, and of an unbelievable housing program. Look back over a 20-year period. The housing and urban renewal program of the United States is simply incredible. We totally lack a national transportation program. This is so not just in one field but

in all fields. I am not going to go on. That indicates the line of thinking. And one of the reasons that we do not have a sense of the emergency is that because in Congress we are all diverted into a piece of the emergency. Almost nobody looks at the totality.

When you are slapped in the face by a flood, or by an earthquake, the emergency is there. But when you have a series of problems that in sum become an emergency and the people viewing them are viewing them through blinders, you never can somehow reach the point where the emergency takes off as an emergency. But that is the reason that we have hearings and worry about the problems. We are trying to figure out a way to get both ends of it working.

Mr. Grant, you mentioned something, and I would just like you to expand on it. I do not have any argument on the point. Somewhere in your statement, and I am not going to attempt to identify it, I will leave it to you, you spoke of, I think a malapportioned voting structure. I think that is what you said. Well, there is no argument about the malapportionment and no argument about the fact that, to use the cliche in the landmark decision of the Supreme Court, one man, one vote, will ultimately have a major effect on the United States. That is, if the people vote. But what did you have in mind? What did you have in mind in particular when you talked about malapportioned voting patterns or structures? I am just curious.

Mr. Grant. I was referring to the COG's and not to State legislatures here and the tendancy for a COG of necessity to overrepresent suburban governments or to place more emphasis on the individual unit of government than on the people encompassed by that government. Thus, core cities tend to be badly underrepresented in the COG's and large suburbs tend to be badly unrepresented in them. I think you have a dilemma if you apply the one-man, one-vote principle, that if you apply Baker versus Carr and Reynolds versus Sims to the COG's and the COG's remain voluntary, then you simply are spelling the death knell of the COG's.

I do not think the individual governments will come into it if you do not have malapportionment. In other words, the governments of the core city and the few very large suburbs would stay in and the rest would get out. I think this is a real dilemma.

Chairman Bolling. That is where I thought we were going and that raises a very interesting question to which I do not understand the answer. This subcommittee took a trip to a variety of places and one of the places that we ended up was Hanover. Of course, a planner in Hanover had a perfect paradise because he was working in a disaster situation. He was not reconstructing an old city. He was reestablishing an eliminated city because allied fire bombing of Hanover was totally successful, and we eliminated some fantastic number of the structures there. So they started dealing with nothing.

I was very impressed by their dealing with their problem, the way they planned and all this, but I was really impressed by something that was never quite said. Lower Saxony, which is not probably one of the most advanced political units in the history of man, for 70 years has had a sort of a vague and amorphous regional planning authority. Well, in modern times one or two extraordinarily wise or clever or ambitious politicians who occupied positions of some power in the

central city—maybe this would only work in Lower Saxony, I do not know—realized that in the political process, there was a great deal of unreality. You could trade real power going from the smaller communities into the larger communities on an overall planning authority for titles. Officeholders are often like people who do not understand the reality of power. If you could exercise power, that is more important you know than talking about it. If you could exercise power it is more important than the title you bear. We had a rather interesting example, and I think this is very much to the point in the problem that we have in the United States. That is, if you exercise power in a certain kind of a tradeoff situation, you can do remarkable things. This really only points up not a disagreement, but more or less an agreement, which depends fantastically on the imagination and the vision, you could say, and the sense of reality of political leaders.

Now, would you agree with that? Would you agree that in a given situation—take your Nashville illustration because I happened to have spent a year in Nashville going to school and I know a little bit about the old politics and the modern politics. I would suspect that there were a couple of things in Nashville that, in effect—they might have been newspapers, they might have been political leaders, they might have been people with ideas who could use all of these resources—made it possible for Nashville after 10 years of effort but much ahead of most other communities of its type, to make the consolidation.

Now, was there not this remarkable element—was there not some kind of remarkable input, leadership input?

Mr. GRANT. Yes; there certainly was. I think there was just enough ambiguity in who was going to achieve power and who was going to achieve title as a result of the new structure that both the core city faction and the county faction thought they could win out over the other. I think the core city faction thought in terms of the core city taking over the metropolitan area. The county or metropolitan faction thought in terms of taking over the core city and the designers of the system were careful to have just enough ambiguity there that no one really knew who was going to take over whom. And I would defend this as basically democratic. Let the people decide, in other words. There was this kind of leadership.

Chairman BOLLING. I was not suggesting, for a minute, that I was against legitimate manipulation.

Mr. GRANT. I would join you in being unopposed to this.

Chairman BOLLING. Just so long as it ends up in a final decision by people who have to vote on the decision.

Mr. GRANT. Right. I think back to your original question, though, on malapportionment in the COG's, I think there are those who strongly support the COG's in the hope that one-man, one-vote will come to them and that with sufficient strong Federal pressure to give the COG's power, the COG will evolve into some kind of areawide authoritative decisionmaking structure, and this, of course, is one approach. But as long as the COG is a voluntary council of governments, all you need to do to "bust it up" in a hurry is to have one-man, one-vote.

Chairman BOLLING. Yes. Now, another entirely different subject. I do not mean to sound as challenging in the way I ask the ques-

tion, but it is the easy way to get the conversation started. I would like to know what evidence, I mean hard evidence, there is for your statement. I will summarize it perhaps inaccurately and, of course, correct me if I say it wrong or leave the wrong implication, that people found that there was equal or greater accessibility to the members of a government which geographically covered a larger area and represented a larger number of people.

You mentioned that you found this and you found that, but I would be curious to know how two factors bore on that. No. 1, how much actual hard evidence is there? No. 2, was it because of a difference in the kind of representative? Was it because of a conscious effort on the part of the representatives or the leaders of the representatives?

Mr. GRANT. Well, you are not the first to ask me that question, so it is a very fair one, and I feel more confident about evidence in the Nashville area than I do in the Miami and Toronto areas.

In Nashville I have done opinion samples, scientific samples of the voters in the city and county area, asking a variety of questions so that a sample of the voters 2 and 3 years after metro was adopted said this. They said they felt they personally had better access to their metro councilmen and other officials than they previously had.

Chairman BOLLING. Describe your survey.

Mr. GRANT. The way the question was worded?

Chairman BOLLING. The way the question was worded and the size of the sample, and so on.

Mr. GRANT. Well, we took every 500th voter in the Nashville and Davidson County area, a fairly systematic sample, and felt we were all right on that score. The interviewer defined as simply as he could the term "political access" without making it too sophisticated for the voter. He said, how would you compare your chance to get a fair hearing when you feel that you have a problem from the responsible official?

This was one question that was asked. When you feel that you have a problem, do you feel that you have a better chance or a poorer chance today—and it was on a scale—than you had before the adoption of metro. They were asked if they felt they knew where to put the blame today as opposed to previously. And there were six or eight different ways in the interview, of trying to get at this and all of them in the case of the Nashville area, a pretty strong majority, said that they could fix responsibility better. They were asked a variety of questions on whether they would like to go back to the previous form and the evidence was pretty heavily no, that they would not. And they were even asked to name their metro councilmen and to name their previous city councilmen and county magistrate. This had obvious methodological problems because it would be natural to be able to name an incumbent official more easily than a former official. But considering all evidence together, I think a fair minded person would say they said they had better access today than they previously did.

Now, the other part of your question is tough, as to why this was true. It could be because under metro, a bright shiny new form of government, you were electing a more able type, someone who was

more conscientious, who was motivated to represent his people a little bit better and maybe 10 years later lethargy would come in and you would not get this kind of councilman. Nobody knows the answer to this.

You did have a stirring up of a lot of civic activity as a result of all the reform efforts. But I would argue this kind of government tends to stir up more interest in city activity, stimulate better press coverage, and focus more attention on local government.

Now, in Miami and Toronto I did not survey the citizens. I did not have the funds to do opinion sampling, but I interviewed a quota of "informed observers," in Miami and Toronto, as well as in Nashville, selected by comparable methods. I tried to interview 20 of the most informed observers in local affairs and this was the basis. It was their perception of what had happened, and incidentally, in Toronto, where you had your two-tier form and a pretty strong but hard-nosed central government, they were least sure that access was easier than it previously was. In Nashville where consolidation was most complete, they were most sure that access was better than it previously was. Black leaders in Nashville and Miami, were insistent that they had better access than they previously did.

Again, the question is, had the civil rights movement moved along and all blacks in all sections of the country were getting better political access. This is very difficult to answer, but they said they thought the new government was in part responsible for their better political access.

Chairman Bolling. What about—and this may be an unfair question in the sense that it is probably an unanswerable question—a substantial number of people who for a variety of reasons, really are not represented by anybody. Now, with anybody from, I guess, lower middle income on up, that is no problem. You know, they have not got a very good excuse except within some kind of a psychological problem. If they want to be represented they can be represented, I mean, on an actual basis.

When you get to the people who really live in poverty and live in that isolation which is, and I am not being romantic about it, which is a good deal greater in the city than it is out in the prairie, where you live in an apartment or where you live among 10 or 12 people in an apartment designed for two and it is a fortress and a refuge. I am not practicing social psychology, but I just happen to know as a politician that there are such places and large numbers of them. They are the people who have no representative. They do not even have a representative in the form of rather bizarre, as somebody said yesterday, people who purport to represent them.

What is the answer to them? Is it a reverse process? Is it a reaching out? What is it?

I am not talking in political terms. I am talking in terms of a government trying to find out and do something for them. Nothing is so obvious as the fact if they were going to have jobs and there were no jobs around the corner, they have got to have access to the jobs by some means of transportation. We can understand that by just thinking about it. How do we reach them better in terms of a larger unit of government? I am moving from the big things to the things that we are all

basically talking about. We are talking about how to serve people better. How can a bigger government do that better?

Mr. GRANT. Well, until you added that last little question I was going to say if I knew the answer to that I think I would have told the OEO and others long ago. Their effort to get citizen participation, of course, has been aimed right at the problem you are describing and it is very, very difficult. I think we in the past 6 or 8 years have learned that we do not know much at all about representation and identification with government of these people in the very low-income areas.

Concerning the last part of your question, I personally think larger units of government can do a better job of attacking the problem than small ones. This is my bias.

Chairman BOLLING. Do you think that they are less likely? I have never seen an area of government that ever had time enough to do all its tasks. I think that is one of the dilemmas of government and one on which I do not need to expand. I do not care how conscientious the individual is, or whether he is elected or nonelected. I have never seen anybody, in any situation, who could do all of the things that he would like to do.

Why can a bigger one do better? Will it have more specialists? Will it have more awareness or will the thing that happens up here tend to happen? You take care of the crisis first, of the obvious problem second, of the ones that are conscientious third, and then fourth, the really important and tough ones you put under the table as long as you can.

Mr. GRANT. Well, I am convinced that the concern for the participation of the very poor came from the national level. It did not come from the State level or the county level, and certainly not from the very smallest of units of government, and it may be a quality of person who tends to gravitate to larger units of governments. I do not know. There is something to the breadth of the area, too.

But I think what I am saying is I do not think this is a valid argument against areawide metropolitan government, and it may well be an argument for it.

Chairman BOLLING. In other words, this is an argument or a question that really does not have meaning. I think I agree because it depends on a variety of things. It is going to take a very high quality person to take the trouble to go to the people who have the least influence on anything.

Mr. GRANT. That is right, and it is so frequently used as an argument against some kind of metropolitanwide government and I think it is not well put there.

Chairman BOLLING. Right. Thank you.

Now, I do not exactly know how to approach this, Miss Mushkin, but I was intrigued by your notion of—not notion—by your suggestion, on descrambling the question of services and how the services are paid for. I will personalize it. I had sort of a fascinating experience of talking to a young man who considers himself very independent and I suppose he would consider himself a peaceful-type hippie, who in order to—quite reasonably—have the money and the time to write, works for the Post Office Department. He is 28 or something like that, has a wife, and I think a small child, he was explaining to me how he paid these awful taxes at all levels, and he did not get anything for them.

Well, he incidentally, worked for the Post Office Department, which I thought was pretty funny, but I never raised that aspect of it because he clearly and properly thought he had a right to work for the Post Office Department. He had not connected that up with taxes, either. But this was not a stupid person and I cite it only to demonstrate that a very bright, highly educated young man, with legitimate ambitions in a relatively highly intellectual field, was doing a rather dull job to support them and yet had no awareness of what taxes went for and for what services. It was very interesting when we went down the list. There is nothing unique about this.

What do you think would be the state of cultural shock in a city if by some miracle we were able to jump to pricing all the services of all the different levels of government in some kind of a legitimate and relatively objective fashion which would be, I know you will agree, very difficult? What would be the effect on the society if all of the sudden all of us realized precisely what all our different taxes went for or did not go for?

I go at it in this way for obvious reasons. It gives you a wide field in which to answer anything that you want to to sustain how you make this politically viable. I think it is a fascinating idea, but how do we get from here to there and why?

Miss MUSHKIN. Well, first let me——

Chairman BOLLING. Let us take one field. You pick the field.

Miss MUSHKIN. Well, I want to make clear first why this scrambling around on the finances and methods of providing public services. It is because I agree with Mr. Fischer so clearly. We need a national undertaking of responsibility with respect to the larger cities. And I also agree with Mr. Fischer that we do as a nation have the full capacity to cope with those problems.

I also do not agree with him about the size of the problem. I do not think we can just change our priorities and come out with sufficient moneys. I think it would take approximately a doubling of what is being done with respect to the cities in order to make a real difference.

Now, what would happen on the scrambling—on the untying of services from central governments? I do not know.

Chairman BOLLING. The descrambling.

Miss MUSHKIN. We now have a set of forces in motion that are moving our local finances in the direction of pricing of services. If we start with trash collection and ask: Can we price it? The answer is yes. If we talk about parking, the answer is yes. There are a number of proposals for congestion tolls on highways and streets that look toward using reading machines to read licenses and send bills to the persons who drive their automobiles as commuters to and from work. We do in fact price hospital services. Some communities price public health services provided at clinics.

Chairman BOLLING. I do not want to interrupt you, but is not one of the basic points that you are making that there is absolutely nothing more unfair than the present system of paying for garbage collection? Is not paying for garbage collection by a uniform property tax highly unfair on an individual basis?

Miss MUSHKIN. I honestly cannot answer that question because if one were to ask what is the value of the benefit of the garbage collec-

tion, one would have to conclude that the value of that service is best measured by the value of the property.

Chairman BOLLING. I do not want to seem to quibble but there are a whole series of values. No. 1, it is a value to the society that we get the garbage collected. Everybody has that collective interest. Then I cannot believe that there is not a direct relationship between the amount of garbage generated in direct proportion to the value of the property. I do not know what it is around here, but I do know that in the area I represent there would be a tremendous potential for greater income from property taxes if assessments were equitable, fair and even, as to just one differentiation, between business and private homes.

I would suggest, and I do not want to make it too complicated, but I would suggest that there was a great deal of difference in the difficulty of disposal of one kind of garbage or of another kind of garbage. One would be generated almost entirely by a business building, and the other would be entirely different, generated by a development of homes.

What I am getting at really is, are we trying by this approach not only to achieve greater efficiency but greater equity?

Miss MUSHKIN. I think the answer is yes, because the kinds of taxes that are levied at the local level are such as to weigh rather heavily on the poor and it may very well be that the poorer person in the cities is paying a good part of the value of the benefits he receives from city services per se, setting aside welfare payments.

Chairman BOLLING. Well, that is why I started with garbage because garbage is a relatively simple question.

The other thing I am curious about is, so we wave the wand, and I am not making fun of it, and we have gotten to the point where we have service charges on those people who use the particular service; the highway, the garbage collector, and so on, somewhat related to the amount of use.

Now, how do we or where do we go on this when we get to the people who have the least income? Now, is this based on the assumption that we have an income maintenance program which will give everybody a get-by income or can we deal with it in advance before we get to that point which I think ultimately, inevitably we are going to get to in some fashion or other? What do you do about the people who really at this moment cannot afford to pay a fee for garbage collection and the garbage is collected mainly by the society because it wants to prevent the garbage from starting the chain that garbage can start?

Miss MUSHKIN. What I would like to reply to that question is as follows: We just established that the poor themselves may be paying more indirectly for trash collection because of the distribution of the taxing burden than they would if they were to pay a price. They pay it, however, as a matter of rent. However, if we had a price system under our existing welfare programs, it would——

Chairman BOLLING. It would go into the budget.

Miss MUSHKIN (continuing). Go into the budget of the poor family and then would become an item to be financed by the Federal Government and the State. At present it is a load on the property tax.

And this, I think, is the importance of this notion. It is a way of making plain the national responsibility for the financing of those services.

There are other ways of making this point but this is one way and if the notion has any importance at all, it is because of this clarification of the Federal responsibility for the big city problem.

Chairman BOLLING. In other words, what you are saying and what the intent of this approach is, is that the poor are so unequally distributed in the United States as a whole that they can only be treated fairly by the society as a problem of the society as a whole.

Well, that leads to a lot of interesting places.

I think I have asked all the questions I would like to ask, and I will be glad to have anybody make any comments that they choose to make on anybody else's statement or anything that I have left out that is a disaster that should have been brought out in the questions.

If there are no further comments, I would like to express my gratitude to each of you for participating in this hearing and I should close by saying that we are primarily interested in developing ideas and methods of implementing them. We are not interested in arriving at a consensus today.

Mr. Fischer, do you have a comment?

Mr. FISCHER. I would just like to say that I personally appreciate what you as chairman and what the committee is doing in looking at this particular situation in its total dimensions. As you brought out so well before, we always look at pieces and I think what all of us here are trying to work on with you is an approach to the totality, which is admittedly so complicated; and I do hope that you and the committee and others in the Congress will find ways to overcome the divisions that we have.

Just another slight suggestion. You were asking before how can we overcome the specialization that exists in the Congress. Possibly the Government Operations Committee is the one to look to, because they have been doing some pioneering work in this whole area of metropolitan coordination and intergovernmental relations. Possibly that committee could help look across the board at executive branch operations and in the process try to bring some cohesion into the legislative branch as well.

Chairman BOLLING. I think that is a very useful thought.

Anybody have anything else? I thank you very much.

The subcommittee will stand adjourned until tomorrow in this room at the same time.

(Whereupon, at 11:40 a.m., the subcommittee was recessed, to reconvene, at 10 a.m., Thursday, October 15, 1970.)

REGIONAL PLANNING ISSUES

THURSDAY, OCTOBER 15, 1970

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON URBAN AFFAIRS
OF THE JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The Subcommittee on Urban Affairs met, pursuant to recess, at 10:05 a.m., in room S-407, the Capitol, Hon. Richard Bolling (chairman of the subcommittee) presiding.

Present: Representatives Bolling and Reuss.

Also present: James W. Knowles, director of research.

Chairman BOLLING. The subcommittee will be in order.

First, I would like to say that without objection, the full statements of the panelists and any other material they wish to furnish will be included in the record.

This morning, the Subcommittee on Urban Affairs concludes the present set of hearings on the regional planning issue. It is readily apparent from the first 2 days of hearings that one of the points on which there is maximum agreement is that there is a strong role for the Federal Government to play in promoting improved structure of local government and in promoting viable solutions for the social, economic, and political problems plaguing urban and rural society at the local level. We look forward to today's session to help us clarify our ideas of what the Federal Government can do without running the very grave danger of seriously reducing the decentralization of power which is a part of the strength of our democratic society. We are fortunate to have this morning three very distinguished experts. They are James P. Alexander, Director of the Office of Community Services, District of Columbia Government; Richard P. Burton of the Urban Institute, here in Washington, D.C.; and John E. Bebout, professor, Institute for Urban Studies, University of Houston at Houston, Tex.

It is nice to see you here.

Well, Mr. Alexander, please begin.

STATEMENT OF JAMES P. ALEXANDER, DIRECTOR, OFFICE OF COMMUNITY SERVICES, DISTRICT OF COLUMBIA GOVERNMENT

Mr. ALEXANDER. In addressing the problem you posed in announcing the subcommittee hearing, Mr. Bolling, I looked at the array of presentations planned and thought it might be appropriate on my part to address myself to the base for the decisionmaking and planning involved in trying to move metropolitan regions ahead in the area of social, physical, end economic planning. By "base," I simply

mean the community and citizen base. The first point I address in my prepared statement is simply this: That I believe that any regional organization developed to do an effective job of planning for advancement of programs on a regional basis must look to the question of the jurisdictions included in the region—the cities, for example. It is my conviction that we must look at the city planning process and hopefully make certain that that city planning process is so developed, so sophisticated, so responsive to citizens needs that it can project, in dealing with the regional organizations and the other jurisdictions represented in it, a true picture as to what is necessary for the hundreds and thousands and millions of people in the area and in the city and in the city's subcommunities.

Now, I stress the word "subcommunity" because it is my deep conviction also that the planning at the regional level must have a base that means good city planning and also good subcommunity planning. Let me talk about that for a minute.

One of the major problems affecting the cities of America, and you see it reflected, and have seen it reflected daily, weekly, throughout the country, in my opinion has been the increasing gap between local government and the citizens it is designed to serve. Where at one time you had city councils, for example, with the council members representing 5,000 and 10,000 people, you now have city councilmen representing hundreds of thousands of people. Where at one time, you had central department directors looking at a city of more than 50,000, 100,000, 150,000 and identifying and trying to meet the needs of the people in that total area, you now have those same central administrators dealing with the problems of cities of 500,000 600,000, and several million.

It has to be recognized that the people of our cities, living in different areas of our cities, have different needs, different economic needs, different social needs, and different physical planning needs. In order to make certain that those different needs are recognized and are responded to by Government, it is my conviction that there must be in the cities of America a system of subgovernment, if you will. The cities must identify their subcommunities on the basis of possibly classical criteria, geographical boundaries, manmade boundaries; where strong neighborhood exist, where community organizations have grown and become strong. Then cities must establish in those areas the kind of subgovernment, elected if you will, with staff, budget capacity, decisionmaking capacity, to do a job of operationally reacting to the needs of people in those various areas, and to perform another job—to develop the necessary planning, the necessary goals, necessary objectives, necessary priorities for the people of those subcommunities in the various cities. So that indeed, when central decisionmakers in city hall sit down and say, this is our city, they do not merely look out at a blob of 830,000 or 850,000 or 2 million people; they also recognize that those individuals live in communities with varying needs and that total city planning reflects the needs of those various areas.

So my first point is it is my conviction that in order for regional planning ever to succeed, the basic organization of the cities themselves must be looked to and there must be subgovernmental operational, planning, and coordinating entities.

The second point I would like to address myself to is the question of composition of whatever regional boards or commissions are developed to advance social, economic, and physical planning. A year or so ago, one of our Federal agencies sent a memorandum to its regional directors. The basic question was, gentlemen, we are trying to make certain that throughout our country, there is adequate planning, adequate recognition of needs of people, and adequate advance of social programs. Do you believe it is worth our time and our effort and possibly our money at this time to try to increase our work with the existing regional organizations so they can indeed move effectively in the direction of better total planning? The response in general was that the regional organizations lacked both political clout and money. They usually were formed by the various jurisdictions in the region sending representatives to sit down around a table and consider problems from the point of view of the cities, counties, and other jurisdictions involved. This resulted in tradeoffs, this results to some degree in the failure of the regional organization to basically get to the gut issues of some cities in the area, simply because regional boards, fearful of being accused of political interference in local communities, work together and avoid too much interest in many local problems—local problems that may erupt someday into regional problems. To give these regional commissioners or boards a better base with some political clout, I would strongly urge that any policy on the part of the Federal Establishment, in development of regional organizations, suggest that in addition, at least, to jurisdictional representatives, there be elected representatives of the people of the areas concerned on those regional boards. Hopefully, the thrust of the regional board then will be away from the kind of tradeoffs that now exist.

So the second point is elected representation on regional boards. The third point I would like to make is that the same directors throughout the country also pointed out a reality. That is that the regional organizations indeed did not have any "carrots" to offer, that while they lacked political clout, they also lacked money clout. It would be good business, in my thinking, therefore, for the Federal Establishment to consider a model regions program, if you will, something on the order of model cities. Because I have to say this, that despite the problems in the model cities program, despite the vagueness of some of the guidelines, despite the mountains of redtape involved in carrying off that program, I think that it has changed the planning thrust of many of our cities. We have to recall that just a few years ago, cities were concerned primarily with physical planning—sewage lines, water lines, fire hydrants, and public safety. More and more, they are going into the area of trying to plan to meet social and economic problems as well. Much of this thrust that exists today is due to that model cities program. I think a model regions program, with extra money, extra financing, a carrot that regions can share with municipalities, will help that thrust.

Thank you.

Chairman BOLLING. Thank you, Mr. Alexander.

(The prepared statement of Mr. Alexander follows:)

PREPARED STATEMENT OF JAMES P. ALEXANDER

"ESTABLISHING A DEMOCRATIC BASE FOR REGIONAL SOCIAL, ECONOMIC, AND PHYSICAL PLANNING"

I appreciate the opportunity to appear before this Subcommittee to discuss approaches to urban regional problems.

Any discussion of planning solutions to regional social and economic problems must concern itself with the basic organization for decision making.

If the objective of such planning is to achieve an improved quality of living for the citizens of the region, it is imperative that we organize to identify and then to meet the needs of the citizens of the region, its communities and its subcommunities.

We cannot—or should not—organize by simply identifying existing governments in an area and giving them representation on some super-communicating and coordinating board. We have to look to the roots of what we are trying to achieve—administratively and politically.

If we believe that the needs of people must be not through such planning, we must examine the political base for decision making not only of the regional board but also in the communities represented on the board.

Regional planning decisions need as a basis adequate planning by cooperating municipalities and, if those municipalities be large, by or for their sub-communities. The fact is that the ultimate beneficiary of any social, economic and physical planning must be the individual.

The harsh truth is that, over many years, American individuals in general have become increasingly lost in a sea of government. Quite clearly American citizens have lost much of their ability to influence government. Simple arithmetic can tell part of this trend.

Thirty years ago a city councilman might represent 15,000 voters; today he may represent closer to 100,000 in many of our cities. In the 1920's a Congressman represented far fewer citizens that he does today. For state legislative bodies and for county elected boards also, this citizen-to-representative ratio has increased. Clearly the distance between voter and representative has stretched until the word "representative" loses much of its meaning.

But the picture is even worse. In the name of reform we've gotten rid of one of the few effective intermediaries between citizen and government—the war boss, the precinct captain. Or we've reduced his power. Despite his sometimes unfortunate techniques, his sometime profiteering, his political bias, that "ward heeler"—as the reformers painted him—was a bridge between citizen and government. These were men who could connect an individual's small needs and problems with government's large concerns. They were the "ombudsman" of their day. They got street lights fixed, found jobs or aid for the needy, smoothed over redtape, and in general gave people a feeling that they could still touch and use government. In large part that is no longer true. Instead of reforming that early day ombudsman system, we destroyed it and provided no substitute. The result is that powerful individuals and well organized or aggressive groups can still touch government, but too often John Q. Citizen cannot. In the suburbs, in the slum and even in the university, many citizens feel they have no voice, no say, no influence on the thousands of government decisions made for them each year.

The suburbanite may be able to do something through civic clubs, associations or personal contact with those who can touch government. But he can't do much for himself as an individual. And those in the slums are far worse off—they have almost no way of influencing government through traditional means. Some of them chose the path of protests, marches and civil disorder. Most, however, sit mute and defeated, alienated from a society and a government which exists to help them but which too often does not even recogize their individual existence.

I believe, therefore, that, if regional planning is to become meaningful, that each city within any regional jurisdiction must take a long overdue step.

That step is—to make certain that the citizen can influence his local government, does have access to representatives and can, to some degree, assure that the needs of his neighborhood, his sub-city, are recognized and, within resources, met.

Cities preparing for an effective, long term, meaningful part in regional planning must put their own houses in order. One such step long has been advocated by the Advisory Commission on Intergovernmental Relations. This is to identify

the sub-communities of a city, establish elected subgovernmental units, provide them with staff, and the capability, the power and the responsibility to make those decisions best made at the sub-community level—decisions based on specific needs of a specific neighborhood and further to develop recommendations concerning the kind of citywide decisions that should be made to best serve their area.

There is nothing revolutionary about the concept of sub-government.

What it means is organized citizen involvement.

What it means is making the rhetoric of Fourth of July speakers come true, those government officials and representatives who, ever since 1776, have cried out for citizens to be interested, to be active and to make themselves heard. Subgovernmental organizations will make it more possible for citizens to respond to that plea.

I submit to you then that we will me making substantial progress also toward that other Fourth of July plea—for a "close partnership of government and citizen."

Unless urban centers develop the vehicle so that citizens can be represented, can be heard, can influance city government . . . we will be increasingly in the business of government by confrontation.

But establishing an adequate citizen base in each city in an urban region is only one of the vital steps toward achieving the kind of overall regional planning that will be meaningful and effective.

I think it is safe to say that classical decisions by regional multi-city organizations even their agendas, are based too often on an underlying principle that the regional board must avoid upsetting any of the member jurisdiction, must not look too closely at strictly "local" problems. Tradeoffs among selected delegates to regional boards too often mean that controversial problems are ignored.

One way to reduce this tendency is to give such regional boards an independent power base, a constituency broader than representatives of existing political jurisdictions.

It would seem to me that, just as county supervisors are elected, just as state officials and representatives are elected, so should there be elected representatives of citizens on regional boards. After all, counties are regions on a small scale. State government by one definition is a regional governmental body.

If we believe in the elective process. if we believe we must serve the common interests of people of an urban region, if we believe that any planning must serve people—and not just governmental units—then I submit that we must support the concept of regional boards with representatives elected by citizens. At least this would give such regional boards a more independent political power base, and encourage the kind of action agendas vital to social and economic planning.

A year or so ago, the regional directors of a major federal department were asked to assess the relative worth of involving regional councils of government and other such organizations in efforts to improve social planning. Their general response was that the organiaztions—as they saw them—did not have the political power to achieve much, that the organizations encouraged cooperation but did not offer much promise of being able to advance social plans.

I strongly feel that giving such organizations political clout is an important step toward changing this picture.

This question of political clout within the local jurisdictions and within the regional organization is a vital one. The reality is that an organization without political clout works with a major disadvantage.

Even with political clout. however, a regional organization must have another kind of strength, control of dollars and adequate operational funding.

It is important. therefore. that federal government agencies be encouraged to examine alternative methods of funding regional planning and coordinating programs.

It is possible that there is enough flexibility in some federal programs. such as Model Cities, Comprehensive Health Planning, etc., to permit development of a "Model Regions" program within the context of present legislation. If not, then a Model Regions approach should be considered by this subcommittee.

You should know that I firmly believe that the Model Cities program is helping considerably to bring city planning out of the Dark Ages of physical concern only and into an enlightened era—to meeting social and economic needs as well.

A similar—if less administratively controlled—program might provide a similar spur to regional planning.

If such a step is taken it definitely should include provision (1) for sub-governmental organization in the cities involved and (2) for elected representation on regional boards.

Thank you for this opportunity.

Chairman BOLLING. Professor Bebout, you may proceed.

STATEMENT OF JOHN E. BEBOUT, PROFESSOR, INSTITUTE FOR URBAN STUDIES, UNIVERSITY OF HOUSTON, HOUSTON, TEX.

Mr. BEBOUT. I am very much pleased to be able to be here with you. I appreciate this opportunity to express my views.

Like Mr. Alexander, I looked over the roster of testifiers and concluded that I had better carve out a distinct area for myself. So I have chosen to talk about the State's role in regional governance. I am prepared to incorporate by reference most of what Mr. Alexander has just said, most of what Victor Fisher said yesterday, and a good deal of what some of the others have said.

The fact that we have outgrown and outlived the established structures of local government that were designed to meet entirely different conditions, and the fact that our problems have outgrown the traditional functional division of responsibilities among departments at various levels of government have, in the last few years, brought the National Government more and more into involvement in virtually every function or service of domestic government and has transformed our original bilevel federalism into a tri- or multi-level system in which there is not so much a division as a sharing of responsibilities among various levels or, as Luther Gulick has called them, extensions of government. It seems to me that in a situation where local sewage disposal is necessarily a national issue and the war in Vietnam a local issue, we have to develop new approaches to the development, determination, and discussion of public policies. These must recognize three imperatives—one, the need for national goals and standards and the enforcement of them so as to enable the American people to survive as a part of the human race; two, the need for understanding participation by people where they live and act—in the neighborhoods as Mr. Alexander would say—in the decisions that affect the future of themselves and posterity; and three, the need that while making decisions at all levels in the context of national and world systems, to avoid loading any part of the system with more work than it can handle.

I suggest that the subject of regional governance should be approached with all of this in mind. I purposely use the expression "regional governance" rather than regional planning because planning without governance is little better than an exercise in piety.

Now, I want to say just a little bit about the subject of metropolitan government which others have talked about at some length. I think—this is a hopeful thought—that metropolitan government is no longer quite the dirty word that it has been during the last three or four decades. Recent developments in Nashville, Jacksonville, Indianapolis, for example, demonstrate that circumstances still emerge occasionally that make metropolitan government practical politics. I think there

are several routes toward real metropolitan government that are possible. However, I am not hopeful that enough places will travel any of those routes in the next 2 years or so to make a very large dent in the total problem of creating the services, the controls, and the developmental policies that are necessary to make an increasingly urban America livable and safe to solve the problem.

This brings me to the States. It seems to me that no matter how you approach the future of metropolitan governments, even if you were hopeful of the emergence rapidly of a considerable number of them, you come up against a stubborn fact that we have tried too long to ignore or bypass. The fact is the States. A good many people, including a good many academics, have delivered many funeral orations over the States, but for some reason, they simply do not wither away and die.

Now, all the great urban and people problems of the day are regional, State, and national problems as well as local and neighborhood problems. Why have I described the States as occupying, as I have said on various occasions, the strategic middle of our system for solving domestic, including urban problems? It is because the States still have the basic constitutional responsibility and authority to conduct domestic government. Nothing that has been done by the Congress or the courts has taken this away from them.

The Kestnbaum Commission more than 15 years ago pointed out that the expansion of the national interest in domestic affairs has been expressed through the grant-in-aid systems and in other ways that had really greatly increased the business of the State. And the manner of the continuing extension of national programs in the new fields indicates that it is a firm national policy to rely on the States and their local instrumentalities for the delivery of most governmental services and control to the people.

I would agree, however, with Victor Fisher that while this is a basic national policy, we have not even begun to put the resources behind this policy to make it really effective.

Now, let's be more specific about the States' responsibilities. First, they have the constitutional responsibility for the form, structure, and powers of local governments and hence, any metropolitan governments or authorities that are now or may be established. And in many, many situations—in most situations, indeed—the States must act before you can have a viable, new metropolitan government. The States create and maintain most of the administrative machinery for designing and delivering most domestic services in virtually all fields. The States largely determine what Secretary George Romney has called ground rules that can greatly affect the outcome of national or local efforts in such matters as housing, urban renewal, modern cities, new cities, open space, equal opportunity and so on. These ground rules regulate or control land use; economic development; home building, ownership and tenancy; waste disposal; employment and building practices; essential utilities; forms and levels of taxation; and other critical factors.

The States and their local governments, which are their creatures and operate entirely under their authority and for which they are responsible, raise more than one-third of the taxes and bear about

one-quarter of the public debt of the country. These fractions will certainly increase. The States, finally, make most of the laws and prescribe most of the machinery by which the political process is regulated and through which citizens participate in elections at all levels. So the States have a great variety of potent instruments that willy nilly have a great deal to do with the shape and outcome of government in metropolitan and other areas that should be dealt with in terms of the interests common to the region.

Now, let's tick off a number of the important obligations with respect to regional and metropolitan governments that the control of these instruments entails for the States:

First, each State should have a rational evolving policy with respect to regional planning and governance. Many States do not even have an adequate array of permissive statutes, let alone positive inducements to voluntary local action toward regionalization of government in urban and other regions.

Two, to assist in developing and carrying out a rational regional policy, each State should have a strong State and local government or community development agency. About half the States now have such departments, some of them quite strong, most of them still yet requiring a good deal of development. None of them has yet the basic strength of similar departments in Canadian provinces, especially the Department of Municipal Affairs in Ontario which is carrying out a well planned policy for the development of regional goverance throughout the province. I would urge that we ought to pay more attention to experience across the Canadian border in this area.

Three, whatever the structure of their metropolitan and other regions, the States must assume responsibility for the combined impact of their own varied functional programs on regional governance development. This is a very difficult matter, as you people here in Washington know, in view of the very rough road that the efforts at coordination of national programs with respect to their impact on the community have passed.

At the same time, I suggest that the States have a major responsibility for helping to bring about the coordination of national as well as State programs, because to a very large extent, of course, State and national programs are interrelated.

Four, each State needs to review large segments of its statute law, especially those embodying the ground rules that I cited earlier. They will find that many of these rules were laid down for an entirely different kind of society in a different era, with rather specific narrow objectives and little or no consideration of their interdependence or their congruence with one another in their impact on urban or regional development. This means, among other things, that the States should assert and exercise certain powers that have been allowed to atrophy or that have been improvidently delegated entirely to local governments no longer, if ever, capable of using them responsibly. A good example is the States' basic power to control land use which, with limited exceptions, has been generally degraded to the delegation of zoning powers to municipalities that cannot afford to exercise them in terms of the needs of the region, State or Nation. There is always room, or should be, for limited local zoning powers, but they should

be exercised within the context of land use controls exercised in the general interest by the State and by regional or metropolitan governments if they exist. Without such reclamation of its control of land use, it is hard to see how a State can hope to control metropolitan sprawl, insure proper housing for all people, provide for green belts or extensive open space except at prohibitive cost, see well planned new towns or cities rise within its borders or preserve natural resources and assets essential to its future.

Five, each State needs to modernize its revenue system and its system of support for essential services and for local government. Few States have systems of State or local taxation that merit high marks either for productivity or for equity. Some wealthy States like my own State of New Jersey and my currently adopted State of Texas are notorious slackers in tax effort. Yet New Jersey, by imposing an exceptionally high proportion of the cost of government on its local units—and this is the only reason why we have quality schools and other quality services in many parts of the State—places so heavy reliance on the property tax as to create great inequities among municipalities and counties and almost unbearable burdens for taxpayers in some localities. Few States have reason to be proud of their State aid formulas which have tended to shortchange central cities with rising service needs and decreasing taxpayer capacity. These conditions force local government into destructive competition with one another and make a mockery of cooperative efforts looking toward regionalism. So that actually, the States, to a very large extent, use the carrot and the stick, whether intentionally or not, to defeat, not to promote, effective planning and regional governance.

Finally, States should review their voting requirements, their registration systems and their laws for the purpose of facilitating full, easy, and effective participation in the political process. I know that some people are about ready to give up on the States in this matter and assume that Uncle Sam can do the whole job of reforming election systems. I think the U.S. Government can do a great deal more than it has, but under our system, I think it would be very difficult to achieve the kind of participation Mr. Alexander is talking about without a much more ready and willing participation by the States in adapting the system to a fuller, more effective participation by all people.

Now, experience with the States indicates that the likelihood of any given State moving in the direction suggested depends on certain basic elements in the constitutional and political structure of the State. I cannot go into detail on this, but I will just tick off four or five:

A constitution that imposes a minimum of limitations on the powers of State and local governments; a constitutionally strong Governor with the backing of a sizable and able staff and a State administration over the structure and performance of which he has significant control; a legislature that is not only truly representative but adequately paid, housed, staffed, and in control of the time and duration of its comings and goings; a unified court system able to dispense prompt justice and disposed to interpret the powers of State and local governments liberally, a competitive two-party political system that challenges the earnest and the able to stand for public office.

This is not a prescription for uniformity, and as I point out in my paper, adjacent States like Connecticut, Rhode Island, New Jersey and New York, all highly urban, nevertheless have different traditions and quite appropriately may, by the exercise of greater State responsibility, may be expected to achieve the end of more rational regional governments by different routes. If you go around the country, you can find even greater variations, and this, I submit, is one of the important facts, the strong features of a federal system, which we ought to preserve and exploit.

We have suggested a number of things that the States should do to provide better governance for metropolitan and other regions. All of these things are being done or actively proposed in some States, but no State has begun to approach the adoption or incorporation of all of these features. And the history of the present century clearly indicates in general that the States will not lift themselves to the indicated plateau without Federal prodding and help. During the last few years, the National Government has experimented with a variety of ways of using money and planning and process requirements such as budgeting, staffing and personnel administration to improve State competence to participate in Federal programs.

In most cases, these requirements have been directed toward particular programs, like law enforcement, for example. What is called for now is a more comprehensive strategy for using these tools to increase the competence of general State government, especially as it may improve the States' performance in regional governance. My enthusiasm for revenue sharing, for example, would increase substantially if it were managed more or less in the manner suggested by Congressman Reuss, so as to insure that rather than shoring up State incompetence and indifference, it would encourage State and local government modernization. Free Federal money, so called, should not be used to make it possible for New Jersey, and I am going to be specific here, which is a tax slacker State, and which in many ways has an inadequate delivery system, to continue in its old ways.

The elements of the strategy that we are talking about are pretty well laid out in numerous reports by the ACIR by committees of the Congress and in other places. The time has come to put them together in a well-constructed system of law and administrative practice backed by top level Presidential leadership to make the new federalism a creative, dynamic reality.

Thank you.

Chairman BOLLING. Thank you, Mr. Bebout.

(The prepared statement of Mr. Bebout follows:)

PREPARED STATEMENT OF JOHN E. BEBOUT

"THE STATES' ROLE IN REGIONAL GOVERNANCE"

The rational and beneficient governance of the multi-jurisdiction urban and other regions of which the nation is composed, calls for carefully considered planning and action in a partnership context on the part of all elements in the public and private sectors. I shall focus on the role of the states, which stand at what I have called the strategic middle of our system of government.

First, let us remind ourselves that the demand for modern government has clearly outgrown the structures that have evolved to meet the needs of a simpler era, when the spillover effects of individual and local acts had less complex and

portentous effects on the larger society. Local boundaries that once made eminent good sense, are seldom if ever better than arbitrary and inconvenient dividers of large urban or rural communities. Traditional lines between functional departments seriously impede the systems approach to such modern problems as poverty, crime, environmental maintenance, transportation, economic development, health, or the distribution and housing of a still growing and highly mobile population. In short, none of the major problems that plague government today is susceptible to effective management or solution by any single unit, level or department of government.

It is this situation that has brought the national government increasingly as this century has passed, into involvement in virtually every function or service. It has transformed our original bilevel federalism into a tri or multi-level system in which there is not so nearly a division as a sharing of responsibilities among all levels, or as Luther Gulick has called them, "extensions" of government.

In a world in which local sewage disposal is necessarily a national issue and the war in Vietnam a local issue, we must develop new approaches to the development, determination and execution of public policies. These new approaches must recognize these imperatives: (1) the need for national, if not global enforcement of goals and standards apt to enable the American people to survive as a part of the human race in some reasonable well-being and dignity, (2) the need for understanding participation by people where they live and act in the decisions that affect the future of themselves and their progeny, (3) the need, while making many decisions at all levels in the context of the national and world systems, to avoid loading of any part of the system with more work than it can handle.

The subject of regional governance should be approached with all of this in mind. It should be so structured as to serve essential national goals, meet service requirements of communities defined by shared regional needs and constraints, relieve higher levels or broader extensions of government of unnecessary burdens, and afford to people in smaller segments of the region their fair share of regional decision making and the maximum amount of local or even neighborhood autonomy consistent with regional and national welfare. The general purpose, then of regional governance is to support the good life throughout its area while promoting the national interest in the future of all our people.

I have purposely used the expression, "regional governance" rather than "regional planning", because planning without governance is little better than an exercise in piety. This is true despite the demonstrable success of such a wholly voluntary planning activity as that of the New York Regional Plan Association, with since the twenties, has seen many of its proposals, especially in transportation and open space adopted by government. This happened not just because a sufficient number of the 1400 governments in the area chose to go along, but because one or more of the states acted directly or through regional authorities created by them to carry out the plans. In other words, the plans of R.P.A. encouraged the development of a rudimentary, regrettably unintegrated, ad hoc system of regional governance, for limited purposes.

This leads me to observe that I hope we may be entering an era when metropolitan government is no longer quite the dirty word that it has been during the last three of four decades. Recent developments in Nashville, Jacksonville, and Indianapolis at least demonstrate that circumstances still emerge, sometimes quite suddenly, that make metropolitan government practical politics. At the same time there is some hope, however, slim, that a few regional councils of governments might evolve into limited purpose second-tier local governments, and that the state created Metropolitan Council for the Twin Cities area might become a genuine second-tier local government, thus pointing to another possible line of evolution. Moreover, there are still a considerable number of metropolitan areas which are largely or wholly embraced in a single county, where reconstruction of the county government along lines long familiar in New York, California and Virginia, to say nothing of the special case of Dade County, would provide a viable metropolitan government.

Perhaps I should point out that I am not interested in the sometimes superfine distinctions attempted between complete and partial consolidations, federations and other two-tier arrangements. Most metropolitan governments retain some element of decentralization from the past, even in Greater London created by act of Parliament and Metropolitan Toronto created by act of the Legislature of Ontario. My own view is that any new metropolitan governments

should and will provide for a considerable amount of decentralization to existing or newly established local units, even to the extent of creating neighborhood units in the larger cities involved.

I am convinced that occasional new metropolitan governments will continue to emerge by one or another of the processes mentioned above, but I am not hopeful that this will occur at a rate in the near future to meet the galloping regional, especially urban, problems that confront the nation. This is because neither the nation nor any state has adopted policies or measures calling for genuine metropolitan governments and because, in fact, the cards in the present system are stacked heavily against such governments. In the absence of such policies and other fiscal prods to back them up, we can hope to avoid increasingly chaotic development of urban regions only through greater direct action by state and national governments, the creation of more metropolitan authorities, as in New York, and the limited yield of inter-local cooperation induced by more national and state financial rewards and penalties. It may be that the inadequate and undesirable aspects of this composite alternative will someday lead to a more positive attitude toward metropolitan government.

However, no matter how you approach the future of metropolitan governance, if you approach it positively and realistically, with whatever degrees of optimism or pessimism, you come up against a stubborn fact, that we have tried too long to ignore or bypass. That fact is the states. For over a generation, thinkers goaded by state inertia and incompetence dreamed of the withering away of the states and the emergence of a new system based on a smaller number of large regional governments. One university president, a few years ago, heralded the end of the United States of America and the rise of the United Metropolitan Regions of America. Rational as such schemes may appear on paper, I see no prospect of their being realized in the real world of the next critical quarter of a century. This means that we had better get on with the business of assessing, refining and using the instruments we have at hand, mustering at the same time all the talent we may have for useful political innovation, daring and invention.

As I have already indicated, all the great urban and people problems of the day are regional, state and national problems, as well as local and neighborhood problems. Now, why have I described the states as occupying the strategic middle of our system for solving domestic, and especially urban problems? Primarily, it is because they still have the basic constitutional responsibility and authority to conduct domestic government. Nothing that has been done either by the Congress or the Courts has taken this away from them. In fact, as the Kestnbaum Commission pointed out more than fifteen years ago, the expansion of the national interest in domestic affairs has, through the grant-in-aid system and by example greatly increased the business of the states. The manner of the continuing extension of national programs into new fields indicates that it is a firm national policy to rely on the states and their local instrumentalities for the delivery of most governmental services and controls to the people. The federal system is not dead, it is very much alive, and state responsibilities, if not state rights, are heavier and more numerous than ever.

Let us be more specific:

1. The states have constitutional responsibility for the form, structure and powers of local governments, and hence of any metropolitan governments or authorities that are now or may be established. (The various regional entities established by acts of Congress are not governments in this sense.)

2. The states create and maintain most of the administrative machinery for designing and delivering most domestic services in such areas as education, aspects of welfare, health, transportation, open space, pollution control, law enforcement, administration of justice and general business regulations.

3. The states largely determine what Secretary George Romney has called "ground rules" that can greatly affect the outcome of national or local efforts in such matters as housing, urban renewal, model cities, new cities, open space, equal opportunity, poverty, transportation, employment, environmental health. These ground rules regulate or control land use; economic development: home building, ownership and tenancy; waste disposal; employment and business practices; essential utilities; forms and levels of taxation, and other critical factors.

4. The states and their local governments, under their authority, raise more than one third of the taxes and bear about one quarter of the public debt of the country, and there is reason to believe that these fractions will increase in the immediate future.

5. The states make most of the laws and prescribe most of the machinery by which the political process is regulated and through which citizens participate in elections at all levels.

The states then, wield a great variety of potent instruments that, willy nilly, have a great deal to do with the shape and outcome of government in metropolitan and other areas that should for certain purposes be dealt with in terms of the interests common to the region. Let us tick off a number of the important obligations with respect to regional and metropolitan governance that the control of these instruments entails for the states:

1. Each state shall have a rational, evolving policy with respect to regional planning and governance. Many states do not even have an adequate array of "permissive" statutes, let alone positive inducements to voluntary local action toward rationalization of government in urban and other regions. I point to this as evidence that many states, do not yet have the beginning of a regional policy. If local government in most metropolitan regions is as most people seem to believe, a "mess", the state as a whole, not the people of a particular region, must bear the primary responsibility.

2. To assist in developing and carrying out a rational regional policy, each state should have a strong state local government or community development agency. More than half the states now have either a department or a governor's staff agency for this purpose and a few of these have legal and other resources that give promise of considerable potential for the future. None of them yet has the basic strength of similar departments in Canadian Provinces, especially the Department of Municipal Affairs in Ontorio which is carrying out a well planned policy for development of regional governance throughout the Province.

3. Whatever the structure of its metropolitan and other regions, the state must assume responsibility for the combined impact of its various functional programs on regional governance and development. As the national government is learning through various experiments in interdepartmental collaboration, joint funding and the like, inter-functional integration is as difficult as areal consolidation. Yet inter-functional integration of both national and state programs at the point of impact, in terms of a plan to meet regional needs, is at least as important as inter-local consolidation or cooperation. Indeed, one of my most important reasons for hoping for more and stronger regional governments, is in the possibility that, together, they could exert an influence on state and national governments for functional integration and provide a means for implementing it. As it is now the fractionization of metropolitan regions among rival local governments tends to defeat efforts at functional integration. In the absence of metropolitan and other regional governments, I suggest that the states have not only a primary responsibility for the regional impact of their own programs, but also a heavy responsibility for organizing the impact of national programs. A proposal for a system, short of regional government, for partial integration of state and local goal setting, program planning, budgeting and administration at the regional level was submitted in policy papers to the Connecticut Commission to Study the Necessity and Feasibility of Metropolitan Government, issued by the Commission as a separate volume with its report entitled, "The State's Biggest Business—Local and Regional Problems," January 1967. See especially, "The State and Local Self-Government" by John E. Bebout, at p. 39 and "The Role of State Government in Regional Development" by Morton E. Long at p. 51.

4. Each state needs to review large segments of its statute law, especially those embodying the "ground rules" cited earlier. They will find that many of these rules were laid down for a very different kind of society and that most of them were written with specific, rather narrow objectives, and with little or no consideration of their congruence with one another in their impact on urban or regional development. They should be revised in terms of their bearing on the state's urban and regional development policy. This would mean that the state should assert and exercise certain powers that have been allowed to atrophy or have been delegated entirely to local governments no longer, if ever, capable of using them responsibly. A good example is the state's basic power to control land use, which with limited exceptions, has generally been degraded to the delegation of zoning powers to municipalities that cannot afford to exercise them in terms of the needs of the region, state or nation. There should always be room for limited local zoning powers, but they should be exercised within the context of land use controls exercised in the general interest by the state and by regional or

metropolitan governments if they exist. Without such reclamation of its control of land use, it is hard to see how a state can hope to control metropolitan sprawl, provide for greenbelts or extensive open space except at a prohibitive cost, see well planned new towns or cities rise within its borders, or preserve natural assets and resources essential to its future.

5. Each state needs to modernize its revenue system and its system of support for essential services and for local government. Few states have systems of state and local taxation that merit high marks for productivity and equity. Some wealthy states, like New Jersey and Texas, are notorious slackers in tax effort. Yet New Jersey, by imposing an exceptionally high proportion of the cost of government on its local units, places so heavy a reliance on the property tax as to create great inequities among municipalities and counties and almost unbearable burdens for taxpayers in some localities. Few states have reason to be proud of their state aid formulas, which tend to short-change central cities with rising service needs and decreasing taxpayer capacity. Such conditions force local governments into destructive competition with one another and make a mockery of "cooperative" efforts looking toward regionalism. Thus many states, wittingly or not, use the carrot and stick to defeat, not to promote effective regional planning and governance.

6. States should review their voting requirements, their registration systems, and their laws concerning parties and elections in general with the purpose of facilitating full easy and effective participation in the political process. State indifference to mounting urban problems can be traced in part to representative and electoral systems that discourage or downgrade the participation of many of the most affected citizens. States should also concern themselves with new ways to give effective voice to people submerged in massive population concentrations, especially in large central cities. Thanks to national initiatives in the poverty and model cities programs and to the rising demands of minority groups, some useful experience with new forms of civic participation is being accumulated. Unfortunately, the states and their local governments have for the most part been unwilling and resistant bystanders at these experiments. We could improve the health of our system more quickly if they would enlist positively in their effort to develop a more participatory democracy that will work for the common good, not just respond to the discontents of somewhat elusive minorities.

Experience among the fifty states indicates that the likelihood of a given state's movement in the directions suggested, depends in part on certain basic elements in the constitutional and political structure of the states. There is not time here to discuss these elements in detail, but the closer a state conforms to this profile the greater the likelihood that it will come to grips with its problems of urban growth and regional development:

1. A constitution that imposes a minimum of limitations on the powers of state and local governments;

2. A constitutionally strong governor with the backing of a sizeable and able staff and a state administration over the structure and performance of which he has significant control;

3. A legislature that is not only truly representative but is adequately paid, housed, and staffed and has control of the time and duration of its comings and goings;

4. A unified court system able to dispense prompt justice and disposed to interpret the powers of state and local governments liberally;

5. A competitive two-party political system that challenges the earnest and the able to stand for public office.

The suggestions contained in this statement are not a prescription for uniformity among the states. To the contrary, they are designed to elicit the variety of capacities and dispositions among the states and enlist them in the effort to show that creative federalism is the best way to serve both national and regional interests and the need of people and communities to develop their varied individualities constructively. Only the strong and active can be both functioning members of a great society and free agents in their own development. Hence the stress on the need for strength in the states, if they are to perform their proper mediating and creative role in the federal system.

Specifically, in the handling of regional and metropolitan institutions, such different states as Connecticut, Rhode Island, New Jersey and New York, all highly urban states in the Northeast may properly show quite different patterns. Rhode Island might best become what a distinguished former governor, Dennis Roberts has dreamed of, a genuine metropolitan city state. New Jersey, stretched and divided between two great interstate metropolises should be what Woodrow Wilson called "a mediating state," sharing in the life of its two great neighbors and providing a healthy urban bridge between them. This role calls for a reduction of the exaggerated municipal home rule literally imposed upon municipalities and an assumption of greater responsibility for sound physical and human development between the Hudson and the Delaware by this state itself. Connecticut, which is not quite so continuously urbanized as New Jersey and therefore has more readily defined regions might well develop along the lines suggested earlier. New York, which is the prime example of a strong state, will doubtless continue to keep an active hand in urban and regional affairs, and develop more strong counties, although one might hope that it will sometime find a way to simplify an excessively complicated local government system and to turn over some of the powers now exercised by state created authorities to more responsible regional institutions.

I selected these states in the same part of the country, the better to illustrate the fact and the utility of a variety of approaches. If one moves across the country, with the even greater differences among the states, one can uncover evidence of even greater variety. Texas for example, with its considerable number of distinct metropolitan communities scattered about the state, might reasonably expect to deal with regional problems with more regional and less direct state government than would serve in the states of the northeastern megalopolis. Alaska, which started out with a determination to avoid the worst complexities in the regional patterns of the older states, is attempting to give us a lesson in the merits of a simple structure for local government. In its efforts to do this, it is now, early in its life as a state, trying to correct its early error in the establishment of second tier boroughs before a clear need for them was manifest. A number of southern and border states are likely to continue the practice already set in some of them of strengthening county government, although this must be combined with a reduction in the number of counties if the need for regional governance is to be met. This list of sensible differences in approach to the problem could be lengthened by calling the whole role of the fifty states.

We have suggested a number of things that states *should* do to provide better governance for metropolitan and other regions that have outgrown the system of local jurisdictions designed for a predominantly agricultural era. All of these things are being done or actively proposed in some states. However, the history of the present century clearly indicates that the states in general will not lift themselves to the indicated plateau without federal prodding and help. During the last few years. the federal government has experimented with a variety of ways of using money and planning and process requirements such as budgeting, staffing, and personnel administration to improve state competency to participate in federal programs. What is called for now is a more comprehensive strategy for using the same tools to increase the competency of general state government, especially as it may improve the states performance in regional governance. My enthusiasm for revenue sharing would increase substantially if it were inefficient and unfocused service delivery systems to continue in their old ways.

The elements of such a strategy have been pretty well laid out in numerous to be managed more or less in the manner suggested by Congressman Reuss so as to insure that, rather than showing up state incompetence and indifference, it would encourage state and local government modernization. "Free" federal money should not be used to make it possible for tax slacker states and states with reports of the Advisory Commission on Intergovernmental Relations in reports by Congressional Committees and in bills submitted to the Congress. The time has come to put them together in a well constructed system of law and administrative practice, backed by top level Congressional and Presidential leadership, to make the New Federalism a creative dynamic reality.

Chairman BOLLING. Mr. Burton, please proceed.

STATEMENT OF RICHARD P. BURTON, RESEARCH STAFF, THE URBAN INSTITUTE, WASHINGTON, D.C.

Mr. BURTON. Thank you, Mr. Chairman and Congressman Reuss. I am grateful for this opportunity. I think you can see from the sheer volume of my prepared statement that the task at hand here has gotten somewhat out of hand. I think the reason for that is that while I fully agree with Mr. Bebout that the organizational problem we face today is primarily at the State level, the bulk of my prepared statement here, I think, stems from the fact that the solution I am thinking about is a most unorthodox solution. Therefore, it required, I think, a great deal of academic fortification to back this up.

Even though the prepared statement does require full presentation, let me attempt a brief summary by reading a few selected excerpts from it in the time available here.

In this prepared statement, I have argued that our system of general-purpose local government performs an exceedingly important function in the metropolitan area and works well within the bounds of its limitations, but the population of today's metropolitan community is distinguished by dual citizenship; they are residents of localities and the surrounding metropolitan region as well. As such, a large set of metropolitan service requirements have emerged and have posed what is essentially an organizational challenge to the Federal system. To be sure, we have defended the need for metropolitan government but, unlike others, we would regard it as a supplement to local government, not as a replacement. Moreover, we have also departed from the conventional view which asserts that metropolitan reorganization represents a challenge to local government. The "inferior" forms of metropolitan organization—special district, regional government, city-county consolidation (Metro)—have been rejected on grounds that they would be ineffective with respect to constitutional and fiscal viability, and inappropriate with respect to size in most of our large multicounty metropolitan areas.

Thus, our attention turned to the States, the logical governmental link in the Federal system to deal with areawide problems. But it was instantly observed that their old, traditional boundary locations have become functional unspecialized which has served to paralyze the ability of the more industrialized States to respond to their metropolitan problems and the urban crisis. In spite of efforts at reapportionment, the old nemesis of rural, nonmetropolitan interests nessarily hangs on in these State capitols whose very locations are remote and symbolic of the past. Hence, the prescription of metropolitan States and boundary reform.

What would these metropolitan States be likely to look like? It is perhaps easier, in the first place, to quickly point out what metropolitan States are not. The metropolitan State, as thought of in this prepared statement, does not exist, and should not be confused with those existing States which are characterized by relatively high proportions of metropolitan-based populations. Neither should they be equated with the "city-State" of Plato and Mailer because of the latter's highly truncated treatment of the suburban sector.

Basically, the metropolitan State would be an attempt to reconcile the jurisdictional boundaries of State governments with the geo-

graphical distribution of the population. As such, the concept parallels that of reapportionment in which the boundaries of legislative districts were redrawn on the basis of "one man, one vote." The only difference is that one tries to put the vote where the people are while the other would train its locational focus on State government. Both reform measures are in direct response to the successive waves of rural-urban and urban-suburban migration, i.e., to the metropolitanization of the population.

Although the principles of adjusting boundaries to population concentrations has merit on a "commonsense" basis, there has been no widely recognized theory of political boundaries—or any other kind of regional boundaries—that one may fall back upon in these matters. Thus, we may very well ask, "What is the proper metropolitan area over which a metropolitan State would govern?" Granted, we have the standard metropolitan statistical area (SMSA) at our disposal, but this definition has no compelling theoretical or functional foundations. Instead, it relies upon atavistic county lines as its basic building blocks. And it was evidently this very difficulty that prompted a pioneering effort on the part of Prof. Karl Fox during the 1960's to construct an area delimitation strategy resulting in the functional economic area which "would consist of a cluster of several contiguous whole counties which approximates the home-to-work commuting field of a central city." Thus, the buggy-determined county was to be replaced by the automobile-determined FEA.

Thus, functional economic areas in turn became the building blocks for both the "metropolitan economic area" (MEA) and the "consolidated metropolitan region" in an attempt to redefine the standard metropolitan statistical areas of the Bureau of the Census.

In my view, the consolidated metropolitan region (CMR) composed of functional and metropolitan economic areas, provides the best areal classification scheme available for separating the Nation into its metropolitan and nonmetropolitan components.

Under this plan the San Francisco Bay area would become a nine-county CMR, in contrast to its present treatment by the Bureau of the Census, which divides part of the area into three SMSA's.

It is suggested, therefore, that any consolidated metropolitan region in the United States whose population reaches a lower threshold of, say, 1 million would qualify for metropolitan statehood. The closest available approximation to the complete set of consolidated metropolitan regions in the United States is shown in figure 1 of my prepared statement. Even though this mapping is highly approximate, it is worth noting that many of our existing State boundaries would be unaffected by conversion to metropolitan States.

Now, quickly, let me comment on the relevance of metropolitan States in the urban crisis.

In the first place, metropolitan States would preserve intact the current polycentric system of local government within their jurisdictional space—as defined by the consolidated metropolitan region—that is, cities, counties, special districts, and so forth, would continue to function as before, the only differences being that a new metropolitan State government would be established whose legislative body would consist of the same representatives that had previously served the population of the area, and that a new Governor would be elected.

This feature combines two very compelling advantages over alternative reorganizational strategies: (*a*) It would retain the efficiency characteristics of local government as outlined above in section 1, and (*b*) it would meet the test of political acceptability. It does not represent a threat to local officials.

Second, the metropolitan States would provide metropolitanwide areas with a fiscally and constitutionally viable form of government. Few would dispute the fact that State governments possess the fiscal and constitutional means to effectively deal with most of the problems of the urban crisis.

The metropolitan States would have to be constitutionally and fiscally superior to any of the alternative forms of metropolitan reorganization, which would encounter the same kinds of constraints that the Dillon-ruled locality faces today.

Next, metropolitan States would redress the city/suburban imbalance of political power that presently exists in State legislatures. I think it is now rather widely accepted among students of State and local government that most of our State legislatures are dominated by the existence of "rural-suburban coalitions," and that, among the many causes of State unresponsiveness to city problems, this is singularly the most important.

By elimination of nonmetropolitan representation, metropolitan States would automatically sever the ties of the rural-suburban coalition and, although suburban domination of central cities would still be maintained in most cases, the relative political interests of the central cities within the new metropolitan legislatures would be enhanced.

Next, metropolitan States would preserve the local political gains of blacks and other minority groups. This attribute, which is closely fed to the preservation of polycentrism feature mentioned above, is extremely significant to the politics of metropolitan reorganization. It is well known that central city blacks have been particularly strong opponents of reorganization, highly suspicious of most proposals because of their gerrymandering potential and consequent loss of legal political control.

Once again, a reorganization plan along the lines of metropolitan States would not constitute a threat to the political life of any locality in the metropolitan community, and the political gains of central city blacks would be effectively safeguarded.

Metropolitan States would also force State responsiveness to the problems of the urban crisis and would obviate the need for "direct federalism." Perhaps the most vivid testimony to Campbell's "fallen arch" description of State government's emerging new role in the Federal system is to be found in the phenomenon of "direct federalism."

Now, if one is unfavorably disposed to centralism, this is surely an alarming trend, and represents a most important challenge to American federalism. However, in my mind, the metropolitan State offers a logical—perhaps the only—response to this challenge; through specialization and political balance, it would force State responsiveness and would mend the artificial separation of city and suburb that presently exists in our metropolitan society. Unspecialized and unresponsive, State government as presently constituted does not qualify as an

appropriate link between Federal Government and locality—either by Federal or by local standards. But the jurisdictions of metropolitan States would furnish the comprehensive regional domain demanded by the Federal Government of COG's—the servants of direct federalism.

Our contention, therefore, is that a proposal for the creation of metropolitan States persuasively combines a number of theoretical and pragmatic possibilities for governmental reorganization. Nonetheless, it seems clear that even if these possibilities could be realized any such proposal must still be classified as extreme. The thought of altering the network of State boundaries which has served the Nation so well, at least until some 25 years ago, veers sharply in the direction of irreverence. On the one hand, it should also be apparent that the orientation of the argument is essentially conservative, or what has lamentably come to be regarded as conservative. It recommends an altered Federal system that "gets closer to the people" through creation of an increased number of smaller State governments. Thus, the States would again become functionally specialized as they were in their agrarian beginnings, but this time along nonmetropolitan and metropolitan lines. Although the Federal system has proven to be rather flexible over the past three decades, much of the response, with the notable exception of reapportionment, has been basically expedient, dealing with symptoms rather than causes. We suggest that boundary adjustment tailored to the new geographical distribution of the population represents another aspect of the system's capacity for flexibility. Metropolitan States, however, would not be just another element in a patchwork response of federalism to the urban crisis, but to the secular process of metropolitanization that has given rise to it.

Thank you.

Chairman BOLLING. Thank you, Mr. Burton.

(The prepared statement of Mr. Burton follows:)

PREPARED STATEMENT OF RICHARD P. BURTON

"The Metropolitan State: A Prescription for the Urban Crisis and the Preservation of Polycentrism in Metropolitan Society"

"Back of the study of economics is the practical need of making the organization better, and we can hope for success in this task only if we proceed to it intelligently, which is to say on the basis of an understanding of the nature of the work which a system of organization has to perform, and of the alternatives open in the way of possible types of organization machinery."

FRANK H. KNIGHT (1951).

The institution of local government in the U.S. is increasingly under heavy assault from nearly every quarter. Some have even gone so far as to claim that local government is an anachronism and is now unfit to deal effectively with the accumulating social, economic and environmental deterioration that characterizes life in our modern metropolitan society. The view commonly asserts that we have all become highly interdependent metropolitan citizens, residing in one part of the metropolitan community, working in another, while shopping and recreating in still others; local government cannot cope with the "pervasive externalities" that result. Consequently, what is required are legal, metropolitan-wide governments to bring order out of the "organized chaos" that results from the "crazy quilt" fusion of special districts, city, county, State and Federal agencies that currently comprise the governmental decision-making apparatus in today's metropolitan region.

But the assault has not been limited to rhetoric alone; we have already witnessed some profound changes in the polycentric structure of local governmental organization in the past 20 or 30 years that have moved us measurably

in the direction of "big local government". Most noticeably, the creation of some eleven city-county consolidations since 1947,[1] mainly in the South, represents the trend toward centralism in the form of metropolitan government. More subtle evidence is found, however, in the continual stripping away of local governmental functions which, under the promise of economies of scale and businesslike efficiency, are elevated to the status of special and multi-purpose districts,[2] and virtual immunity to the political process. Neither does the sudden emergence of Councils of Governments (COG's) and Regional Planning Agencies (RPA's)[3] in most of our larger metropolitan areas seem to offer a reversal in trend, even though they are voluntary organizations at the present time.

This essay represents one in a diminishing series of acedemic defenses of local government and polycentrism that has emerged over the past 15 years or so.[4] By comparison with others, however, a different and somewhat schizophrenic position is adopted here; the defense of local government is accompanied at the same time by a sympathetic recognition of the need for metropolitan-wide governmental organization. Thus, the central concern of this inquiry can be simply stated: are metropolitan governments and polycentrism (i.e., many centers of formally independent decision-making) reconcilable states of the world? Our efforts to analyze this question will first include a review of the relative merits of local government which draws heavily upon the state of local public finance theory. The second part of the discussion is less technical and investigates some of the major adaptive responses of the federal system to the process of metropolitanization, focusing primarily on reapportionment, the increased role of grants-in-aid and organizational change in local government. The principal conclusion reached here is that metropolitanization, i.e., the spatial concentration of population and industry, essentially represents a challenge not to local government, but to federalism—and that our system of intergovernmental relations requires a major transformation if polycentrism is to retain its efficacy and survive. The third and concluding section sketches the notion of the "metropolitan state", a conceptual prescription that directly engages the theme of these hearings: how to adapt political institutions to facilitate planned solutions to regional social and economic problems, but at the same time retain a maximum of local and even neighborhood political power.

Again, it should be emphasized at the outset that the idea of the metropolitan state *is* an idea, and that the suggestion should not be regarded as a remedial device for the policy-relevant future. Instead, our fundamental interest in developing this scheme is to show that polycentrism and metropolitan government are logically compatible institutional arrangements within the framework of the

[1] Baton Rouge (1947); Hampton, Va. (1952); Miami, Fla. (1957); Nashville, Tenn. (1962); Virginia Beach (1962) and South Norfolk, Va. (1962); Jacksonville, Fla. (1967); Carson City, Nev. (1969); Juneau, Alaska (1970); Columbus, Ga. (1970); and Indianapolis, Indiana (1970).

[2] The following table illustrates the relatively rapid increase in the number of special districts:

	1942	1952	1957	1962	1967
States	48	48	48	50	50
Counties	3,050	3,049	3,047	3,043	3,049
Within SMSA's			311	310	404
Municipalities	16,220	16,778	17,183	18,000	18,040
Within SMSA's			3,844	4,142	4,977
Townships or towns	18,919	17,202	17,198	17,142	17,105
Within SMSA's			2,607	2,573	3,255
School districts	108,579	67,346	50,446	34,678	21,782
Within SMSA's			7,486	6,004	5,018
Special districts	8,299	12,319	14,405	18,323	21,264
Within SMSA's			3,736	5,411	7,049

[3] The National Service to Regional Councils reports that, since their inception in the 6-county Detroit metropolitan area in 1954, COG's and COG-like regional councils have now exceeded the 500 mark.

[4] For some of the more persuasive defenses, see: Charles M. Tiebout, "A Pure Theory of Local Expenditures," *Journal of Political Economy*, Vol. 64, No. 5 (October 1956), pp. 416–424; Charles M. Tiebout, "An Economic Theory of Fiscal Decentralization," in Public Finances: Needs, Sources and Utilization. Princeton for NBER, 1961, pp. 79–96; Vincent Ostrom, Charles M. Tiebout, and Robert Warren, "In Defense of the Polycentric Metropolis," *The American Political Science Review*, Vol. LV (December 1961), pp. 831–842; Mancur Olson, Jr., "The Optimal Allocation of Jurisdictional Responsibility: The Principle of 'Fiscal Equivalence,'" in *The Analysis and Evaluation of Public Expenditures: The PPB System*. Joint Economic Committee, Vol. 1, Congress of the U.S., 1969.

American federal system. The complicated and vital issues that would actually be involved in transforming the boundaries of our present State system in such a way as to correspond with metropolitan and non-metropolitan areas exceeds both the scope of this paper and the mind of its author. This is not to imply, however, that such arrangements would lack general appeal altogether. For example, it will be argued below that metropolitan states:

(1) would preserve intact the current polycèntric system of local government in the metropolitan area,

(2) would provide metropolitan-wide areas with a fiscally and constitutionally viable form of government,

(3) would redress the city/suburban imbalance of political power,

(4) would provide functionally meaningful state boundaries within which "comprehensive planning" would stand a far better chance of becoming comprehensive,

(5) would preserve the local political gains of Blacks and other minority groups,

(6) would force State responsiveness to problems of the Urban Crisis and obviate the need for "direct federalism" and in general

(7) would check the tendency toward centralism in a pluralistic society.

A proposal for the creation of Metropolitan States persuasively combines a number of theoretical and pragmatic possibilities for governmental reorganization. Nonetheless, it seems clear that even if these possibilities could be realized, any such proposal must still be classified as extreme. The thought of altering the network of State boundaries which has served the nation so well, at least until some 25 years ago, veers sharply in the direction of Irreverence. On the other hand, it should also be apparent that the orientation of the argument is essentially conservative, or what has lamentably come to be regarded as conservative. It recommends an altered Federal system that "gets government closer to the people" through creation of an increased number of *smaller* State governments. Thus, the States would again become functionally specialized as they were in their agrarian beginnings, but this time along non-metropolitan *and* metropolitan lines. Although the Federal system has proven to be rather flexible over the past three decades, much of the response, with the notable exception of reapportionment, has been basically expedient, dealing with symptoms rather than causes. We suggest that bonudary adjustment tailored to the new geographical distribution of the population represents another aspect of the system's capacity for flexibility. Metropolitan States, however, would not be just another element in a patchwork response of Federalism to the Urban Crisis, but to the secular process of metropolitanization that has given rise to it.

I. THE LOCAL PUBLIC SECTOR: AN APPROXIMATION TO THE MARKET ECONOMY

According to Samuelson's well-known public expenditure theory developed in 1954, a (pure) public good or service is one that has the ". . . property of involving a 'consumption externality', in the sense of entering into two or more persons perference functions simultaneously".[5] The concept of equal consumption can be formally specified by noting that if Y is the amount of the public good produced, then we have $Y=Y_1=Y_2=\_\_\_\_\_=Y_n$, where there are n persons involved; as contrasted with a (pure) "private good", X in which we have $X=X_1+X_2+\_\_\_\_\_+X_n$. That is, the total amount of the private good equals the *sum* of each individual consumption. Therefore, if X is given, the amount that the other n–1 consumers can consume is measureably less if the n^{th} consumer increases his consumption. A private good, then, is one that enters into the preference function of individuals separately.

For those goods which can in fact be established as having public good characteristics, examples most often cited include national defense lighthouses, and TV and radio broadcasting, a pricing system as generally viewed will not necessarily be viable, because the benefits of the service are generally available to the recipient whether or not he pays for it. He thus has no incentive to reveal what his true preferences are. Contrast this distinction with the private good case where a person must reveal his preferences through payment of a purchase price which, in effect, excludes others from utilization of the good, prevents waste and contributes generally to economic efficiency. Thus, the major difficulty

[5] Paul A. Samuelson, "The Pure Theory of Public Expenditures," *Review of Economics and Statistics*, XXXVI, No. 4 (November 1954), pp. 387–389.

in the provision of public goods is reflected in the fact that we must resort imperfectly to the political decision-making process and voting in order to induce, indeed force, preferences to be revealed.

At the local or municipal level of government, however, what must be established is the degree of "publicness" of the goods and services. Perhaps a convenient place to begin is by taking note of some counter-arguments to the pure theory of public goods that have been voiced by those concerned with local public finance issues. Briefly, there are two major kinds of challenges that merit consideration. Both focus on the different character of goods and services provided at the local level of government, and both suggest that these kinds of public services possess certain private good characteristics such that closer approximations to efficiency can be achieved than would otherwise be possible through exclusive recourse to the "political process." The first of these counter-arguments was raised by Enke and Margolis. They argued that many, if not all public services provided at the local level fail to qualify as "public goods" (in the pure or polar sense); Margolis reasoned in the following way:

"Against Samuelson are the facts. He claims that collective goods are not rationed—that the use of a good by A does not involve any costs to B. Clearly this is not the case in such common public services as education, hospitals, and highways, where capacity limitations and congestion are topics of the daily press. Would it be true of the more sovereign functions of justice and police? The crowded calendar of the courts certainly implies that the use of this function by A makes it less available to B. Similarly a complaint to the police ties up the officers in a maze of arguments, forms to be completed, and hearings to be attended, reducing their availability to others." [6]

Thus, the degree of "publicness", the degree of "consumption externality", would appear to be somewhat less than total—at least in the case of locally provided public goods and services.

Although suggestive, these observations did not really come to analytical grips with the issue of revealed preferences posed by Samuelson and Musgrave. In 1956, therefore, Tiebout advanced a "pure theory of local expenditures" which has steadily gained professional attention and represents the second of our counter-arguments. The substance of the Tiebout doctrine is essentially as follows: in the modern world, each metropolitan area contains a (sufficient) number of local governmental jurisdictions such that each consumer-voter may actually reveal his preferences for local public goods by moving into that particular jurisdiction whose differentiated tax/expenditure package is best adapted to his wants. Note that revealed preferences are not detected or exchanged voluntarily by use of prices for individual public goods, but rather by what may be described as a single, collective price for a *package* of public goods ($\overline{Y}$) in the form of a local property tax payment. Thus, partial additivity is restored in Tiebout's model of local expenditures, i.e., $Y=\overline{Y}_1+\overline{Y}_2+\ldots\ldots+\overline{Y}_n$; where there are n packages or communities involved.

To what extent, therefore, does the model of political fragmentation contribute to greater efficiency in the allocation of resources? Granted, the abstractions of Tiebout provide an improved understanding of the issue, and an increased appreciation of the value of (monopolistic) competition among governmental jurisdictions.[7] Do they, however, successfully engage the *entire* problem of externalities in consumption, or are we essentially still left with the "free rider" problem, i.e., with a residual set of resource allocation problems that have not been dealt with—either conceptually or by real world processes? As well might be expected, the Tiebout model has generated considerable subsequent debate out of which four principal objections have thus far emerged.[8]

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[6] Julius Margolis, "A Comment on the Pure Theory of Public Expenditures," *Review of Economics and Statistics*, Vol. 32, No. 4 (November 1955), pp. 347–349.

[7] Tiebout's concluding remarks are most provocative in this connection: "It is the contention of this article that, for a substantial portion of collective or public goods, this problem does have a conceptional solution. If consumer-voters are fully mobile, the appropriate local governments, whose revenue-expenditure patterns are set, are adopted by the consumer-voters. While the solution may not be perfect because of institutional rigidities, this does not invalidate its importance. . . . Those who are tempted to compare the reality described by this model with the reality of the competitive model given the degree of monopoly, friction, and so forth—may find that local government represents a sector where the allocation of public goods (as a reflection of the preferences of the population) need not take a back seat to the private sector." C. M. Tiebout, "A Pure Theory of Local Expenditures," *Journal of Political Economy*, Vol. 64, No. 5 (October 1956).

[8] Surprisingly enough, there has only been one attempt to evaluate the Tiebout hypothesis *empirically*, and this (positive verification) is of a most recent vintage; see, Wallace E. Oates, "The Effects of Property Taxes and Local Public Spending on Property Values: An Empirical Study of Tax Capitalization and the Tiebout Hypothesis", Journal of Political Economy, Vol. 77 (December 1969), pp. 957–971.

The first doubts were expressed by Samuelson's own reactions in 1958[9] which tended to discount the notion that people will spontaneously band together in the formation of homogeneous communities "which will legislate what each (and all) want in the way of collective goods". This is so because (i) people want to "improve" their community, not abdicate from it, (ii) people don't want to live in homogeneous ghettos with their own kind, and (iii) people are not really free to "run out" on their social responsibilities. Therefore, even though "it goes some way toward solving the problem" there still remains sizable externalities in consumption essentially because of *intra*-community heterogeneity.

The second source of concern with the Tiebout model was prompted by the discovery of externalities in consumption *between* communities, i.e., "geographical externalities". Here, the work of Weisbrod and Williams is perhaps the most analytically significant although the effects of spatial externalities have also been considered by many others. In a discussion related to education, Weisbrod posed the problem by noting that:

"If a community realizes that some of the benefits produced by its expenditures are reaped by persons outside, then it may fail to undertake expenditures which would be desirable from the viewpoint of the entire society. As a maximizer of the well-being of its own present residents, a community would not devote ten dollars worth of resources to produce an output worth eight dollars to outsiders. Thus, a public expenditure producing twelve dollars worth of services at a cost of only ten dollars might not be made."

"In this analysis we are postulating a community decision-making unit which tends to equate the marginal-costs it bears with the marginal benefits it receives. To the degree that it attempts to maximize its private welfare it will generally behave in a non-socially optimal manner when private and social benefits (or costs) diverge. In general, if marginal social (national) benefits exceed marginal private (community) benefits, we may expect the level of expenditures to be below the optimum."[10]

Thus, we find that even if the Tiebout case is perfectly realized, geographical externalities, often called geographical "spillovers", are very likely to be present. And, as Weisbrod contends, the result will of course be inefficient: a non-optimal allocation of resources will emerge in the form of an undersupply of local public goods.[11]

Williams, however, has complicated the matter His conception of the world is a step more spatial; he recognizes the apposition of local communities in a system, and rightly notes that one community's spillovers are another community's *spillins*. As a result, communities, in order to determine the level of their own supply of public goods, could draw up "contingency plans" based upon alternative assumptions about the amount of (lump-sum) spillin each might get. Depending upon the expectational properties of each of the local communities "response model", Williams concludes that: ". . . in a setting in which local governments are left free to make their own independent decisions about the supply of public goods, the complex interactions that occur even in highly simplified situations make it impossible to predict a priori whether undersupply or oversupply (in a single jurisdiction) will generally result".[12] Thus, the possibility of oversupply is revealed in the literature for the first time. However, "Brainard and Dolbear[13] demonstrate that this conclusion does not follow the premises set forth by Williams, and, in particular, score the faulty benchmark of optimality adopted by him."[14]

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[9] See, P. A. Samuelson, "Aspects of Public Expenditure Theories," (Appendix: Strotz and Tiebout Discussions), *Review of Economics and Statistics*, Vol. 40, No. 4 (November 1958), pp. 332–338.

[10] Burton A. Weisbrod, External Benefits of Public Education, Industrial Relations Section, Princeton University, 1964.

[11] Musgrave adds some perspective: "According to the conventional wisdom handed down from Pigou, and reargued by Burton Weisbod, the existence of benefit spillovers leads to an undersupply of public services, because the producing unit considers internal (private) benefits only". Richard A. Musgrave, "Comment", in Perloff and Wingo (eds.), Issues In Urban Economics, Johns Hopkins for RFF, 1968; p. 568.

[12] Alan Williams, "The Optimal Provision of Public Goods in a System of Local Government." *Journal of Political Economy*, Vol. 74, No. 1 (February 1966), pp. 18–33.

[13] Brainard, William C. and F. Trenery Dolbear, Jr., "The Possibility of Oversupply of Local 'Public' Goods: A Critical Note", *Journal of Political Economy*, Vol. 75, No. 1 (February 1967), pp. 86–90.

[14] Michael Connolly, "Public Goods, Externalities, and International Relations", *Journal of Political Economy*, Vol. 78, No. 2 (March/April 1970), pp. 279–290.

The third and fourth areas of dissatisfaction with the Tiebout model relate generally to (i) the strained reality of its underlying assumptions,[15] and (ii) its "degeneracy" as a well-specified political decision-making model.[16] The last point regarding the political process is worth a moment's digression before turning to a more detailed discussion of the model's underlying assumptions given below.

While the Tiebout model may not be a political decision-making model in the strictest sense,[17] it *is* a model that accounts for consumer-voter reaction to the (unspecified) political decision-making process within balkanized, metropolitan settings. Thus, it was first realized that the process of interjurisdictional migration constituted a form of voting—"voting with one's feet"—even though such (political) exercises possess all of the limitations noted above insofar as furnishing a unique solution to the local resource allocation problem is concerned. Perhaps as a consequence, the past five years or so have witnessed a resurgence of interest in the mechanics of the local political process and in the local budgetary process. With regard to the renewed interest in "political economy," a number of studies have appeared which would "substitute political institutions for market processes in linking individual preferences to public expenditures." [18] Therefore, a great deal of professional attention seems now to be focused upon the analysis of the local political process as a means to engage the problem of externalities and urban resource allocation.

Package Pricing and Resource Allocation

Returning to the resource allocation problem facing local government, we will explore Tiebout's "package price" thesis somewhat more systematically than past interpretive efforts. The fact that the Tiebout model has been variously referred to as a theory of local government expenditures, a residential location model, a (degenerate) political decision-making model and, within the present context, as a priving model, suggests a rather casual response to a rather casually defined theory. (Contrast Tiebout's literary statement with the highly technical expositions of Samuelson and Musgrave; consider also the non-technical responses to Tiebout.) It is evident, therefore, that a detailed examination of this model would be useful in order to identify its degree of generality and to assess the implications of its necessary conditions for optimality in the supply of local public goods. It may then be possible to trace out some of the implications for pricing (taxing) policy that emerge, and to suggest some alternative ways of extending the model in order to deal more completely with internalization of consumption externalities in the metropolitan area.

As a starting point, it must be emphasized that the framework of the Tiebout model does not encompass the *entire* range of local public goods. Its only concern is with offering a theoretical explanation that is limited to the optimal supply of that class of local "public goods" conventionally financed out of those general

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[15] For example, Netzer regrets that, "Unfortunately, Tiebout's restrictive assumptions usually do not apply: mobility and knowledge is restricted; externalities exist; and actual fiscal flows are complex and often unrelated to decisions of individual consumer-voters." Dick Netzer, "Federal, State, and Local Finance in a Metropolitan Context", in Perloff and Wingo (eds.) *op. cit.*, p. 442.

[16] "Degenerate" is an adjective employed by Margolis inasmuch as "there is no specification of a political process by which the government policies are formed", and "The model, as an argument that public goods will be optimally supplied, is not persuasive since it has no political mechanism to generate the optimal set of packages (jurisdictions) to be available to the itinerant households." J. Margolis, "The Demand for Urban Public Services," in Perloff and Wingo (eds.), *ibid.*, pp. 548–9.

[17] It assumes that no recourse is open to altering the composition of one's tax/expenditure package by means of the community political decision-making process.

[18] Among the more frequently cited are: Barr, James L. and Otto A. Davis, "An Elementary Political and Economic Theory of the Expenditure of Local Governments", *Southern Economic Journal*, Vol. 32, No. 2 (October 1966), pp. 149–165; Davis, Otto A. and George H. Haimes, Jr., "A Political Approach to a Theory of Public Expenditures: The Case of Municipalities", *National Tax Journal*, Vol. 19, No. 3 (September 1966), pp. 259–275; Booms, Bernard H. "City Governmental Form and Public Expenditure Levels". *National Tax Journal*, Vol. 19, No. 2 (June 1966), pp. 187–199; Edward Banfield and James Q. Wilson, "Voting Behavior on Municipal Public Expenditures: A Study in Rationality and Self-Interest", in J. Margolis (ed.), The Public Economy of Urban Communities, Johns Hopkins for RFF, 1965; Charles E. Lindblom, "Decision-Making in Taxation and Expenditures." in Public Finances: Needs, Sources and Utilization, Universities—National Bureau for Economic Research, Princeton University Press. 1961: Rothenberg, Jerome, "A Model of Economic and Political Decision-Making", in J. Margolis (ed.), *op. cit.*

Much of the above work has been an extension of the basic political approaches developed in: Anthony Downs, An Economic Theory of Democracy, Harper, 1957; and in, Buchanan, James M. and Gordon Tullock, The Calculus of Consent, Ann Arbor: University of Michigan Press, 1962.

fund revenues generated by the payment of package prices, i.e., by the payment of local property taxes. Thus, all of the services provided by local governments that are e.g., financed out of fees and user charges, such as in the case of the public utilities, are (properly) outside of the model's conceptual domain; these goods are priced separately and are, presumably "optionally" supplied.

There is a second and perhaps more fundamental reason why the Tiebout hypothesis lacks generality as a theory of "local" public goods. Simply stated, the theory fails to recognize that significant amounts of local public goods are supplied in response to the demands of industrial and commercial establishments, and not just in response to household demands and "consumer-voters". In other words, this theory, and most other theories of public expenditures (local and otherwise) fails to distinguish between "business" and "personal" services as the distinction is recorded in the private sector. Thus, we cannot reasonably look to the Tiebout model for an explanation of the optimum levels of local public services supplied to industrial and commercial consumers that are most typically concentrated in the urban (central city) jurisdiction(s) of the metropolitan economy; *the analytical focus of the Tiebout theory is limited to the supply package or composite public services consumed by households in suburban jurisdictions.*[19] This is not to say, however, that the *principles* of the Tiebout model cannot be used to analytical advantage within the urban sector. Indeed, we believe that the material presented in Appendix A to this paper represents a promising start in this direction.

Homogeneity Conditions and Community Demand for Local Public Goods

As Samuelson correctly noted, Tiebout assumed that people will spontaneously band together in the formation of homogeneous suburban communities which will legislate what each and all want in the way of local public goods. Thus, Tiebout's world becomes a world of compartmentalized equals, the members of each suburban group possessing certain common characteristics such that consumption externality is at a minimum for each and all jurisdictions. These common characteristics are what have been previously referred to as *homogeneity conditions.*

Again, an insight into the concept of homogeneity is provided by Tiebout's "severe model" of local expenditures which yields the same optimal allocation that a private market would:

"Let the number of communities be infinite and let each announce a different pattern of expenditures on public goods. Define an empty community as one that fails to satisfy anybody's preference pattern. Given these assumptions, including the earlier assumptions 1 through 5, the consumer-voters will move to that community which exactly satisfies their preferences. This must be true, since a one-person community is allowed. The sum of the demands of the n communities reflects the demands for local public services. In this model the demand is exactly the same as it would be if it were determined by normal market forces."

"However, this severe model does not make much sense. The number of communities is indeterminate. There is no reason why the number of communities will not be equal to the population, since each voter can find the one that exactly fits his preferences. *Unless some sociological variable is introduced,* this may reduce the solution of the problem of allocating public goods to the trite one of making each person his own municipal government." [20]

Therefore, it is the introduction of a sociological variable, namely group or community homogenity, that gives power to the Tiebout model as a model of resource allocation in the local public sector. In such communities of equals, all have more or less the same tastes,[21] incomes, wealth holdings (property), etc., the "net fiscal residum" [22] for each and all members will be equalified. I.e., the

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[19] Although he did not specifically reach these conclusions, Margolis strongly suggested them in his 1957 reaction to Tiebout's hypothesis in which he observed and catalogued the existence of functionally different kinds of communities within the (San Francisco) metropolitan region. Depending upon their ratios of employment to resident labor force, metropolitan jurisdictions were classified as central cities, balanced cities, dormitories and industrial enclaves. See: J. Margolis, "Municipal Fiscal Structure in a Metropolitan Region", *Journal of Political Economy,* Vol. 65, No. 3 (June 1957), pp. 225–236.

[20] "A Pure Theory . . .", *op. cit.,* p. 421.

[21] In this instance, tastes refer both to the marginal rates of substitution between private and public goods, and between individual components of the public goods.

[22] An individual's "net fiscal residuum" is equal to the benefits received less taxes paid. See James Buchanan, "Federalism and Fiscal Equity," American Economic Review, XL (September 1950), pp. 583–99.

public good package provided by the community will be paid for in equal amounts by all members and consumed in equal amounts by all.[23] In such an (optimal) case, the package price is formally equivalent to the normal price inasmuch as no redistribution of goods takes place among members of the community; external diseconomies in consumption are minimized. Given no geographical spillovers, the package of local public goods is consumed privately by the *residents* of each (and every) community that provides them. Therefore, to paraphrase Adam Smith, every individual in pursuing only his own selfish good was led (to locate in a community) as if by an "invisible foot" to achieve the best good for all.

II. THE RESPONSE OF THE FEDERAL SYSTEM TO METROPOLITAN NEEDS

Perhaps the single most pressing problem besetting the fiscal operations of local government in the metropolitan area is represented by the consumption of a community's supply of local public goods by non-residents—geographical spillover. The financial problem of supplying public goods to non-paying consumers is especially acute within the central city jurisdictions where non-resident commuters descend upon places of work (and shopping) by day and upon places of leisure by night. The point to be made, however, is that the existence of benefit spillovers points to the principal allocational deficiency of the package price; simply stated, the package price, as opposed to the normal price, is an imperfect exclusionary device. This, combined with the existence of "privately" produced externalities—air and water pollution, solid and liquid waste discharge, traffic congestion, etc.—points dramatically, not to the breakdown but to the *limitations* of the local, polycentric "market mechanism" to respond to metropolitan-wide public service requirements and the Urban Crisis.

Nevertheless, a groping response to these service requirements has been made by local government, and by the States and the Federal government as well. All of these responses have been catalogued, discussed and evaluated with geometrically increasing frequency; this section, therefore, will be distinguished by brevity and by some general observations on the overall character of the federal response.

At the risk of superficiality, we will note that the federal system has attempted to adjust to the spatial concentration of economic activity and the service requirements of metropolitan society in three principal ways: governmental reorganization has characterized the local response, the States have reapportioned legislative power, and the Federal government has furnished financial support to the cities via the grant-in-aid.

It is really too soon to gauge the effects of reapportionment that began in the early 1960's following the celebrated *Baker* v. *Carr* decision. Clearly, there have been mixed results, but perhaps the most interesting of all has been the emergence of "rural-suburban" coalitions within many of the State legislatures which has now replaced rural domination as a force to politically contain the cities. The impact of these coalitions, however, makes one thing very clear: given the boundary locations of the States, the great hope that was once held out for reapportionment as a cure for metropolitan problems has not, and cannot hope to be realized without the virtual disenfranchisement of the non-metropolitan population. The geographical areas of the States are simply too large and encompass substantial proportions of non-metropolitan population which, when allied with suburban interests, serve to build-in State unresponsiveness and to artificially separate city and suburb.

Thus, in the absence of governmental response at the State level, the localities and the Federal government have attempted to step in and fill the void, even though each are basically unsuited to the task. In the absence of State response, it has become easier and easier to erode the structure of local government and to rely on Washington for Federal aid as a means of "solving" metropolitan service requirements and the Urban Crisis. As a result, we have witnessed the growth of large-scale local government on the one hand, and increasing Federal involvement via the proliferation of domestic programs and the grant-in-aid on

[23] Equal payment plays a major role in the Tiebontian world. For example, one might imagine a situation in which two consumers wish to share in the consumption of either one or a package of public goods, but are willing to contribute differentially to the cost. According to Tiebout, this would indicate irrational behavior inasmuch as the consumer who was willing to pay the lion's share would be better off by selecting another person (community) that was willing to share the cost; in this case one half.

the other. In other words, a trend toward centralism has developed which finds added emphasis in the concept of "direct federalism".

Let us inquire briefly into governmental reorganizational efforts at the local level. Although there are many ways in which local government has sought to reorganize in response to metropolitan needs (extraterritorial powers, intergovernmental agreements, transfer of area-wide functions to the County or State, annexation, etc.), we will limit our comments to special districts, city-county consolidation (Metro), and regional government. These are the most discussed forms, and appear to be those which are most competitive to the reorganizational alternative offered in this paper.

As mentioned above, there has been an increasing acceptance of the special district as an appropriate governmental unit for providing a number of services that were formerly under the province of general-purpose local government. The utilities, parks, housing, airports, flood control, public health, etc., are some of the more well-known functions that have been gradually stripped away and have been provided by these districts one-by-one. Some of the reasons that have been put forth in support of their rapidly multiplying numbers (e.g., there are now over 500 special districts, excluding school districts, in the 9-county San Francisco Bay area!), include: (i) they are free of the constitutional and statutory fiscal limitations on local government, (ii) they do not represent a threat to local officials, (iii) they can perform area-wide functions, and (iv) they are "efficient". Now, for present purposes, it should be realized that every one of these "pluses" would be realized by the existence of metropolitan states which, on the other hand, would not be constrained by (i) the lack of a coordinated approach, (ii) diffused and fragmented authority, and (iii) political invisibility.

Perhaps the largest threat to general-purpose local government is represented by the portent of city-county consolidation (Metro) as a vehicle for engaging metropolitan problems. Although this form does provide the basis for a coordinated system of service delivery, the almost complete damage that it does to polycentrism and general-purpose local government (coupled with the fact that it is inapplicable to multi-county metropolitan situations), makes city-county consolidation a most unalluring alternative.

In some ways, a far more attractive form of metropolitan-wide organization seek to provide metropolitan services on a coordinated basis, not by the elimination of local government, but by establishment of a new tier or layer of government between the localities and the State. But, while regional government may possess the added quality of political visibility and would also satisfy the Federal requirements for comprehensive, metropolitan planning, such governments would still enjoy an "inferior" local governmental status and, as often charged, would be "inefficient" inasmuch as they would constitute another layer of government.

Perhaps the major difficulty with all of the attempts at local organizational reform resides in the fact that all fail to meet the most critical need of all: to restore State government to its former position in the federal system. Special districts, Metro, regional government (the involuntary, governmental version of the COG) are all forms of government that are inherently unsuited to the contemporary difficulties of metropolitan society. Therefore, we must turn our attention elsewhere....

III. THE METROPOLITAN STATE: A CHALLENGE TO FEDERALISM

It is relatively easy in these times, almost fashionable, to indict the effectiveness of the Federal system and the remedial measures that have been used in modification of its original structure. Positive arguments that would probe the latent potentials of our system are much more difficult to come by—simply because they must not only satisfy the test of current dilemma but possess innate survival value as well. In the following exposition of the concept of metropolitan area statehood, these are the criteria that will be referred to almost exclusively. We mention this beforehand because, in addition to the qualities of timeliness and survival value, the ideal policy prescription would also be characterized by its relative ease of implementation. However, the question of whether or not metropolitan states qualifies on "practical" grounds is considerably beyond the reach of this paper. I.e., this is a question that demands a far more detailed evaluation than could possibly be presented in the brief time alloted here. Of necessity, therefore. the following analysis naively assumes that a policy of converting to metropolitan states would be legally and politically frictionless.

1. Metropolitan States; What Are They?

It is perhaps easier, in the first place, to quickly point out what metropolitan states are *not*. The metropolitan state, as thought of in this paper, does not exist, and should not be confused with those existing states which are characterized by relatively high proportions of metropolitan-based populations. Neither should they be equated with the "city-state" of Plato and Mailer because of the latter's highly truncated treatment of the suburban sector.

Basically, the metropolitan state would be an attempt to reconcile the jurisdictional boundaries of State governments with the geographical distribution of the population. As such, the concept parallels that of reapportionment in which the boundaries of legislative districts were redrawn on the basis of "one man-one vote". The only difference is that one tries to put the vote where the people are while the other would train its locational focus on State government. Both reform measures are in direct response to the successive waves of rural-urban and urban-suburban migration, i.e., to the metropolitanization of the population. (Although the latter is of relatively greater concern to the issues of metropolitan states.)

Although the principles of adjusting boundaries to population concentrations has merit on a "common sense" basis, there has been no widely recognized theory of political boundaries (or any other kind of regional boundaries) that one may fall back upon in these matters. Thus, we may very well ask, "what is the proper metropolitan area over which a metropolitan state would govern?" Granted, we have the Standard Metropolitan Statistical Area (SMSA) at our disposal, but this definition has no compelling theoretical or functional foundations. Instead, it relies upon atavistic county lines as its basic building blocks.[24] And it was evidently this very difficulty that prompted a pioneering effort on the part of Professor Karl Fox during the 1960's to construct an area delimitation strategy resulting in the *functional economic area*[25] which "would consist of a cluster of several contiguous whole counties which approximates the home-to-work commuting field of a central city."[26] Thus, the buggy-determined county was to be replaced by the automobile-determined FHA.

Supplemented by the work of others, notably Brian Berry at the University of Chicago, the FEA in turn became the building blocks for both the "metropolitan economic area" (MEA) and the "consolidated metropolitan region" in an attempt to redefine the Standard Metropolitan Statistical Areas of the Bureau of the Census. Although it is impossible to pursue this subject matter in sufficient detail here (see Appendix A for a more extended account), we should at least be aware of the following definitions:

Functional economic area.—all those counties within a labor market for which the proportion of resident workers commuting to a given central county exceeds the proportion commuting to alternative central counties.

Metropolitan economic area.—an FEA in which the population of the central city exceeds 50,000, or in which there are twin cities satisfying criteria of existing SMSA definitional practice.

Consolidated metropolitan region.—two or more FEA's and/or MEA's (at least one must be an MEA) in which at least 5 percent of the resident workers of the central county of one commute to the central county of another.

In our view, the "consolidated metropolitan region" (CMR) composed of functional and metropolitan economic areas, provides the best areal classification scheme available for separating the nation into its metropolitan and nonmetropolitan components. Besides satisfying the criteria of compactness and contiguity, it is consistent with city, county and SMSA boundaries. As opposed to the latter definition, however, the CMR takes into account the functional interdependence of our large (polynucleated) metropolitan areas such as Los

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[24] "Counties were established on an artificial basis. Unlike cities, they did not grow up as direct responses to local service needs. Rather they were imposed from the state level upon geographic areas many years ago. For example, when counties were established in Iowa the theory was that the county seat should be located within a day's buggy ride of any point in the county." Thomas P. Murphy, Metropolitics and the Urban County, Washington, D.C., p. 2.

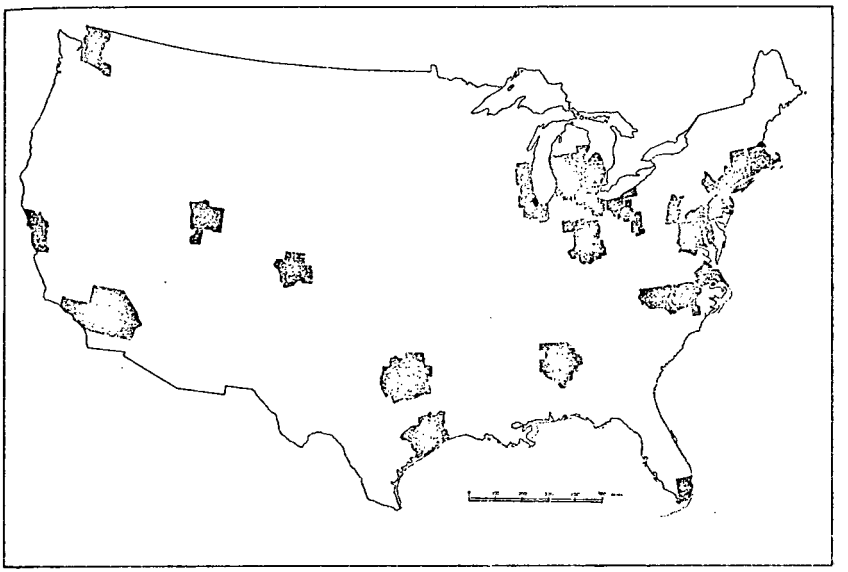
[25] See, for example: Karl A. Fox and T. Krishna Kumar, "The Functional Economic Area: Delineation and Implications for Economic Analysis and Policy", *Papers of the Regional Science Association*, Vol. 15 (1965), pp. 57–85; and, Karl A. Fox, "Functional Economic Areas and Consolidated Urban Regions of the United States," *SSRC Items*, December, 1967.

[26] Charles L. Leven (ed.), Design of a National System of Regional Accounts, Working Paper DRA 9, Institute for Urban and Regional Studies, Washington University, St. Louis, Mo., December 1967, p. 161.

Angeles, New York, Chicago, San Francisco, etc. For example, under this plan the San Francisco Bay Area would become a 9-county CMR, in contrast to its present treatment by the Bureau of the Census which divides (part of) the area into three SMSA's.

It is suggested, therefore, that any consolidated metropolitan region in the U.S. whose population reaches a lower threshold of, say 1,000,000 would qualify for metropolitan statehood. The closest available approximation to the complete set of consolidated metropolitan regions in the U.S. is shown in Figure 1. Even though this mapping is highly approximate, it is worth noting that many of our existing State boundaries would be unaffected by conversion to metropolitan States.

Figure 1



. Consolidated Urban Regions.

Source: Brian J. L. Berry, METROPOLITAN AREA DEFINITION: A RE-EVALUATION OF CONCEPT AND STATISTICAL PRACTICE, Bureau of the Census Working Paper No. 28, Washington, D.C., 1969.

2. The Metropolitan State; Its Relevance to the Urban Crisis

Fundamental, not incremental, changes in the institutional arrangements of our Federal system generally await periods of prolonged crisis, which function importantly by creating markets for innovation and receptivity to change. The Urban Crisis is now well-established, and doubtlessly exists as the most serious domestic difficulty in the U.S. since the Great Depression. This transformation is reflected in the field of economics where predominant interest in one form of market failure has shifted to another. I.e., interest in the business cycle and stabilization policy, although still crucial policy issues, has nonetheless given way to an increasing preoccupation with "externality", the current brand of market failure brought about by the spatial concentration of industry and population. Essentially, the theme of this paper is that a particular form of institutional change could provide the means to effectively engage externality, a term used almost synonomously with—and as the root cause of—the Urban Crisis. Let us now expand upon the principal ways in which a policy of converting to metropolitan states would in fact respond to problems of the Urban Crisis.

(1) In the first place, *metropolitan states would preserve intact the current polycentric system of local government within their jurisdictional space* (as defined by the consolidated metropolitan region). I.e., cities, counties, special districts, etc., would continue to function as before, the only differences being that a new metropolitan state government would be established whose legislative body would consist of the same representatives that had previously served the population of the area, and that a new governor would be elected. This feature combines two very compelling advantages over alternative reorganizational strategies: (a) it would retain the efficiency characteristics of local government as outlined above in section one, and (b) it would meet the test of political acceptability. The second advantage obviously requires some clarification.

It is widely recognized that "individuals who are elected or appointed to strategic positions in local governments are very important parties in any discussion about the future structure of governmental organization".[27] This is just a polite way of noting that vested interest is very much at stake, and that many proposals for metropolitan reorganization fail, not necessarily because of the lack of popular support, but because of the fact that such proposals must first pass the test of political acceptability. A vote for reorganization on the part of a local official would very often be a vote for political extinction. Hence, it is not altogether surprising that local officials rarely form the vanguard of metropolitan reform movements.[28] Under a metropolitan state reorganizational plan, however, the vested interests of local officials and government personnel are not at stake, as the entire structure of local government is held intact. But, many reorganization bills are tabled or defeated in State legislatures, and it might be asked: what about resistance on behalf of State representatives? This is a more difficult question to be sure, but it should be kept in mind that conversion to smaller legislatures would have the effect of strgenthening the relative political influence of the individual representative. For example, a representative in a 9-county San Francisco state legislature would possess a much larger voice in the conduct of affairs than he has at the present time.

(2) Secondly, *metropolitan states would provide metropolitan-wide areas with a fiscally and constitutionally viable form of government.* Few would dispute the fact that State governments possess the fiscal and constitutional means to effectively deal with most of the problems of the Urban Crisis. Alan Campbell has observed that:

"State governments have been described as 'the keystones of the American governmental arch'. They sit midway between the local governments on the one hand, which are their creatures, and the federal government on the other, which constitutionally possesses only delegated powers. By virtue of their position, state governments possess the power, and theoretically the responsibility, for attacking practically all those problems which in sum equal the urban crisis." [29]

And, in their assessment of the role of the States, CED has noted that:

"While there is support for federally-encouraged local government reorganization, the states are still considered the appropriate unit for tackling urban problems. The states have the necessary legal powers and access to sufficient resources." [30]

Thus, metropolitan states would be constitutionally and fiscally superior to any of the alternative forms of metropolitan reorganization, which would encounter the same kinds of constraints that the Dillon-ruled locality faces today.

(3) Next, *metropolitan states would redress the city/suburban imbalance of political power that presently exists in State legislatures.* It is now rather widely accepted among students of state and local government that most of our State legislatures are dominated by the existence of "rural-suburban coalitions", and that, among the many causes of State unresponsiveness to city

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[27] A. H. Hawley and B. G. Zimmer, The Metropolitan Community: Its People and Government, (Beverly Hills, Sage, 1970), p. 126.

[28] See Hawley & Zimmer, *ibid.*, for an interesting survey of the attitudes of local officials toward reorganization.

[29] Alan K. Campbell (ed.), The States and the Urban Crisis, (Englewood Cliff, Prentice-Hall, 1970), p. 6.

[30] Committee for Economic Development, Reshaping Government in Metropolitan Areas, (February 1970), p. 60.

problems, this is singularly the most important.[31] Reichley adds some historical perspective:

"The dominance of the squirearchies has now passed, because of reapportionment, in all but the most rural states, but their remaining leaders retain substantial influence. Ylvisaker, who as New Jersey's first Commissioner of Community Affairs has learned perhaps more than he wished to know of legislative behavior, has observed that the skills which the squires acquired during their years of dominance help now to preserve their effectiveness beyond their numbers. In addition, they still comprise from one-fourth to one-third of the memberships of legislatures in most urban states outside of California, New York, and lower New England. In some states, as has already occurred in Maryland, city delegations may find it possible to make common cause with the remaining squires against the rising power of the suburbs. In general, however, the outstaters will probably choose alliance with the suburbs over coalition with the cities." [32]

By elimination of non-metropolitan representation, metropolitan states would automatically sever the ties of the rural-suburban coalition and, although suburban domination of central cities would still be maintained in most cases, the relative political interests of the central cities within the new metropolitan legislatures would be enhanced. As a basis for illustration, let us again turn to California, our most metropolitanized state. According to my calculations (see Appendix C for detailed assignments), the composition of the 1970 California State Legislature is as follows:

	Assembly	Percent	Senate	Percent
California	79	100	40	100
Central city	24	30	13	33
Suburban	32	41	13	33
Rest of State	23	29	14	34

Hence, it can easily be observed that the suburban/rest-of-state block constitutes 70% of the membership in the Assembly, as opposed to the central city's 30%. Approximately the same conditions prevail in the Senate. But if we eliminate the influence of the rest of the state's representation and isolate the "metropolitan states" of Los Angeles and San Francisco, a substantial redress in the balance of suburban-central city political power emerges:

	Assembly	Percent	Senate	Percent
Los Angeles metropolitan [1]	40	100	17	100
Central City	15	37	9	53
Suburban	25	63	8	47
San Francisco metropolitan [2]	16	100	9	100
Central City	9	56	4	46
Suburban	7	44	5	54

[1] Includes Los Angeles, Orange, Ventura, San Bernardino, and Riverside Counties.
[2] Includes San Francisco, Alameda, Contra Costa, Napa, Sonoma, Solano, San Mateo, Santa Clara, and Marin Counties.

(4) In addition, *metropolitan states would provide functionally meaningful state boundaries within which "comprehensive planning" would be in a position to finally realize its promise.* A rather widespread consensus exists at the present time that comprehensive planning, the long-time dream of city and regional planners, has not enjoyed unqualified success in either concept or practice. Its general failure can be attributed to many causes, but perhaps the most important of all can be traced to the lack of functionally specialized governments whose

[31] In cataloguing the reasons for state failure, Campbell concludes: "Finally, and perhaps closest to reality, is the claim that the distribution of political power within states stands in the way of state action. This distribution—regional, party, and interest group—forms a combination of political power which, on the whole, tends to be anti-city." Alan K. Campbell (ed.), *op. cit.*, pp. 25–26.
[32] A. James Reichley, "The Political Containment of the Cities", in Alan K. Campbell (ed.), *ibid.*, p. 180.

(metropolitan) jurisdictions would supply a "comprehensive" focus. I would submit that the scope and content of comprehensive planning has been metropolitan-oriented for some time now, reaching well beyond the triditional concerns of "city planning" and yet falling considerably short of meeting the needs of State government.[33] It is hardly surprising, therefore, that the metropolitan reorganization movement in the U.S. has received considerable ammunition and support from the modern-day comprehensive planner.

(5) *Metropolitan states would preserve the local political gains of Blacks and other minority groups.* This attribute, which is closely tied to the preservation of polycentrism feature mentioned above, is extremely significant to the politics of metropolitan reorganization. It is well-known that central city Blacks have been particularly strong opponents of reorganization, highly suspicious of most proposals because of their gerrymandering potential and consequent loss of local political control. The issue has been set in rather concise perspective by Charles P. Taft in his comment on CED's policy statement on governmental reorganization in the metropolitan area:

"I have been informed that one of the reasons for the voter support of Metro in Nashville and Jacksonville was the fear that within the existing city boundaries the black voter would take over. The absorption of the core city in the County insured, the citizens felt, the continuance of white domination of the community as a whole. This perhaps should have been explored. If true it might happen elsewhere." [34]

Once again, a reorganizational plan along the lines of metropolitan states would not constitute a threat to the political life of *any* locality in the metropolitan community, and the political gains of central city Blacks would be effectively safeguarded.

(6) *Metropolitan states would also force State responsiveness to the problems of the Urban Crisis and would obviate the need for "direct federalism".* Perhaps the most vivid testimony to Campbell's "fallen arch" description of State government's emerging new role in the Federal system is to be found in the phenomenon of "direct federalism". For example, Daniel Elazar observes that:

"It is generally assumed that the federal-city relationship that is evolving is radically new in several respects: in its very concern with urban problems as such; in the fact that much of it appears to be a direct relationship, for all intents and purposes, bypassing the states insofar as active implementation of programs is concerned; and finally, in its overall impact on American federalism." [35]

Now, if one is unfavorably disposed to centralism, this is surely an alarming trend, and represents a most important challenge to American federalism. However, in my mind, the metropolitan state offers a logical—perhaps the only—response to this challenge; through specialization and political balance, it would force State responsiveness and would mend the artificial separation of city and suburb that presently exists in our metropolitan society. Unspecialized and unresponsive, State government as presently constituted does not qualify as an appropriate link between Federal government and locality—either by Federal *or* by local standards. But the jurisdiction of metropolitan states would furnish the comprehensive regional domain demanded by the Federal government of COG's—the servants of direct federalism. In contrast with any of the alternative forms of metropolitan organization, only the metropolitan state would be capable of restoring State government to its former "keystone" status. This is so simply because regional government, metropolitan government, etc., are still but variations on the theme of *local* government, "inferior" and subject to the will of the State. As such, there is absolutely nothing about them that would counteract the movement towards direct federalism.

3. The Long-Run Potential of Metropolitan States

The proposal that has been offered in the foregoing pages clearly requires a *fundamental* change in the territorial structure of State government, one that has far-reaching consequences for the Federal system. As such, any defense of its merits on grounds of present value alone is insufficient. Even if it is allowed that the metropolitan state could contribute positively to the solution of contemporary domestic problems, the question of whether or not such a change would be pos-

[33] For an evaluation of the application of comprehensive planning at the State level, see: John W. Dyckman, "State Development Planning: The California Case", *Journal of the American Institute of Planners*, (May 1964), pp. 144–152.

[34] Committee for Economic Development, Reshaping Government in Metropolitan Areas, (February 1970), p. 60.

[35] Daniel J. Elazar, "Urban Problems and the Federal Government: A Historical Inquiry", *Political Science Quarterly* (December 1967), pp. 505–525.

sessed of lasting quality is an equally important consideration. This, of course, is a far more difficult matter; when contrasted with speculations about the present, speculations about the future are nearly always second-best. Nevertheless, a brief inquiry into a few of the proposal's underlying assumptions may provide at least a preliminary basis with which to gauge its long-run potential.

In the first instance, a prescription for converting to metropolitan states would be highly negligent if it were not assumed that metropolitan society was here to stay. (Conversely, the same would be true if it was assumed that non-metropolitan society was in the process of withering away.) Indeed, if there were any indications of a return to a non-metropolitan, agrarian way of life the present pattern of State boundaries would become increasingly efficient, as they were some time ago—and as they still are in many sections of the nation. But, if anything, we know that there is a distinct tendency toward increased metropolitanization, and that the future geographical requirements of metropolitan areas is very likely to increase. How then would a system of metropolitan states be in a position to accommodate such growth? This is a crucial question and one that requires at least two answers. Both refer to the flexibility of the proposed system. I.e., we have pointed out above that whenever a (non-metropolitan) area had reached the status of a consolidated metropolitan region (of a population size greater than some designated lower threshold, e.g., 1,000,000), metropolitan growth would be accommodated by the introduction of metropolitan statehood. Secondly, the system would adjust to further metropolitanization in a manner similar to reapportionment, i.e., whenever any territory (functional economic area) adjacent to an existing metropolitan state had become functionally integrated, as conceivably determined by the decennial census, it would automatically become annexed. Thus, the system would be characterized by constitutionally-sanctioned *boundary flexibility*, and would adjust to future changes in territorial specialization either through the creation of new state boundaries or by the expansion of existing ones.

There is another, closely related assumption underlying this proposal; it has been assumed implicitly that there is no inherent—certainly no planned—tendency of States to become functionally specialized within their territorial domains. If there were such a tendency, long-run forces would inevitably produce the required results and conversion to metropolitan and non-metropolitan states would turn out to have been a costly, short-run response to a fugitive problem. Although the trend *is* toward more extensive metropolitanization in many states, the key phrase here is "within their territorial domains." An excerpt from CED's position on the boundary handicaps of state government partially serves to illustrate the point:

"The boundaries of many states coincide reasonably well with the economic and social interests of the citizens, containing resources and population adequate for economies of scale in state services. Even where population is small, geographic isolation may justify separate statehood—as in Alaska and Hawaii. But some states are severely handicapped in solving their most pressing problems because of awkward boundary locations. Metropolitan areas containing parts of two or more states are illustrative, as are river basin problems wherever major rivers form state boundary lines." [36]

Beyond this phenomenon, however, many states such as California, Illinois, New York, Texas, etc., are of such great size and diversity of locational advantage that complete specialization along either metropolitan or nonmetropolitan lines would clearly be unwarranted. We must conclude, therefore, that a system of metropolitan states would not be rendered redundant in the foreseeable future by the existence of either planned or unplanned forces seeking the same end.

There are many other important assumptions embedded in the above analysis whose clarification requires much more space than is allowable here. (For example, we have assumed that the metropolitan state legislature would bring about a redress in the balance of suburban-central city political representation. And, in fact, it seems very likely that it would—but only in the static sense. In the dynamic case, note that the suburban sector would gradually achieve considerable dominance if the present migratory trend from city to suburb is maintained.) Furthermore, our discussion has entirely neglected two exceedingly important issues: (1) an investigation of non-metropolitan boundary condi-

[36] Committee for Economic Development, Modernize State Government, New York, (July 1967); pp. 14–15.

tions, and (2) an analysis of the repercussions of boundary realignment on the Congress. All of these issues, however, must be reserved for future research.

In conclusion, it has been argued that our polycentric system of local government performs an exceedingly important function in the metropolitan area, and works very well within the bounds of its limitations. But the population of today's metropolitan community is distinguished by 'dual citizenship'; they are residents of localities *and* the surrounding metropolitan region as well. As such, a large set of metropolitan service requirements have emerged and have posed what is essentially an *organizational* challenge to the federal system. To be sure, we have defended the need for metropolitan government but, unlike others, we would regard it as a supplement to local government, not as a replacement. Moreover, we have also departed from the conventional view which asserts that metropolitan reorganization represents a challenge to local government. The "inferior" forms of metropolitan organization—special district, regional government, city-county consolidation (Metro)—have been rejected on grounds that they would be ineffective with respect to constitutional and fiscal viability, and inappropriate with respect to size in most of our large metropolitan areas.

Thus, our attention turned to the States, the logical governmental link in the federal system to deal with area-wide problems. But it was instantly observed that their old, traditional boundary locations have become functionally unspecialized which has served to paralyze the ability of the more industrialized States to respond to their metropolitan problems and the Urban Crisis. In spite of efforts at reapportionment, the old nemesis of rural, nonmetropolitan interests (*necessarily*) hangs on in these State capitols whose very locations—Sacramento, Albany, Harrisburg, Austin, Springfield, Columbus, Lansing, Tallahassee, Jefferson City, Madison, etc.—are remote and symbolic of the past. Hence . . . . the prescription of metropolitan states and boundary reform.

The prescription's intent could easily be misunderstood; we trust that it has been offered in the same constructive spirit that guided the individual States in 1787 to make concessions to the Federal government for the good of the nation as a whole. Indeed, a realignment of State boundaries along the proposed lines would serve not only to revitalize the role of the States but would also provide the machinery to reduce the "organized chaos" that typifies *both* of the remaining tiers of the Federal system. I.e., metropolitan states would provide incalculable benefits as a viable linkage between the Federal government and the localities, serving to reduce the load and to simplify the complexities of Federal programs in the domestic area, as well as providing the means to eliminate the fragmentation of "local" government in the metropolitan area by gradual absorption of special districts.

There can be little doubt that big local government, in conjunction with the movement toward direct federalism, represents a most disturbing trend in the direction of centralism. In direct contrast this paper has suggested a means of satisfying the governmental requirements of metropolitan society through specialized decentralization, i.e., through the creation of a number of metropolitan states. But the process of decentralization and the reorganization of government in such a way as to get it closer to the people and to provide greater participation in the political process (an increasingly urgent requirement) need not stop here however.

For example, the material contained in Appendix A shows that the central cities in most of our metropolitan areas are, relative to the size of surburban jurisdictions, large and heterogeneous with respect to household and industrial establishments. Although the recommended solution for the provision of central city public services was through the imposition of differentiated package prices (property taxes), note that an alternative solution could be achieved through organizational change. The grounds for such a solution, which in effect would dissolve and partition the central city into independent household and industrial communities, parallel those in support of metropolitan states—functional specialization. I would suggest that the demands for neighborhood or community participation in the central cities of our metropolitan areas is akin to the demands for local home rule in pre-metropolitan society, and that these demands lend considerable support to the concept of decentralization. Even though "States may experiment with local government structure . . . . (and) provide the fiscal resources necessary to operate a system of community participation",[37] such a plan, I fear, is not likely to be realized in the absence of metropolitan states.

[37] Alan K. Campbell, *op. cit.*, p. 209.

APPENDIX A

INDUSTRIAL DEMAND AND THE URBAN COMMUNITY

The ever-widening band of professionals seeking policy prescriptions to the metropolitan fiscal crises are quickly disconcerted in the course of their labors with the limited supply of local public finance theory that is available for analytical guidance. That which exists is essentially Tiebout's, and its qualifications and deficiencies have been alluded to often enough in the preceding pages. But the principal shortcoming that we have identified concerns the fact that Tiebout fails to provide a theory of public expenditures in the urban, or central city component of the metropolitan area. (His "Pure Theory of Local Expenditures" should properly read: "Pure Theory of Suburban Expenditures".) We have also ventured an explanation for this peculiar defect: Tiebout, a student of Musgrave's inherited the "benefits approach" [1] to public expenditure theory which represented a long tradition in the annals of public finance dominated almost exclusively by considerations of *household* demand. Somehow, the benefits derived from public goods by industrial enterprises is a notion that eluded the gravitational field of this tradition. Thus, it may be seen that Tiebout's work in 1956 represented a logical extension of the prevailing state of the benefits approach whose leading spokesmen (Samuelson and Musgrave) defined public goods in the 100% consumption externality manner that should now be familiar to the reader:

$$Y = Y_1 = Y_2 = \ldots Y_n \tag{1}$$

In his attempt to reconcile objections to this (extreme) definition with the benefits approach. Tiebout examined the nature of public goods provided at the "local" level (in the northern suburban communities of the Chicago metropolitan area), and concluded that consumption externality was something less than total because of the existence of prices—package prices—for local public goods. Thus, additivity was introduced between packages such that:

$$Y_L = \overline{Y}_1 + \overline{Y}_2 + \ldots\ldots \overline{Y}_m \tag{2}$$

where Y_L = all local public goods,

and

$\overline{Y}_m$ = the package of local public goods in the m^{th} community

Note, however, that the package of local public goods provided by any m^{th} community is an aggregate and contains the sum of several individual public goods:

$$Y_m = \sum_{i=1}^{n} y^i \tag{2a}$$

And, for any i^{th} good in the package, equality in consumption between households in the community is maintained:

$$y^i = y_1{}^i = y_2{}^i = \ldots\ldots y_n{}^i \tag{2b}$$

Thus, Tiebout was able to achieve additivity *between* community packages while at the same time maintaining the Samuelson/Musgrave characterization of public goods *within* communities.

We now turn to an appraisal of what seems to be the missing determinant [2] in public expenditure theory: industrial demand. By explicitly taking industrial demands for public goods into account, it becomes necessary to push beyond the confines of suburban analysis and to enter into a discussion of public resource allocation in the more industrialized urban components of the metropolitan area. Nevertheless, the following model, although more comprehensive, must be

[1] For a concise historical account of the benefits approach, see: Richard A. Musgrave, The Theory of Public Finance, New York: McGraw-Hill, 1959; pp. 61-89.

[2] It should be acknowledged that the issue of industrial demand has been touched upon, not in the theoretical literature, but in a few of the empirically-oriented studies in the "determinant" literature. See especially the work of Brazer and Scott and Feder whose results statistically verified the relationship between local public expenditures and business activity.

regarded as an extension of Tiebout's, and its major impact will be to demonstrate that additivity *within* tax/expenditure packages is consistent with the benefits approach and that, therefore, differential pricing within some metropolitan communities is warranted. For the moment, however, it should be recorded that the principal identity in Tiebout's model (equation 2) remains unchanged except for a notational change that substitutes metropolitan public goods Y_M for local public goods Y_L. Therefore:

$$Y_M = \overline{Y}_1 + \overline{Y}_2 + \ldots \overline{Y}_n \qquad (3)$$

It has been suggested above that public goods provided locally also enter into the profit calculus of the industrial and commercial firm and are consumed as intermediate product. Thus, for any single public good (y^i) provided by local government, say, by the central city municipality, note that:

$$y_S{}^i = y_{H_1}{}^i = y_{H_2}{}^i = \ldots y_{H_n}{}^i = y_{B_1}{}^i = y_{B_2}{}^i = \ldots y_{B_n}{}^i \qquad (3a)$$

This expression simply states that there exists a certain class of local public goods which are consumed jointly by both households and industrial (business) firms. The most typical of these kinds of mixed or "shared" goods include fire and police protection, streets and street lighting, etc. These particular kinds of local public services are unique because they simultaneously serve the direct interests of households and businesses.

There are, however, two other equally important categories of local public goods whose direct benefits are unmixed and are exclusively appropriated by *either* households or business firms. In the case of households:

$$y_H{}^i = y_{H_1}{}^i = y_{H_2}{}^i = \ldots y_{H_n}{}^i \qquad (3b)$$

Parks, education, libraries, etc., are leading examples of locally provided public services that are consumed jointly, and exclusively, by households. And, at the other extreme, there are those public services that are supplied only in response to the demands of business establishments:

$$y_B{}^i = y_{B_1}{}^i = y_{B_2}{}^i = \text{———} y_{B_n}{}^i \qquad (3c)$$

Local public goods and services supplied in response to the requirements of business firms, which bulk large in the budgets of central cities, are primarily of the infra-structure variety, i.e., they consist heavily of ("social overhead") capital goods such as bridges, port and harbor developments, convention facilities, and so on.[3]

Having identified three separate classes of local public goods in accordance with the benefits approach—shared, household and business—it follows that additivity within community expenditure packages is also a conceptual possibility. Hence, for any m^{th} community:

$$Y_m = \sum_{i=1}^{n} y_S{}^i + \sum_{i=1}^{n} y_H{}^i + \sum_{i=1}^{n} y_B{}^i \qquad (3d)$$

Therefore, in a well-ordered fiscal universe, we would expect to find the existence of differential package prices within communities. That is to say, the imposition of differential property tax rates between households and businesses within communities would be even further down the line toward achieving a market type solution to the provision of local public services. Or, in other words, property taxes would be converging in the general direction of beneficiary (user) charges through the process of disaggregation.

On inspection, however, we quickly discover that differential property taxing within our cities is not in very widespread practice. The reasons for this are many; in part, the problem is minimized by the existence of strong forces at work tending toward functional specialization of the metropolitan community.[4]

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[3] Because the literature has generally disregarded the concept of industrial demand, we have extracted some of the "economic development" information shown on the following pages from the 1968 Community Development Program contained in the mayor's operating budget of the City of Philadelphia in order to furnish the reader with some illustrative support for this distinction.

[4] We are currently in the process of developing a formal model at the Urban Institute which introduces industrial demand for local public goods and shows that functional specialization of the community is a key determinant in the theory of metropolitan expenditures.

For example, when any particular community in the metropolitan area exhibits a high ratio of household services to total services, it is likely to be a suburban dormitory community where the package price imposed represents an adequate indicator of benefits received. Or, when a given community exhibits a high ratio of business services to the community total, changes are that it is an industrial enclave or perhaps a central city jurisdiction where the package price again is consistent with received benefits. However, in those (unspecialized) metropolitan communities that are characterized by a more balanced mix of households and business firms, the single package price as a resource allocator is defective simply because Tiebout's homogeneity conditions are violated. In these kinds of jurisdictions, it follows from the above analysis that each household or business establishment should be confronted by two prices: one in payment for unshared benefits received and another for shared benefits. If resource allocation is the objective of local government, then the traditional notion of the property tax as an ability-to-pay tax must be abandoned, and steps in the direction of "property tax reform" should be taken. We believe that a point of departure has been offered in the foregoing discussion.

CITY OF PHILADELPHIA 1968 OPERATING BUDGET

PROGRAM SUMMARY

Community Development Program—No. A

Goal: To improve the physical and economic condition of the City.

Description: This program involves a wide range of activities carried on by many City and quasi-public agencies directed toward eliminating blight, increasing the number of suitable housing units, improving the economic well-being of the City, developing major City institutions, preventing decline of selected neighborhoods, and improving the general physical attractiveness of the City.

Contained in this program are the City's efforts to solve many of its major problems with the assistance of the Federal and State Governments. Broad-gauge, comprehensive urban development projects of residential, commercial and institutional nature are undertaken by the Redevelopment Authority with the assistance of various City agencies. The City's Department of Commerce operates major port and airport facilities important to the City's economic health. Job development and job training activities are carried on by several City and quasi-public agencies, and various programs for the general improvement of physical conditions are carried on by several City agencies.

COST SUMMARY BY SUBPROGRAM

Subprogram	1966 obligation	1967 appropriation	1968 request	Increase (decrease)
(1)	(2)	(3)	(4)	(5)
Housing	$26,172,600	$28,050,133	$30,955,075	$2,904,942
Economic development	36,672,652	60,999,848	63,191,163	2,191,315
Institutional development	4,330,000	8,025,000	7,824,000	(201,000)
Federally assisted neighborhood renewal	119,950	3,020,954	4,406,155	1,385,201
Urban beautification	449,412	394,075	507,854	113,779
General support	6,257,463	6,506,180	8,184,374	1,678,194
Program total	74,002,077	106,996,190	115,068,621	8,072,431

CITY OF PHILADELPHIA, 1968 OPERATING BUDGET

SUBPROGRAM SUMMARY

Community Development Program—No. A

Economic Development Subprogram—No. 2

Goal: To strengthen and increase the economic growth of the City of Philadelphia; to increase the number of jobs and to train people to fill available jobs.

Description: Seven City agencies and four quasi-public agencies are involved in carrying on this subprogram. The Commerce Department supervises the operation and development of the Marine Port of Philadelphia, and operates the Philadelphia International Airport and North Philadelphia Airport. Under the direction of the City Representative, business services are provided to commerce

and industry. Conventions and trade shows are attracted to the Philadelphia Civic Center's new Exhibition Hall. The Economic Development Unit conducts research into the City's needs for economic development. The Manpower Utilization Commission coordinates vocational training programs carried on by other agencies and supervises an On-The-Job Training Program, as well as advising the Mayor on the City's manpower needs. Job training for the City's youth is carried on by the Department of Public Welfare through its Neighborhood Youth Corps. The Philadelphia Anti-Poverty Action Committee administers the use of Federal Anti-Poverty Funds in providing adult job training by private agencies in the City, especially by the Opportunities Industrialization Center.

The Redevelopment Authority makes available for commercial and industrial construction, blighted areas acquired and cleared. The Philadelphia Industrial Development Corporation acquires, develops, and makes available for industrial use land and existing facilities, as well as assisting industry desiring to remain in Philadelphia and attracting new industry to the City. The Philadelphia Port Corporation operates and maintains existing port facilities and plans the construction of new facilities to modernize the port. The Philadelphia Employment Development Corporation seeks to assist the long-term unemployed by increasing the number of jobs available to them, matching individuals to the jobs available, and stimulating the development of on-the-job training of these individuals by private industry.

Duplication in the amount of $675,000 has been subtracted from the Subprogram total, representing annual contributions of $600,000 from the Commerce Department to the Philadelphia Port Corporation, and $75,000 from the Commerce Department to P.I.D.C.

COST BY PROGRAM ELEMENT

Agency	Program element	1966 obligation	1967 appropriation	1968 request	Increase (decrease)
(1)	(2)	(3)	(4)	(5)	(6)
Commerce	Port development	$14,326,630	$701,502	$703,143	$1,641
Do	Aviation operations	5,300,465	24,956,743	9,455,476	(15,501,267)
Do	Business services	93,662	110,020	108,516	(1,504)
Bd., Phila. Civic Ctr	Convention and trade shows	2,740,295	3,214,140	1,964,624	(1,249,516)
City Rep. & Dir. Com	Direction of Commerce Dept	82,521	84,906	79,343	(5,563)
Econ. Develop. Unit	Econ. research and development.	11,359	100,320	103,863	3,543
Mayor	Manpower utilization	27,224	36,617	36,786	169
Do	Manpower research and investiga.	23,786	18,138		(18,138)
Pub. Welfare-N.Y.C	Youth job training	1,452,550	2,264,160	3,000,000	735,840
P.A.A.C	Adult job training	3,452,174	2,909,412	2,909,412	
Redevelop. Auth	Blight removal for commercial and industrial reuse.	6,315,000	8,900,000	9,405,000	505,000
P.I.D.C	Expanding and retaining industry.	300,000	300,000	300,000	
Phila. Port Corp	Port development	3,222,026	15,678,890	30,900,000	15,221,110
P.E.D.C	Expanding job opportunities		2,400,000	4,900,000	2,500,000
Subprogram total		36,672,652	60,999,848	63,191,163	2,191,315

Appendix B

Appendix A consists of an extended quotation from an article by Professor Karl Fox in the December 1967 issue of *SSRC ITEMS*. This article is based on the final report of the Social Science Research Council Committee on Areas for Social and Economic Statistics, submitted in September 1967.

The Council's Committee on Areas for Social and Economic Statistics was appointed in November 1964 and terminated in September 1967 upon completion and review of the major project it had sponsored: a reexamination of the criteria by which the present Standard Metropolitan Statistical Areas have been defined to provide uniform areas for the publication of Census and other data relevant to metropolitan problems, and an evaluation of alternative principles of classification, such as the concept of functional economic areas. The committee also sponsored an exploratory conference on spatial aspects of human behavior in October 1965, and considered means of increasing the quality of Census and similar materials, as well as the flexibility and economy of access to them.

STUDY OF PRINCIPLES OF METROPOLITAN AREA CLASSIFICATION

The committee's major study, planned and initiated in 1965, was directed by Brian J. L. Berry and conducted at the University of Chicago with support provided by a contract between the Bureau of the Census and the Council. The study resulted in a report, "Functional Economic Areas and Consolidated Urban Regions of the United States," which (after preliminary review of its findings at a conference in Washington in December 1966) was transmitted in May to the Bureau of the Census and Bureau of the Budget for further study and possible future action. The principal findings of the study were formally approved by the committee at a meeting on September 1, and are summarized in the following paragraphs.

Three sets of criteria were used by the Bureau of the Budget in 1960 in an attempt to redefine Standard Metropolitan Statistical Areas that would conform to the general concept that a metropolitan area is essentially a large integrated economic and social unit—a county or a group of contiguous counties—with a recognized large population nucleus. The most basic criteria were (a) that the SMSA include a legal central city of at least 50,000 population, or "twin cities" totaling 50,000; (b) that 75 percent of the labor force of each county included be nonagricultural and live in contiguous minor civil divisions with a population density of at least 150 persons per square mile; and (c) that at least 15 percent of the workers in each county included commute to the central city.

Each of the criteria has been the subject of criticism. For example, 50,000 has been said to be both too small and too large, and the use of the legal central city rather than an urbanized area has been challenged. Others have said that the urban-rural distinctions implied in the criteria of metropolitan character have no meaning in a society whose way of life is becoming almost completely urbanized. Similarly, the 15 percent cutoff on intensity of commutting has been said to make little sense since it excludes part of the metropolitan labor market. The study directed by Berry found, however, that the 1960 classification of SMSA's stems not from all three criteria, but fundamentally from only the first two—size and metropolitan character. The size criterion determined how many SMSA's there would be, and that of metropolitan character determined which contiguous counties (if any) would be joined with the central counties. In effect, the map *Standard Metropolitan Statistical Areas of the United States*, prepared by the Bureau of the Budget, thus presents a *uniform regionalization* of the country divided between "metropolitan" and "nonmetropolitan" categories and with the former divided into more than 200 segments.

The principal import of criticisms of the 1960 area classification is twofold. First, visual criteria, such as density and contiguous subdivision, are no longer regarded as relevant for purposes of area classification because—whatever the outward appearance—society, economy, and way of life are all highly urbanized. Second, meaningful integrated social and economic areas must be far more extensive than the sections of the United States classified as SMSA's in 1960. If labor markets, retail and wholesale shopping patterns, communication by mass media or any other index of integration are examined, one will find that the entire country consists of a set of *functional economic areas* centered on urbanized areas. Further, with improvements in transportation and communication, these FEA's are being transformed rapidly into *urban realms* which are characterized not by a single central city but by a specialized, multi-focal organization. These criticisms indicated the need for a detailed analysis of the feasibiilty of subdividing the country into integrated socioeconomic areas.

There has been no prior complete, consistent, comparative analysis of the spatial organization of the United States into functional economic areas. Rand McNally produces a map which allocates the counties of the United States into "Basic" and "Major" wholesale trading areas; Bogue and Beale have subdivided the country into state economic areas; (Donald J. Bogue and Calvin L. Beale, *Economic Areas of the United States*, Glencoe: Free Press, 1961.) and reports dealing with specific parts of the country have been published, for example, by the Upper Midwest Economic Study. Also, federal agencies continue to define exhaustive sets of service areas, and state Labor Departments produce reports on commuting patterns and labor markets. A considerable gap in our knowledge of the country was evident, however.

COMMUTING PATTERNS, 1960

An original analysis was needed of the *functional regionalization* of the United States in 1960, based on criteria of integration. Here, fortunately, the Bureau of the Census provided a rich supply of unpublished journey-to-work data from the 1960 Census. A regionalization was sought that would classify the United States into a set of economic areas based on the commuting behavior of the population in 1960 (i.e., on linkages between place of residence and place of work).

In the study a 43,000 x 4,300 data matrix was analyzed in which the workers residing in the 43,000 census tracts and "pseudo-tracts" of the United States (Standard Location Areas) had been cross-classified by place of work according to a list of 4,300 possible workplace areas. Unfortunately, there were problems of both sampling error (the data came from the Census 25 percent sample) and systematic bias to contend with, but with these limitations it was possible to define the "commuting fields" and "labor markets" of the United States. On this basis functional economic areas were defined, first, for the set of central cities of the SMSA's recognized in 1965, and then for additional independent regional centers of less than 50,000 population in the less densely settled areas of the country. In addition, consolidated and urban metropolitan regions were created out of groups of labor markets, to take account of cross-commuting. Considerable experimentation led to the following definitions:

Commuting field.—An area encompassing all standard location areas sending commuters to a designated workplace area. The field varies in intensity according to the workplace, and may be depicted cartographically by contours that enclose all areas exceeding a stated degree of commuting.

Labor market.—All counties sending commuters to a given *county.*

Central county.—The designated workplace area for *definition* of a labor market.

Central city.—The principal city located in a central county.

Functional economic area.—All those counties within a labor market for which the proportion of resident workers commuting to a given central county exceeds the proportion commuting to alternative central counties.

Metropolitan economic area.—An FEA in which the population of the central city exceeds 50,000, or in which there are twin cities satisfying criteria of existing SMSA definitional practice.

Consolidated metropolitan region.—Two or more FEA's and/or MEA's (at least one must be an MEA) in which at least 5 percent of the resident workers of the central county of one commute to the central county of another.

Consolidated urban region.—Two or more FEA's and/or MEA's in which 5 percent of the resident workers of any part of one commute to the central county of one of the others.

Maps depicting the extent and complexities of interdependence among areas of the United States were prepared. Examination of these yielded the following conclusions: (1) Commuting fields (FEA's that enclose both place of residence and place of work) are far more extensive than the areas classified as SMSA's in 1960. (2) In the more densely settled parts of the country, commuting fields are not mutually exclusive, but overlap in complex and extensive ways. (3) Independent regional centers of less than 50,000 population are the hubs of labor markets in the less densely settled sections of the country, paralleling in their role centers of greater population where settlement is thicker. (4) With the exception of national parks, public lands, and areas with extremely low population densities, the entire area of the United States is covered by the network of commuting fields.

It was found that 95.85 percent of the population of the country lives within the set of FEA's and MEA's ultimately defined—86.62 percent in the MEA's—compared with the some two-thirds of the population that was counted in the 1960 SMSA's. Almost the entire population of the United States lived in areas in which at least some portion of the residents had jobs in large urban centers.

Further exploration of commuting between outlying areas *within* the larger commuting fields of central cities led to two further conclusions: (a) A central county containing a central city and other area is an appropriate focus for a single commuting field, because the individual commuting fields of the two components are virtually identical, and because the commuting fields of all outlying counties nest within that of the central county. (b) Labor markets made up of county units are sound approximations to commuting fields defined on the basis of tract (SLA) data, involving relatively little loss of information.

On the assumption that it remains useful to construct labor markets with county units, FEA's can be defined most readily from a county-to-county commuting matrix. To ensure a mutually exclusive allocation of counties to FEA's, the greatest percentage flow seems the simplest and most logical criterion. (If a population-size distinction is desired, it can be applied by differentiating some subset of the FEA's, e.g., MEA's focusing on an SMSA.) Use of county-to-county commuting data permits allocation of all the settled parts of the United States into a set of functional economic areas.

In some parts of the country there is substantial cross-commuting. Recognition of this is possible in a consistent set of consolidated regions. These may be defined by combining MEA's and/or FEA's that evidence significant degrees of cross-commuting.

IMPLICATIONS AND RECOMMENDATIONS

The uniform regionalization of the 1960 SMSA's and the functional regionalization evidenced by commuting behavior are significantly different. The Bureaus of the Budget and of the Census thus face a major choice, for the 1960 classification does not produce fully integrated areas with a large population nucleus. Is the intention to classify areas on the basis of *how they look*? In this case, continuation of present practice will suffice. Alternatively, should the areas embrace people with *common patterns of behavior*? If so, commuting data which deal with daily behavior and the links between place of residence and place of work are relevant. Comparability is not the issue if county units are used. Besides, there has been no consistency in definitional practice since inception of attempts to define metropolitan areas. Nor should consistency be expected in a dynamic socio-economy in which patterns of organization and behavior are subject to continuing change.

The problem of choice is difficult since there is general agreement that some form of area classification will be required for publication of summary statistics for some time to come. The report of the study concludes with the following recommendations:

1. That counties or equivalent units be retained as the basis of any area classification, in all parts of the country.
2. That county-to-county commuting data be the basis of the classification of counties into functional economic areas.
3. That functional economic areas be delineated around all counties containing central cities of more than 50,000 population, and also be created for smaller regional centers in the less densely populated parts of the country.
4. Where significant cross-commuting takes place, functional economic areas should be merged into consolidated urban regions.
5. Studies should be undertaken to determine whether additional criteria of integration (for example, wholesaling) might lead to realistic merging of smaller western functional economic areas into larger urban regions, to exhaust the land area of the country, just as the FEA's embrace all but 4 percent of the population; and also to satisfy some minimum total population for an economic region.

APPENDIX C

MEMBERS OF THE ASSEMBLY—CALIFORNIA LEGISLATURE—1970

[Telephone 445-4711]

Name	Occupation and party	District	Seat	Office No.	Telephone, local	Mailing address
Arklin, Henry [1]	Businessman (R)	41	55	6011	5-8430	10640 Sepulveda Blvd., suite No. 2, Mission Hills 91340.
Badham, Robert E.[1]	Wholesale hardware executive (R)	71	43	5128	5-7222	1649 Westcliff Dr., Newport Beach 92660.
Bagley, William T.[2]	Attorney (R)	7	19	4016	5-8492	Albert Bldg., room 225, San Rafael 94901.
Barnes, E. Richard [3]	Clergyman and Navy chaplain (R)	78	33	5140	5-7210	Suite 101, 3320 Kemper, San Diago 92110.
Bee, Carlos [2]	Teacher (D)	13	44	3152	5 7380	22734 Main St., suite 1, Hayward 94541.
Belotti, Frank P.[3]	Farmer (R)	2	21	5156	5-8360	Post office box 1025, Eureka 95501.
Berrybill, Clare L.[3]	Rancher (R)	30	48	4146	5-8570	112 Needham Ave., Modesto 95354.
Beverly, Robert G.[1]	Attorney (R)	46	15	319	5-1720	1611 S. Pacific Coast Highway, Redondo Beach 90277.
Biddle, W. Craig [1]	do	74	6	2128	5-2390	6370 Magnolia Ave., suite 211, Riverside 92506.
Brathwaite, Yvonne W. (Mrs.)[4]	Attorney (D)	63	29	4177	5-7321	4036 Buckingham Rd., Los Angeles 90008.
Briggs, John V.[1]	Insurance broker (R)	35	34	2165	5-7448	1400 N. Harbor Blvd., suite A, Fullerton 92632.
Britschgi, Carl A.[2]	Farmer and realtor (R)	26	22	3098	5-8188	2025 Broadway, Redwood City 94063.
Brown, Willie L., Jr.[5]	Attorney (D)	18	25	5150	5-8077	666 Octavia, San Francisco 94102.
Burke, Robert H.[1]	Engineer (R)	70	73	4013	5-8377	17732 Beach Blvd., suite G, Huntington Beach 92647.
Burton, John L.[5]	Attorney (D)	20	79	5144	5-8505	350 McAllister St., San Francisco 94102.
Campbell, William [1]	School administrator (R)	50	50	5168	5-7783	101 South 2d St., La Puente 91744.
Chappie, Eugene A.[3]	Rancher (R)	6	9	3173	5-7298	State Capitol, room 3173, Sacramento 95814.
Collier, John L. E.[1]	Businessman (R)	54	13	3130	5-7234	1109 Fair Oaks Ave., South Pasadena 91030.
Conrad, Charles J.[1]	Motion pictures and television (R)	57	31	3146	5-4383	13440 Ventura Blvd., Sherman Oaks 91403.
Cory, Kenneth [1]	Businessman (D)	69	51	2167	5-7446	Post office box 4384, Anaheim 92803.
Crandall Earie P.[5]	Full-time legislator (R)	25	58	2151	5-7874	760 North 1st St., San Jose 95112.
Crown, Robert W.[3]	Attorney (D)	14	1	2140	5-8160	1111 Jackson St., room 7018, Oakland 94607.
Cullen, Mike [4]	Lawyer (D)	44	26	2184	5-7454	444 West Ocean Blvd., Long Beach 90802.
Davis, Pauline (Mrs.)[3]	Full-time legislator (D)	1	68	4148	5-7266	Post office box 1071, Portola 96122.
Deddeh, Wadie P.[3]	Teacher (D)	77	53	2016	5-7556	240 Woodlawn, suite 8, Chula Vista 92010.
Dent, James W.[2]	Educator (R)	10	74	3138	5-8528	89 John Glenn Dr., Buchannan Field, Concord 94520.
Duffy, Gordon W.[3]	Optometrist (R)	21	49	5163	5-2931	208 North Douty, room 202, Hanford 93230.
Dunlap, John F.[2]	Lawyer (D)	5	56	4017	5-8498	1221 Monterey St., Vallejo 94590.
Fenton, Jack R.[1]	Attorney (D)	51	41	5136	5-8133	1601 West Beverly Blvd., Montebello 90640.
Fong, March K. (Mrs.)[5]	Educational consultant (D)	15	40	2198	5-7632	10 East Mont Mall, Oakland 94605.
Foran, John Francis [5]	Attorney (D)	23	16	3132	5-8253	350 McAllister St., San Francisco 94102.
Garcia, Alex P.[4]	Full-time legislator (D)	40	80	6005	5-7533	Douglas Bldg., 257 South Spring St., Los Angeles 90012.
Gonsalves, Joe A.[1]	do	66	10	4158	5-7575	12340 East Firestone Blvd., suite 7, Norwalk 90650.
Greene, Bill [4]	do	53	38	3123	5-7498	8563 South Broadway, suite 210, Los Angeles 90003.
Greene, Leroy F.[3]	Civil engineer (D)	3	24	4121	5-7807	State Capitol, room 4121, Sacramento 95814.

Hayes, James A.[4]	Attorney (R)	39	61	2126	5-2778	666 East Ocean Blvd., Long Beach 90802.
Hom, Tom[3]	Businessman (R)	79	59	6009	5-7610	Bank of America Bldg., suite 739, 625 Broadway, San Diego 92101.
Johnson, Harvey[1]	Attorney (D)	58	63	4116	5-7333	11001 East Valley Blvd., El Monte 91732.
Johnson, Ray E.[1]	Real estate (R)	4	46	1411	5-8343	352 Valiombrosa Ave., Chico 95926.
Karabian, Walter J.[1]	Attorney (D)	45	62	2176	5-1670	Garfield Bank Bldg., 231 W. Garvey, Monterey Park 91754.
Ketchum, William M.[3]	Farmer (R)	29	64	4098	5-7795	Post office box 2345, Bakersfield 93303.
Knox, John T.[4]	Attorney (D)	11	2	2114	5-7890	3803 MacDonald Ave., Richmond 94805.
Lanterman, Frank[1]	Land developer (R)	47	4	3120	5-8211	106-A South Los Robles, Pasadena 91101.
Lewis, Jerry[1]	Life underwriter (R)	73	78	6097	5-7552	3972 North Waterman Ave., San Bernadino 92404.
MacDonald, Ken[1]	Businessman-legislator (D)	37	20	4149	5-7402	1903 East Main St., Ventura 93001.
MacGillivray, W. Don[3]	General contractor (R)	36	71	6003	5-4843	Studio 117, El Paseo, Santa Barbara 93101.
McCarthy, Leo T.[5]	Attorney (D)	19	70	4001	5-2106	350 McAllister St., San Francisco 94102.
		64	23			
Milias, George W.[2]	Rancher and hotel operator (R)	22	27	4171	5-8305	405 Alberto Way, Los Gatos 95030.
Miller, John J.[5]	Attorney-legislator (D)	17	66	4112	5-7442	6565 Shattuck Ave., Oakland 94609.
Mobley, Ernest N.[3]	Farmer (R)	33	54	4005	5-8514	600 W. Shaw, suite 210, Fresno 93704.
Monagan, Bob.[3]	Insurance agent (R)	12	76	3164	5-8494	406 Bank of America Bldg., Main and Sutter Sts., Stockton 95202.
Moorhead, Carols J.[3]	Attorney (R)	43	39	5130	5-8364	420 N. Brand Blvd., suite 404, Glendale 91203.
Moretti, Bob[1]	Legislator (D)	42	48	5119	5-8424	12444 Victory Blvd., suite 401, North Hollywood 91606.
Mulford, Don[5]	Insurance broker and agent (R)	16	5	3143	5-7554	2150 Franklin St., Oakland 94612.
Murphy, Frank, Jr.[3]	Attorney (R)	31	57	2188	5-8496	Post office box 634, Santa Cruz 95060.
Porter, Carley V.[4]	Full-time legislator (D)	38	12	2148	5-6047	1717 N. Long Beach Blvd., Compton 90221.
Powers, Walter W.[3]	Attorney (D)	8	14	4140	5-7464	Post office box 15265, Sacramento 95813.
Priolo, Paul[4]	Retailer (R)	60	60	5175	5-8366	12121 Wilshire Blvd., room 105k Los Angeles 90025.
Quimby, John P.[1]	Radio announcer (D)	72	37	5158	5-7440	227A S. Riverside Ave., Rialte 92376.
Ralph, Leon[4]	Full-time legislator (D)	55	69	2169	5-4011	1922 E. 103d St., Los Angeles 90002.
Roberti, David A.[4]	Attorney (D)	48	47	4168	5-7587	2904 Rowena Ave., Los Angeles 90039.
Russell, Newton R.[5]	Insurance (R)	62	42	4144	5-8292	3507 W. Magnolia Blvd., Burbank 91505.
Ryan, Leo J.[5]	Teacher (D)	27	30	6001	5-8020	308 Linden Ave., South San Francisco 94080.
Schabarum, Peter F.[1]	Businessman (R)	49	32	5164	5-9234	573 S. Barranca, Covina 91722.
Sieroty Alan[4]	Attorney (D)	59	35	4155	5-7928	1144 S. Robertson, suite 3, Los Angeles 90035.
Stacey, Kent H.[3]	Pharmacist (R)	28	75	5160	5-8490	Post office box 2232, Bakersfield 93303.
Stull, John[3]	Retired Navy commander (R)	80	72	4134	5-7444	714 2d St., Encinitas 92024.
Thomas, Vincent[4]	Legislator (D)	68	11	4126	5-7906	255 W. 5th St., San Pedro 90731.
Townsend, L. E.[1]	Full-time legislator (D)	67	67	4164	5-7278	15225 S. Western Ave., Gardena 90249.
Unruh, Jess[4]	Economist (D)	65	7	5126	5-3134	3412 W. Century Blvd., Inglewood 90303.
Vasconcellos, John[3]	Lawyer (D)	24	52	4009	5-4253	100 W. Rincon Ave., Campbell 95008.
Veysey, Victor V.[3]	Rancher (R)	75	45	3112	5-7931	141 S. 6th St., Brawley 92227.
Wakefield, Floyd L.[1]	Businessman (R)	52	77	4160	5-7852	7340 E. Florence Ave., Suite 229, Downey 90240.
Warren, Charles[4]	Attorney (D)	56	36	5122	5-7644	1411 W. Olympic Blvd., Los Angeles 90015.
Waxman, Henry A.[4]	do	61	65	2196	5-7511	5208 W. Pico Blvd., Los Angeles 90019.
Wilson, Pete[3]	Attorney (R)	76	3	4130	5-6161	233 A St., suite 1009, San Diego 92101.
Wood, Bob[3]	Farmer (R)	34	56	4098	5-7486	32 E. Alisal, Salinas 93901.
Z'berg, Edwin L.[3]	Attorney (D)	9	28	3104	5-8368	1501 West Capitol Ave., West Sacramento 95691.
Zenovich, George N.[3]	do	32	8	5016	5-7558	Security Bank Bldg., suite 1310, 1060 Fulton Mall, Fresno 93721.

[1] Los Angeles Metropolitan Suburban.
[2] San Francisco Metropolitan Suburban.
[3] Rest of State.
[4] Los Angeles Metropolitan Central City.
San Francisco Metropolitan Central City.

MEMBERS OF THE CALIFORNIA SENATE, NAMES, ADDRESSES, OCCUPATIONS

Name	Occupation and party	District	Capitol office	Capitol telephone	Counties	District address
Alquist, Alfred E.[1]	Transportation supervisor (D)	13	5031	5-9740	Santa Clara	777 North 1st St., San Jose 95112.
Beilenson, Anthony[2]	Attorney (D)	26	5072	5-7114	Los Angeles	1122 S. Robertson Blvd., suite 14, Los Angeles 90035.
Bradley, Clark L.[1]	Attorney (R)	14	5095	5-3104	Santa Clara, Alameda	509 First National Bank Bldg., San Jose 95113.
Burgener, Clair W.[3]	Realtor (R)	38	5091	5-3731	San Diego	8690 Center Dr., suite 3, La Mesa 92041.
Burns, Hugh M.[3]	Savings and loan insurance (D)	16	3048	5-9600	Fresno	Post office box 748, Fresno 93712.
Carrell, Tom[4]	Businessman (D)	22	4086	5-3121	Los Angeles	753 San Fernando Rd., San Fernando 91340.
Collier, Randolph[3]	Title business (D)	1	3086	5-4641	Del Norte, Humboldt, Lake, Mendocino, Siskiyou, Sonoma, Trinity.	206 4th St., Yreka 96097.
Cologne, Gordon[3]	Attorney (R)	36	3070	5-9781	Riverside, San Bernardino	Post office drawer 1270, Indio 92201
Coombs, William E.[4]	Attorney (R)	20	5053	5-6868	San Bernardino	Post office box 146, Rialto 92376
Cusanovich, Lou[4]	Full-time legislator (R)	23	3074	5-8873	Los Angeles	Suite 304, 14921 Ventura Blvd., Sherman Oaks 91403.
Danielson, George E.[2]	Attorney (D)	27	4062	5-7520	do	112 State Bldg., 217 W. 1st St., Los Angeles 90012.
Deukmejian, George[2]	Attorney (R)	37	2057	5-4961	do	320 Fidelity Federal Plaza, E. Ocean Blvd., Long Beach 90802.
Dills, Ralph C.[2]	Attorney (D)	32	4047	5-5953	do	529 West 8th St., San Pedro 90731.
Dolwig, Richard J.[1]	Attorney (R)	12	3056	5-6721	San Mateo	Crocker Citizens Bank Bldg., 181 2d Ave., San Mateo 94401.
Dymally, Mervyn M.[3]	Teacher (D)	29	2082	5-2104	Los Angeles	Old State Bldg., suite 113, 217 West 1st St., Los Angeles 90012.
Grunsky, Donald L.[3]	Attorney (R)	17	5052	5-5843	Monterey, San Benito, San Luis Obispo, Santa Cruz.	Post office box 1186, Watsonville, 95076.
Harmer, John L.[4]	do	21	4081	5-5976	Los Angeles	401 North Brand, suite 726, Glendale 91203.
Kennick, Joseph M.[2]	Insurance securities representative (D).	33	2048	5-5581	do	110 Pine Ave., suite 606, Long Beach 90802.
Lagomarsino, Robert J.[3]	Attorney (R)	24	5080	5-5405	Ventura, Santa Barbara	21 South California St., Ventura 93001.
Marks, Milton[5]	do	9	2070	5-1412	San Francisco	Room 2045, State Bldg., 350 McAllister St., San Francisco 94102.

Marler, Fred W., Jr.[3]	do	2	4072	5-3456	Butte, Colusa, Glenn, Shasta, Solano, Sutter, Tehama, Yolo, Yuba.	Post office box 2297, Redding 96001.
McCarthy, John F.[1]	General contractor (R)	4	5050	5-3375	Marin, Solano, Napa	1299 4th St., room 205, San Rafael 94901.
Mills, James R.	Educator (D)	40	4090	5-6767	Imperial, San Diego	Suite 341, U.S. Grant Hotel, 326 Broadway, San Diego 92101.
Moscone, George R.[5]	Attorney (D)	10	3082	5-5981	San Francisco	540 Van Ness Ave., room 209, San Francisco 94102.
Nejedly, John A.[1]	Attorney (R)	7	2074	5-6083	Contra Costa	1393 Civic Dr., Walnut Creek 94590.
Petris, Nicholas C.[5]	Attorney (D)	11	2062	5-6577	Alameda	1111 Jackson St., Oakland 94607.
Richardson, H. L.[4]	Advertising (R)	19	3063	5-3688	Los Angeles	735 West Duarte Rd., suite 304, Arcadia 91006.
Rodda, Albert S.[2]	Teacher (D)	5	4048	5-5788	Sacramento	Room 4048, State Capitol, Sacramento 95814.
Schrade, Jack[3]	Rancher-businessman (R)	39	5100	5-3952	San Diego	1904 Hotel Circle, San Diego 92110.
Sherman, Lewis F.[5]	Attorney (R)	8	4057	5-6671	Alameda	Room 1015, 1111 Jackson St., Oakland 94607.
Short, Alan[3]	Attorney (D)	6	4076	5-5215	Sacramento, San Joaquin	2626 North California St., Stockton 95204.
Song, Alfred H.[4]	do	28	2054	5-3386	Los Angeles	2337 South Garfield, Monterey Park 91754.
Stevens, Robert S.[2]	Attorney (R)	25	4031	5-6747	do	1245 Glendon Ave., Los Angeles 90024.
Stiern, Walter W.[2]	Veterinarian (D)	18	2086	5-6637	Kern, Kings	930 Truxtun Ave., room 201, Bakersfield 93301.
Teale, Stephen P.[3]	Physician and surgeon (D)	3	5082	5-2407	Alpine, Amador, Calaveras, El Dorado, Lassen, Modoc, Nevada, Placer, Plumas, Sierra, Stanislaus, Tuolumne.	Room 5082, State Capitol, Sacramento 95814.
Walsh, Lawrence E.[2]	Businessman (D)	30	5061	5-6517	Los Angeles	6055 East Washington Blvd., suite 629, Commerce 90022.
Way, Howard[3]	Legislator (R)	15	4032	5-6477	Fresno, Inyo, Madera, Mariposa, Merced, Mono, Tulare.	Post Office box 724, Exeter 93221.
Wedworth, James Q.[2]	Businessman (D)	31	5046	5-2848	Los Angeles	8404 South Crenshaw Blvd., Inglewood 90305.
Whetmore, James E.[4]	Attorney (R)	35	5070	5-4264	Los Angeles, Orange	13163 Brookhurst, Garden Grove 92640.
(Vacancy)[4]		34	4089	5-5831	Orange	

[1] San Francisco Metropolitan Suburban.
[2] Los Angeles Metropolitan Central City.
[3] Rest of State.
[4] Los Angeles Metropolitan Suburban.
[5] San Francisco Metropolitan Central City.

Chairman BOLLING. Mr. Reuss, questions?

Representative REUSS. Thank you, Mr. Chairman.

Mr. Bebout, needless to say, I find myself very much in agreement with you.

Would you agree that a conjunction of unrelated events may make it possible politically in the next few years to achieve some kind of reform of the Federal system along the lines you described, in which the States are revitalized and the States are induced to exercise their frequently unexercised powers to come to the rescue of local and regional government, and that among these events are the increasing disorganization of local government, particularly in metropolitan areas; second, the increasing burden of regressive taxes, particularly the local property tax, which means that fiscal help has to come from some broader and higher level; third, the fact that the administration's revenue-sharing proposal has really been postponed, though not formally, by the administration's own actions with respect to the economy in causing the stagnation which, on the administration's own plan, is going to exist until about 1973; and finally in view of the rather languid timetable for our disengagement in Vietnam, there just does not seem to be any peace and growth dividend big enough to fund a decent revenue-sharing program until 1974 or 1975. That being so, that goes give us, if we start it now, a little leadtime to try to get the States and the localities to address themselves to some of the problems set forth in your excellent prepared statement.

Thank you for your patience. Would you agree with this general political hunch of mine that maybe some unrelated events make reform and modernization of State and local government more possible than would otherwise have been the case?

Mr. BEBOUT. Yes, I do. In fact, I am obliged to agree with that because it is on what my hope—which is not necessarily too firm a hope, but a real one—for the future orderly evolution of our system rests. I do think, however, that the next 10 to 15 or 20 years are going to be crucial in this matter and that if this hunch or collection of hunches does not prove out, we are going to have to put up with a much more radical revision of our system by events. I am hoping, incidentally, that this lead time, this extra time that you have pointed out that we have, will also bring the national Government to recognize that it must play a much stronger role in creating an economic and political climate in which the States will be encouraged or prodded into the kind of action we are talking about.

When I first heard about revenue-sharing, I was horrified, because I said that will simply enable the politicians in my State to say, "Goody, goody, we do not need to have a sales tax." Well, we have a sales tax now, and if this is put off long enough, New Jersey will have an income tax, too.

Representative REUSS. May I continue, Mr. Chairman.

Chairman BOLLING. Of course. You have an unlimited amount of time.

Representative REUSS. I am addressing myself to Mr. Bebout. You used the term "regional governance" in your presentation a good deal. Had you said metropolitan government, I would have, I am sure, understood and agreed thoroughly with what you are saying. And

maybe there is no disagreement between us. I cannot see much need for regional government in this country over and beyond a solution to the metropolitan governmental problem. There your listing of different ways of getting at it is, I think, excellent. But once you get beyond metropolitan areas, do we need in this country—and assuming we keep the 50 States—do we need very many general-purpose regional governments? It seems to me that while you do have regional nonmetropolitan transportation problems, in most cases, the State ought to be handling those on a subregional basis.

There are, of course, TVA's and special natural resources regions, but in my judgment, where the problems that are crying for a regional solution are located is in metropolitan areas.

My question, then, is could you not have used the word "metropolitan" rather than "regional" and maybe had a little concluding paragraph saying that there may be need for regional governments in nonmetropolitan areas, but it certainly is not general and universal? After you have answered, I am going to put the same question to Mr. Alexander and ask for comments.

Mr. BEBOUT. No; you are correct. I am afraid my use of the word "regional" was partly out of deference to some of the instructions we got from the committee, in which it was suggested that we ought not to confine ourselves to urban or strictly urban problems. At least, this is the way I interpreted one of the memorandums.

I do think that there may well be areas in the country in which experiments—other than metropolitan areas—in which experiments in regional government might be in order. Now, looking at this map—this is Mr. Burton's prepared statement—let's assume for the sake of argument that we were able to set up regional governments in the metropolitan areas that he has delineated here. I conceive in my mind's eye other regions in the country that could call for some kind of regional governance. But I think we are essentially in agreement.

Representative REUSS. Thank you.

Mr. Alexander, do I need to repose the question?

Mr. ALEXANDER. No. My understanding was in the context of Mr. Beboult's. I understood metropolitan area or other areas where there were rather complex mixes of urban jurisdictions.

May I reply to your question about the States?

Representative REUSS. Yes.

Mr. ALEXANDER. We talk about revenue sharing as if we have to wait to start the process until such time as we have the end of the war or some major new source of funds. The fact of the matter is that I think that the Federal Government could look at the great array of programs that it has and see where in that array of programs it could loosen the controls enough so that in effect, you are giving States money without the same extent of control as required now, you could give States freedom to move in meeting their own local needs. Let me give you an example.

Representative REUSS. And I might add, the District of Columbia.

Mr. ALEXANDER. I will second the motion about six or seven times, if you like, sir. But let me use the Model Cities program as an example

of how I believe the Federal Government should not operate in this connection.

First of all, you should understand that I was in the California Governor's office when the Model Cities program came down the pike. We were asked to look at it. And we looked at it. We sent comments back to Washington and we said in effect—several things, but two things we made in a particularly strong point of. One was that we thought that the program had a major defect, because indeed, if it were trying to move cities toward a more enlightened, aggressive, capable system of social, economic, and physical planning and operations, it should recognize that cities were in States and that States had tremendous resources, that most Federal money goes through States and that States provide most of the support for domestic areas and that the States should have been built into the Model Cities program with some "carrot" for States built into it, so that indeed, we started to build model States in support of their cities. We thought this was a major defect.

On the revenue sharing part of it, from our point of view, the proposed law meant to us that the supplementary money to be provided by the Department of Housing and Urban Development for the cities throughout the country would be in effect delivered in a manner like unto the Federal sharing of money, in which the cities would be able to move freely within that money and flexibly within their areas. I noticed within the past 2 weeks, the administration is now talking about certain cities getting close to revenue sharing with supplementary money.

I would suggest as with regard to the model cities program, with the great array of other programs, that we see where there could be conversion to a revenue-sharing-like approach. It would be worthwhile.

Representative REUSS. I would surely agree with what you said and what the administration is apparently doing on model cities in a number of selected cities. However, zero plus zero is still zero. There is so little money in model cities now that I cannot see it, even with rational administration, having enough leverage to accomplish very much. But maybe we have to be grateful for small favors in the interim.

Mr. ALEXANDER. I understand your point, sir, but the fact is there are two questions about money. One is the method of handling it and the other is getting it. I was just suggesting that the process of working with this money is something the States have to learn. And such a process would give them flexibilty.

Representative REUSS. A question for Mr. Burton.

What does your vision of the future, if your proposal came into being, looked like in terms of the States of the Union? Let me say that I am not a bit abashed by your coming in with a radical program. That is what we want here. It does not answer your proposals to say, Well, it would take a constitutional amendment and the States would have to give up what is now their's. But I would be interested in what is it all going to look like? Would there be, God forbid, States of Boswash and San-San and Chikosh and all those sorts of things, and country States around them?

Mr. BURTON. I must confess that my vision has not taken me to 100 or 200 years hence. It would be more a question of what we would have now. I think that given the present set of consolidated metropolitan regions of the United States, the number of States may increase from 50 to something around the area of 75 to 85 States.

Representative REUSS. You would, then, if you had, if you were pressed right now—it may be a little unfair to press you right now—you would say keep all or most all of the existing 50 States? You probably could not get rid of them even if you decided you wanted to, but carve out 10 or 15 or 20 or 25 metropolitan interstate and intrastate areas?

Mr. BURTON. Yes, sir.

Representative REUSS. Well, that is a vision.

Thank you for the moment.

Chairman BOLLING. Mr. Burton, maybe you or someone else in the group of witnesses can answer this question. Let's say, and I mean to speak in very rough terms, I share Mr. Reuss' view or views at least to the extent of not being the least bit shocked by your proposal. Clearly, we need to look at the whole range of possible courses of action in the hope that this time, we will come up with a series of actions and results that will have some relationship to the present probable reality of the future. So that I am delighted that you have come up with a proposition that is somewhat different, at least, than most of the others.

But the thing that occurs to me, coming from a wholly urban district, in which, if you have a knowledgeable understanding of statistics, you can read about the regional farm prosperity by studying the sales figures, the retail sales figures in our department stores. And I am sure that this is true of a variety of metropolitan areas—maybe none of the ones that you have in mind, but a variety of smaller metropolitan areas. The impact of people from other States is marginally very important. What I would like to start with is if we took out of the United States 25 more States, let us say, which were metropolitan States, what proportion of the present population of the United States would you take out and what proportion of the wealth and tax base would we take out?

Mr. BURTON. We would take out a considerable portion of each.

Chairman BOLLING. Would we not take out a majority of each?

Mr. BURTON. I think so.

Chairman BOLLING. That leaves me not in an adversary attitude but in a querying attitude. What do we do about the viability of the rest?

Mr. BURTON. The nonmetropolitan States?

Chairman BOLLING. Yes. How are they going to be viable—the fix we have today, and there is no argument about that, at least in my knowledge, is that we have today a political situation—historic, complicated, and vexing—which leaves the cities or a theoretical metropolitan area incapable of coping with their problems. That is because the political control comes from outside and it has a bias toward the nonmetropolitan population, the light population density areas. I think that is one way of putting it. If I am wrong, correct me.

Mr. BURTON. Not at all.

Chairman BOLLING. You are seeking to redress that balance, and I think it is important to have such a proposition. I am wondering where we end up if even though we leave residual political control substantially as it is now, we abstract from the present States the people and the wealth and the capacity to produce wealth to a very substantial degree and leave out the people who contribute so importantly, but marginally, to the well-being of the people in those metropolitan areas.

Do you follow me?

Mr. BURTON. Yes, I follow you. I have given considerable thought to this.

Chairman BOLLING. I imagined you have. That is why I started with you.

Mr. BURTON. I think there would continue to be a considerable residue of taxable wealth in the nonmetropolitan areas of the country. Clearly, their public service requirements are not nearly as high as those of the more metropolitanized areas. Nonetheless, I think they would obviously suffer some fiscal disparities under the proposed plan that I have put forth. Here again, I can only suggest that the metropolitan-nonmetropolitan balance would probably constitute a national interest and concern. They would have to make any regional adjustments, if those were necessary.

Chairman BOLLING. Well, in a slightly different direction now—I am sorry Mr. Reuss is not here—but there is an apparent agreement that we will solve the problems of the country if we solve the metropolitan problems. I cannot believe that that is so, that there was such an agreement. At least, that is what I understood Mr. Reuss to be talking about—because actually, the metropolitan problems of today are the rural problems of yesterday. I do not think there is any possible assurance that the condition that exists today of dying central cities—and dying is a fair word in most areas—incapable of functioning in human terms, surrounded by suburbs which temporarily have—and temporarily, I am sure is correct—have an advantage taxwise and otherwise, livingwise. I see no reason on earth to believe that that is a pattern that is going to maintain itself. It seems to me that every political pressure is in the opposite direction. Now, if by any chance my farout position is correct, I think that anybody who reads history would agree that it is highly unlikely that we are going to have a static situation with regard to our present composition—I could adduce a variety of support to that, I believe—what sense does it make then to go to further rigidity, a limiting rigidity of dealing with metropolitan areas as opposed to regions which, from the point of view of resources, have an existence, whether they are recognized today or not?

For example, you can take all the metropolitan areas you want and cut it up into any theory that you want, but you simply are not providing for the kind of recreation that people want. You cannot provide recreation unless you provide for the kind of control of the use of those recreational areas that is not destructive. How can you get away from planning for, first, totality, the Nation, and then secondly, the subdivisions of the Nation, which include all of the things that people who live in particular areas participate in? Only a few years ago, they were building dams in my area, which is a region, on an idiotic basis, and we continue to spend hundreds of billions of dollars on a highly imperfect program, the so-called Big Slogan program. Twenty years ago, we built those dams without any concern for recreation.

I hope I have misunderstood what has been said, but how can you get away from, first, a national approach, and secondly, a regional approach? How can you indulge in the luxury of jumping to the metropolitan area? That is not directed to anybody in particular. It is directed to all of you. I do not care, anybody who wants to can start showing me that I am all wrong.

Mr. BURTON. I do not think you are at all. I do not know if you are familiar with Tugwell's recent proposal, his constitutional provision. I think it is more in line with what you have suggested. He would go to a system of something like 20 States. He would reduce the number of States.

Chairman BOLLING. I do not happen to have read that particular work, but I know enough about Mr. Tugwell's thinking to know pretty well what is in it. It is a very interesting proposition, just as yours is. It does do, and I say this without, for a moment, derogating the remarkable work that Mr. Tugwell has done over a period of time, it does do, as he has sometimes done before, make one of those great leaps without any particular consideration of the political problems. I think there is less consideration of the political problem in his concept than there is in yours.

We are really having these hearings in terms not of a specific notion as to how we should do this finally, but with a very specific notion of what the problem is. The specific notion of what the problem is is that we have a whole country which is not working and it is not working in large part because of the way it is structured, governmentally and otherwise.

Mr. ALEXANDER. Mr. Chairman, there are two questions, really, I guess: No. 1, whether we are in favor of ever carving out sections of States and making them separate governmental entities themselves out of the State. I want to make sure that I am not sitting here and saying that I espouse that theory.

Chairman BOLLING. I am not saying that anybody espouses that except the gentleman who has.

Mr. ALEXANDER. The one concern I have essentially is this, that in any metropolitan area, such as, for example, this area, you have a number of jurisdictions, cities, concentrations, business districts, people, labor force, suburban area—in which to some degree, there is a common interest of the metropolitan area in what exists throughout—domestic peace, an even level of availability of housing, an adequate transportation system for the area, the right kind of services throughout the area so that the aged and the poor all do not descend into one small portion of it and create the ghettos of tomorrow. Those are the problems that confront any metropolitan area. What I am saying quite simply is that a metropolitan area or metropolitan region, whatever terminology you want to use, has to have the organizational capacity to deal with those problems. I think this can be done in the context of a State as it presently exists. I think also, you have to consider the need for possibly Federal legislation or interstate compacts, so that where the metropolitan areas do overlap among States, you can create this kind of a planning and coordinating system I am talking about. This is a different matter, however, than the proposal Mr. Burton has.

Chairman BOLLING. Mr. Bebout?

Mr. BEBOUT. I think if I believed it feasible, I would be more inclined to go the Tugwell route than the Burton route. You will recall, of course, that during the depression, the National Resources Planning Board dreamed about the possibility of gradually replacing the States with more rationally established regions. As I used to tell my classes in government in those days, if you picked up the map of the United States and lifted it high in the stratosphere and let it drop, it surely would not crack along the then 48 State lines.

I guess as I have grown older, I have speculated less about this sort of radical reform, mainly because I just do not think it is going to happen. I think the 50 States are here to stay although I have often said in my home State of New Jersey, of course, that if New Jersey could be abolished, it never would be missed. A great mistake was made by Queen Anne when she took the wrong advice. One counselor in 1602 advised her to give eastern New Jersey to New York and western New Jersey to Pennsylvania. If she had taken that advice, a lot of trouble would have been saved. You can say similar things about quite a number of other States, but I speak of New Jersey with the license of one whose ancestors have lived in New Jersey since the 17th century.

Now, I have serious doubts about Mr. Burton's proposal, pretty much for the reasons that you have suggested. I notice, for example, that the New York area here on the map does not include the Catskill or Adirondack State forests. The reason for the "forever wild" provision in the New York State constitution which protects those forests against ski runs and highways and so on except by constitutional amendment is that the people of the Bronx always come out and vote against constitutional amendments that would impinge upon those State forests. The State forests are not there for the benefit of the few farmers in the area. They do not like the idea that these forests are so restricted. They are for the benefit of the urban population nearby.

Similarly, I remember Governor Hoff saying on several occasions that Vermont can't be understood except as a suburb of New York, Boston, and Montreal.

Let me remind you of the report of the President's Commission on Rural Poverty, "The People Left Behind," which I have often said seemed to me to be one of the best reports on the urban problems of the United States that has ever been put out by an official agency. This is because it deals with the subject in system terms and recognizes the interdepencence of the rural and the urban parts of the country. I would suggest that while I do not think, as I indicated to Congressman Reuss, that we are likely to need genuine regional governments except in metropolitan areas, I do agree with that report, that the development of administrative regionalism, as we have in the development regions, should be in terms of a combination of rural and urban areas. For example, the attempt in the Appalachian region to factor out the highly urbanized areas and the more prosperous areas and bound this region just as an area of poverty was, in my judgment, a mistake, because it left a truncated sort of region. I think the New England region makes more sense, because it takes in all elements of the New England community.

Chairman BOLLING. Now, on this point, really the problem always turns out to be as political as any realistic discussion of the proposal once made, I guess, by Senator Fulbright, that we really should work to turn this Government into a parliamentary form. That was made a long time ago and elicited a rather strong comment from the then President.

What is the political route that seems most feasible toward accomplishing most quickly—and I am using "most" a good many times—a moderate amount of progress in the direction of governments which can deal with the problems that now present themselves to the Nation? One must say very hastily again that those problems are far from exclusively metropolitan problems. It may be that people who live in metropolitan areas cause a lot of those problems. But the problems of the environment are not confined to the metropolitan area. Our capacity to destroy recreational facilities in this country is almost unbelievable. Makers of beer may go down in history for that reason more than for the quality of their beer. And in my district, there is produced some beer, so I am not indulging in one of those political pleas and cries which affects only others.

How do you get politically from where we are to any one of the approaches that the various witnesses we have had before us have discussed? You have not had an opportunity to hear those discussions or necessarily to read prepared statements. But what is the one place, if any, where you have a real possibility of not forcing but bringing about a change that will have significant impact in the relatively near future? I happen to believe that if we do not master the problem within the next 5 or 10 years, it will result in so much disorder that we will not be able to master it later.

What is the political route? How do you go about doing this? Who takes the leadership? I am not talking about politics in any partisan sense, of course.

Mr. BEBOUT. I will respond first, if you will. I think it has to be national leadership. In other words, I think we have to engage the national constituency. Unfortunately, State constituencies are, in too many cases, too limited, too lacking in balance to be fully viable political communities. I think the fact that New York is probably the strongest and in many ways the best-governed State is simply a tribute to the fact that it is large enough, has a big enough population, is wealthy enough to be an independent nation in a different context.

Chairman BOLLING. New York City has great difficulty in its relationship to the State.

Mr. BEBOUT. That is right.

Now, I see no hope for the sort of pulling up of the State socks that I have suggested unless more national leadership and inducements and prodding are offered rather than less. I must confess, and this is not a political observation, that I am a little concerned about the so-called new federalism, because it seems to me that too much of the motivation of it is a plea in confession in avoidance that just rests on vain hope that somehow if you tell the States to shape up and do what they had ought to do, Uncle Sam will be less bothered. Of course, this is not going to happen. It is going to happen only if Uncle Sam does more about it.

Now, one of the things that encourages me is the fact that I know of no time in history when so many people have shown so much constructive concern about the States as they do now, or so many national organizations, including old established organizations like the National Municipal League, the Chamber of Commerce of the United States, the League of Women Voters, and newer ones like the Citizens Conference on State Legislature and, hopefully, Common Cause, one of the three main thrusts of which will be, as I understand it, directed toward reforming the State institution or State-local system.

I think this is very significant and could not have been predicted a few years ago.

I am also hopeful that despite secular ups and downs in the Federal commitment, the trend, which started, I guess, with the inclusion of 701 in the Housing Act of 1954, toward greater Federal concern and support for institutional development at the State-local level, will continue to mount. I remember that when I was a consultant of the Kestnbaum Commission, Professor Anderson of the University of Minnesota suggested that we ought to write up a proposal to the effect that no Federal money would be granted to local governments in a metropolitan area and maybe no Federal money would be spent there for construction purposes unless the area had an effective regional planning mechanism. I asked him, do you mean not just regional planning, do you mean that there must be back of this some sort of government that would carry it out? And he said yes, he guessed he did.

Of course, the Kestnbaum Commission was not ready to buy that, but we have moved much further in the direction of that since than I would have anticipated at the time.

Chairman BOLLING. Even in the field of pollution, we have taken some little steps that are relatively minor punishments for a community that does not live up to the Federal provisions on pollution of water.

Is there any disagreement on the part of other members of the panel that a stronger—I am not committing myself to any particular solution, but a stronger lead need be given by the Federal Government both in terms of political leadership, but also in terms of resource availability in some fashion or another?

Mr. ALEXANDER. I would certainly concur, Mr. Chairman, that it is going to take strong political leadership to move to the concept we are talking about. I think that frankly, to repeat the point I made earlier, we have an example of relative success in this area, despite the fact that it has been plagued with problems. I think that the model cities program that was enacted by the Congress has done more to advance good, effective planning in cities than any other program I have heard of. A carrot was offered the cities who would qualify and would agree to what had initially been hoped would be rather loose guidelines.

Chairman BOLLING. Of course, you know that like many good Federal programs, that was put through without good understanding.

Mr. ALEXANDER. And it was developed with sometimes less.

Yes, sir; I know that. But the fact is that a carrot in similar form, offered to regional organizations that would endeavor to do a con-

structive job with an elected base, I think is a large part of the answer rather than negative restrictions.

One of the problems I had with 204, et cetera, is that they were talking about regional bodies making decisions on projects without the regional bodies having the political base or the staff base that would permit them to make decisions. That indeed is a tragedy.

Another example of a political-type project, the ACIR, Advisory Commission on Intergovernmental Relations, is certainly a broad-based group—conservative, liberal, all levels of government—since 1967 has been recommending that States adopt enabling legislation permitting cities to establish neighborhood units of subgovernment. Here is a flag somebody else could wave if we are going to try to move forward in other areas. It is going to take political movement—somebody to speak out strongly—really push politically. The problem that we essentially have is that there are many other causes that politicians will wave a flag for—environment right now is one. Unfortunately, organizational change has not been too politically attractive because it sounds abstract. You know, what does a neighborhood unit of subgovernment mean? It is hard to express. But political clout should be put behind it.

Don't you think so?

Mr. BEBOUT. I agree, subject to what I understood was your own proviso, that it would not become an independent or autonomous unit over which the city or the larger government would have no control. I think a good deal of power of initiative should be vested in these subunits. But nothing that they do should be immune to being overruled by the larger general government, which in effect is the relationship which I think ought to exist between State and local governments. I am thinking of the Jefferson Fordham home rule formula, which provides that local governments should have all power to—well, it is really the Texas City home rule system as construed by the courts—that the local government should have any power to legislate in its area that the State would have, but that it, of course, can't contravene any prohibitions in the State laws or constitution or be incompatible with any State law.

Chairman BOLLING. One final question to all of you. To accomplish any of the different proposals that have been before us, is there any conflict between the notion of our having—then I do not have the details—some kind of a national planning act which would provide for the establishment, with carrots—suitable carrots that I have not worked out in my head—which would provide for the establishment of regions, which could rank all the way from being one-State metropolitan regions—no, I will start smaller—which could range all the way from being a part of the city of New York, because I think there are some communities in the city of New York that might very well lend themselves to being a region for planning and action purposes—which would decentralize brutally the functioning of the planning and implementing of the plans, which would not provide for review beyond the Federal regional level, which would there provide only for review to the extent that it was accepted or rejected, and if rejected, then there would be a review at the national level? In other words, you would get away from this business of whatever happens down be-

low—not in all cases—whatever happens down below in any action that coordinates any program, the papers go up here to Washington.

I happen to be fortunate. I represent a town with regional offices. But the papers will go from city A over to State B to another city, perhaps accessible, perhaps not very accessible, where a proposal is initially reviewed and then, regardless of what the review says, it comes up to headquarters for approval. What I am trying to get at is a gross notion of a Federal umbrella which would lay down certain kinds of standards and demand certain levels of quality; which would leave a great deal of initiative and variety available; which would not have any doctrinaire notions as to what kind of boundaries a region must have as long as it made some kind of rational sense; which would be outlined in the planning act, and then which would brutally decentralize—in other words, which would deliberately take away from the king of that particular castel, the Secretary of the Department, or the head of the Bureau, who has sometimes more importance, the right to have control of everything that went on out in the country? Now, that is a very gross approach. I know the details are not in any way implemented. But what would be your initial reaction to something which is I think, in its own quiet way, and maybe not so quiet, as advanced as your proposal, although my proposal has been proposed many times before. It has just been forgotten.

Mr. BURTON. I can only quickly respond that any step in the direction of decentralization I would heartily endorse.

Chairman BOLLING. What do you think? Do you think that kind of thing would be the kind of thing that would be worth having before the Congress to hack at?

Mr. BEBOUT. I would certainly agree that it ought to be possible, subject to appropriate guidelines established in law, to make many substantial and final decisions at a lower level than they are often now made. Of course, maybe this would be taken care of by the guidelines, but I would be somewhat concerned about being too loose with regard to agreeing that any given region that might be defined by local initiative made sense. I am thinking now, for example, about the problem surrounding the Dallas-Fort Worth Regional Airport.

Chairman BOLLING. With which I unfortunately happen to be quite familiar.

Mr. BEBOUT. You probably know a good deal more about it than I do. But I am horrified at the way in which the local governments in the area are handling the zoning problem in the region. I was equally horrified, incidentally, until LTV fell on evil days and abandoned the plan to produce or to build another multistory building in Dallas that would, according to the pilots, have endangered air traffic into and out of Love Field.

Now, it seems to me that if you are going to decentralize decision-making in areas of this sort, it has to be decentralized on a fairly large regional basis. The city of Dallas is not big enough.

Chairman BOLLING. Absolutely.

Mr. BEBOUT. And certainly the city of Irving is not big enough.

Chairman BOLLING. I heartily agree with that. As a matter of fact, I state my proposition very gently because I have a rather violent opinion as to how incredibly badly small areas do deal with such

problems. That is the reason that I am cautious in even advocating it. But I am thinking fairly seriously about trying to draft relatively soon, but not too quickly, what would amount to a national planning act which would provide a very broad range of opportunity but which would be very careful to protect against the kind of local development abuse which is, after all, the fundamental cause of many of the problems which we have today.

Mr. ALEXANDER. Well, the problem I have is that I think that the experience cities and States have had with Federal programs aimed at achieving some degree of real impact on local communities in recent years has not been altogether good, so we look with suspicion when anybody says somebody at the Federal level is going to be saying that is the way you should do it, or this looks like it is a good idea.

Let me give you an example, Mr. Chairman. In city after city throughout the land you will find that the layering of Federal programs with their overlapping of interests, have tended to create rather organizational chaos.

Chairman BOLLING. That is an understatement.

Mr. ALEXANDER. Take, for example, one small portion of Washington called Shaw where we have the District government trying to coordinate programs for line agencies to get jobs done for people.

Under the OEO program we have an organization called UPO trained to coordinate poverty programs for people in the same area, another layer of staff and people and administration and money and control.

We have an organization called the People Involvement Corporation trying to coordinate certain kinds of programs.

We have the urban renewal programs which have gone far beyond physical planning only and they have their own citizen, staff and administration process.

And then we have the model cities program in there and different Federal Government bureaus disagree on their interpretation of what guidelines to use and what citizen involvement there should be.

So we look suspiciously at anybody saying we have a new coordinating package that will decentralize.

Chairman BOLLING. You would have no reason to know that I have this view or that this view has already been in this record once or twice, but I happen to believe that a fundamental blame for the failure to act effectively in the last number of years since we have recognized some of the problems which should have been evident to an idiot 35 years ago. They were evident to me as a college student in the South when I watched the migration out, that we were going to have this kind of problem.

I happen to believe very strongly that the reason for the disillusion among people, not among Government officials, in the cities and in the States is because of exactly the situation you describe. I also happen to have a very strong opinion as to the responsibility for it and it doesn't happen to lie, in my judgment, in the departments and bureaus of the executive. It lies in the fact that those departments and bureaus are for all practical purposes controlled by two masters.

One of the masters is the Chief Executive who is, under the Constitution, the only Executive, and whose assistants, the heads of depart-

ments, and so on, are nominally merely assistants, except where the Congress makes the mistake of giving them some kind of legal power that they shouldn't have. The problem of the disintegration of the Federal Government's impact is that you have got to look at the Congress to find out which Federal Government, because the Committee on Banking and Currency will have one approach to a grant-in-aid program which affects HUD and the committee on this and that will have another approach; then you have, over all the insanity, an entirely separate committee which originates the tax legislation which has an impact on all approaches.

Mr. Knowles happens to have written out the last question. I would have phrased it slightly differently. That is, the last question that I had in mind. This is a pure coincidence and it may be the result of the inevitability of where these discussions have taken us.

Is the operational key the drastic consolidation of Federal grants-in-aid so as to create effective national clout if national leadership is prepared to exercise that clout?

Now, isn't this really where we get: that, until you have one Federal Government, and I don't mean that it will be absolutely perfectly alined, addressing itself in one reasonable overall coordinated fashion to the problems to which we are addressing ourselves, that it is absolutely impossible for a city government or a regional government to deal with even the goodies that come from Washington?

Isn't that the plain, bald fact?

Mr. ALEXANDER. As long as you have 32 State plans emanating from HEW, for example, all with different people administering them and different requirements on them, you are going to have some of the chaos you are talking about, if that answers your question.

Chairman BOLLING. I thank you gentlemen, and I will be glad if you wish to add anything, but as far as I am concerned, that is a good note on which to close the hearing.

I am grateful to you all for your contributions.

The subcommittee stands adjourned.

(Whereupon, at 11:40 a.m., the subcommittee adjourned, to reconvene subject to the call of the Chair.)

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